Stock Code: 2404

UNITED INTEGRATED SERVICES CO., LTD.

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2023

Annual Report

Printed on March 31, 2024

The contents of this annual report and related information of the Company can be found on the following websites:

Market Observation Post System: http:// mops.twse.com.tw

Website of the Company: http://www.uisco.com.tw

I. Spokesperson of the Company

Name: Chun-Yuan Hsu
Title: Chief Business Officer
Tel: (02)2917-4060
E-mail: tonyhsu@uisco.com.tw

Deputy Spokesperson

Name: Limei Pan
Title: Accounting Supervisor
Tel: (02) 2917-4060
E-mail: phy@uisco.com.tw

II. Address and telephone number of the head office and the Construction Office

1.	Address of the head office	:	13th Floor, No. 13, Qiaohe Road, Zhonghe District, New Taipei City
	Tel	:	(02) 2917-4060
2.	Hsinchu Construction Office	:	No. 43, Alley 19, Lane 452, Baoshan Road, Hsinchu City
	Tel	:	(03) 578-2125
3.	Taichung Construction Office	:	No. 168, Anhe East Road, Fuheli 2 Neighborhood, Xitun District, Taichung City
	Tel	:	(04) 2359-9990
4.	Tainan Construction Office	:	No. 523 Xingnong Road, Shanhua District, Tainan City
	Tel	:	(06) 581-0129

III. Stock transfer agency

Name: Taishin Securities Co., Ltd. Shareholder Service Dept.
Address: B1, No. 96, Section 1, Jianguo North Road, Zhongshan District, Taipei City
URL: http://www.tssco.com.tw
Tel: (02) 2504-8125

IV. Certified Public Accountant in the most recent year

CPA names: Fu-jen Chen, Tsunglin Li
Firm name: KPMG Taiwan
Address: 68th Floor, No. 7, Section 5, Xinyi Road, Taipei City
URL: http://www.kpmg.com.tw
Tel: (02) 8101-6666

V. Name of offshore stock exchange and information inquiry method: None.

VI. Company website: http://www.uisco.com.tw

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To Shareholders

Dear Shareholders, Ladies, and Gentlemen:

With the efforts spent by all colleagues and support from shareholders, the Company's operating results in 2023 included the consolidated operating revenue amounting to NT$68,889,680 thousand and income before tax amounting to NT$6,479,424 thousand.

The 2024 operational outlook

(I) Business goals

In 2024, United Integrated Services will continue to benefit from the plant construction projects and capital expenditures of major owners, such as TSMC and Micron. As the trend of AI continues to explode in 2023, the proportion of advanced manufacturing process of TSMC increases. United Integrated Services will continue to deeply cultivate TSMC's 2nm fab project, and at the same time proactively enter the field of TSMC CoWoS advanced packaging plant construction, in order to expand our technical field and experience in plant construction projects.

In terms of the memory market, with the expected improvement of DRAM demand and the development of AI applications, the demand for AI server construction and high bandwidth memory (HBM) will continue to increase. Therefore, Micron's plans to build factories and investment are expected to recover. Among the other things, the Taichung TCP2 advanced packaging and testing plant was grandly opened at the installation ceremony at the end of last year, which shows that Micron values the investment in Taiwan. United Integrated Services will follow up the future plant construction and expansion projects proactively.

In conclusion, we are optimistic about the outlook for 2024. With the rapid development of AI technology and optimistic expectations for the memory market, it is believed that this will bring more opportunities to United Integrated Services. Based on the current market conditions, the Company's revenue is expected to remain at the level as same as last year.

(II) Business Policy and Development Strategy

Due to the changes in geopolitics, the Company will adopt the strategy focusing on "deep cultivation in Taiwan and global deployment.” The Company will work in response to customers' plans for advanced process wafer fab and advanced packaging and testing fab in Taiwan, and also customers' overseas layout, in order to provide diversified support and operation. In TSMC's Kumamoto Plant Phase 2 Project in Japan, United Integrated Services will continue the strategy of Phase 1, provide services and equipment supply, and proactively cooperate with local peers to exchange experience and explore more development opportunities and cooperation models.

Although TSMC encountered multiple challenges during its phase 1 plant construction project in the U.S., including COVID-19, inflation, cultural differences, and lack of familiarity with local regulations, United Integrated Services also learned valuable experience from them and changed the execution method accordingly. The Company has accumulated experience after overcoming the difficulties in the Phase 1 plant construction process, and has found the most effective management method. With respect to the contract of TSMC Phase II plant construction project in the U.S., the Company will continue to utilize the technology and experience advantages generated from Phase 1 plant construction project to ensure that the plant construction commissioned by the owner goes smoothly, and hope to increase profit margins and increase investors' confidence. Meanwhile, in response to other overseas plant projects of TSMC in the future, United Integrated Services will act flexibly to meet the owners’ needs.

In conclusion, United Integrated Services will adhere to the concept of improving core factory technical capabilities, strengthen project management and cost control, and improve project execution efficiency and profitability. The Company will strengthen our international service capabilities and understand the engineering environments of various countries, in order to ensure that it can effectively respond to the constantly changing market environment and achieve the its operational goals and policies.

(III) External competition, regulatory environment, and overall business environment impact

In the face of challenges from external competition, United Integrated Services will continue to focus on the dynamics of the high-tech industry market and competitors. With the changes in technology and market demand in emerging industries, the Company will adjust its management capability and scope of services in a timely manner to expand and ensure the Company's leading position.

Further, in response to customers’ overseas development, United Integrated Services will pay close attention to the changes in relevant policies, laws and regulations of the governments in various countries to ensure that business operations meet the relevant standards, while continuously improving environmental protection and social responsibility awareness to promote the Company's sustainable development and social progress.

In conclusion, in this rapidly changing environment, United Integrated Services will flexibly respond to, improve performance and optimize operational strategies, in order to face the challenges of external competition and regulatory differences, and achieve the Company's long-term development goals.

UNITED INTEGRATED SERVICES CO., LTD.

Chairperson: Belle Lee

I. Business report

(I) The 2023 business plan implementation results

1. Business overview
   The Company’s annual consolidated operating revenue reached NT$68,889,680 thousand, and the consolidated net income before tax reached NT$6,479,424 thousand through the active efforts of all colleagues.

2. Operational outlook
   Current goal
   ◎ Strengthen professional investment and improve engineering quality, safety management, and customer service to become a world-class company.
   ◎ Actively recruit and cultivate talents, expand production capacity, and speed up the deployment of management succession.
   ◎ Reduce costs and increase efficiency to increase competitiveness.
   ◎ Strengthen the deployment of water and air pollution prevention and energy conservation.
   ◎ Implementation of ESG programs.

(II) Financial income and expense and profitability analysis

The 2023 financial income and expense and profitability analysis

1. Financial structure analysis
   Liability to asset ratio = 73.25%
   Long-tern fund to fixed assets ratio = 978.37%
2. Solvency analysis
   Current ratio (%) = 128.24%
   Quick ratio (%) =84.90%
3. Profitability analysis
   Return on assets = 12.50%
   Ratio of return on shareholders’ equity = 42.08%
   Net profit margin = 7.04%
   Earnings per share = 24.82

(III) Research and development overview

1. Wireless home security system development

The mass production of this wireless product has been completed with orders received from customers in the home security industry. This product complies with international standards (WIFI and ZIGBEE) and passes international certification; also, it is safe and reliable with a number of design patents received. The Company will continue to research and develop innovative products.

◎Radar detects an elderly in case of a fall

Teaming up with National Taiwan University focusing mmWave 60GHz on being easily installed toward fall detection and humanoid positioning.

◎ Development of an AI-powered real-time image recognition system

Work with National Taiwan Normal University on AI modules, which perform pedestrian recognition and give proximity alert and digital fence warning on the edge gateway.

2. Shock-resistant cleanroom ceiling system

The development of this ceiling system is mainly cleanrooms in the high-tech industry. When a strong earthquake occurs, the ceiling system is not damaged. The design of this product has met the US AC156 standards with strong earthquake resistance >0.9g and passed the test of the National Earthquake Center and the relevant certifications of primary customers.

II. 2024 Business Plan Summary

(I) Management policy

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(III) Important Production and Marketing Policies

Here at the Company, we, as always, have been focusing on the high-tech plant business for more than two decades. Amidst the cutthroat competition within the counterpart firms in the same industry, we have come out as relatively more outstanding. Further coupled with the rapid boom in the high-tech industry in recent years, our Company has been growing at a satisfactory pace. Although there are positive and negative aspects of business overconcentration, worsening inflation as well as shortages in work and materials make it still important to focus on the development of the industry and maintenance of relationship with subcontractors.

Two. Company profile

I. Date of establishment: September 13, 1982

II. Company history:

The Company was incorporated on September 13, 1982. The Company was founded as United Technology Engineering Co., Ltd., with a capital stock of NT$5.1 million. It is engaged in the construction and installation of power transmission and distribution, electrical machinery, electrical appliances, computers, and communication equipment.

Based on the business philosophy of pursuing perfection and refinement, in just a few years, the Company has become the finest computer engineering professional group in Taiwan with eminent achievement in performance and professional technology achieved. In addition, the business scope has gradually expanded to large hydropower air-conditioning and plant construction engineering with a good reputation of trustworthy, service, and professional quality established through these large-scale projects. The business continues to grow. The Company was named “United Information Co. Ltd.” in March 1990. In addition, the merger process with Xinlian System Co., Ltd. was completed in November 1990, becoming the one and only modern technology system integration company in Taiwan for integrated large-scale electrical/mechanical engineering, cleanroom, computer, communication, and control systems. The pragmatic management team, perfect organization planning, and abundant professional talents make the Company’s business continue to grow. The Company has become the first professional organization in the country for the integration of domestic semiconductor factories and the integration of computer communication and control systems.

The Company has based development on the technology and professionalism. It advertises the spirit of first-class technology and service. It has laid a good business foundation over more than a decade and has more than 800 employees on the payroll who are mostly professional technical personnel in related fields. The Company was renamed as “UNITED INTEGRATED SERVICES CO., LTD.” in May 2002 and merged Taichun Technology Company in July 2003 with a capital stock of NT$1,905,866,980 currently. The Company’s consolidated turnover reached NT$68,889,680 thousand with a stable profitability maintained. The Company is now steadily moving towards more ambitious operational goals.

1. The chronicles of the Company:

- September 1982: Former United Technology Engineering Co., Ltd. was established with a capital stock of NT$5.1 million. The Company, in the early days of its establishment, was mainly engaged in the computer engineering business.
- April 1984: The office at Sec. 4, Nanjing East Road, Taipei City was acquired.
- August 1985: A capital increase for an amount of NT$10 million and the capital amounted to NT$15.1 million in order to enrich operating funds.
- August 1987: A capital increase for an amount of NT$40 million and the capital amounted to NT$55.1 million in order to support the expansion of business operation.
- July 1988: A capital increase for an amount of NT$30 million and the capital amounted to NT$85.1 million in order to increase the business of refrigeration, air-conditioning engineering, and transportation system engineering, buildings, factories, and environmental monitoring systems engineering.
- November 1988: Kaohsiung office was acquired to expand business and services in Southern Taiwan.
- September 1989: Signed a contract with Winbond Electronics Corp. for the utilities and air conditioning project of VLSI Plant I, which was the first large contract of the Company engaging in the semiconductor plant construction project; and subsequently signed contracts with semiconductor plants in the Science Park, such as, Macronix International Co., Ltd., Acer Semiconductor Mfg. Inc., and Taiwan Semiconductor Manufacturing Company (TSMC) , which helped lay a good foundation for the Company’s integration with the semiconductor industry later.
- December 1989: The Office at the 1F, Baoqiao Road, Xindian was acquired.
- March 1990: The Company was renamed as “United Information Co. Ltd.”
- July 1990: The office at Fuxing North Road, Taipei City was acquired as the business place of the sales department.
- November 1990: The Office at the 5F, Baoqiao Road, Xindian was acquired.
- November 1990: Merged Xinlian System Co., Ltd. and the Company’s capital was increased to NT$140.6 million, and the business scope was extended to large-scale electrical/mechanical engineering and system integration projects. In terms of system integration services, the Company gained further developmental strength with the expertise and strength of the two companies.
- July 1991: Signed a contract with Winbond Electronics Corp. for the hydropower air conditioning

control and auxiliary equipment of the semiconductor Plant II new construction project, which was the largest semiconductor factory project undertaken by the Company over the years.

- August 1991: Signed a contract with the Department of Urban Development, Taiwan Provincial Government for the instrument control system construction project Stage 1 of Bali Wastewater Treatment Plant, which was the largest instrument control system project undertaken by domestic manufacturers; also, enhanced the Company's design and construction capabilities in large-scale instrument control systems.
- August 1991: Signed a contract with the Railway Construction Office, MOTC for the telecom engineering of Taipei Metropolitan Railway Underground Soong-Yen Project, which was the first tunnel communication project undertaken by domestic manufacturer.
- November 1991: A capital increase for an amount of NT$30.4 million and the total capital of the Company amounted to NT$171 million.
- August 1993: Signed a contract with the Freeway Bureau, MOTC for the traffic control system of the Xizhi-Wugu freeway expansion, which was the first large-scale traffic control system project independently built by domestic manufacturer.
- April 1994: Signed a contract with TSMC for the electrical/mechanical engineering system integration project of Plant III, which was the largest semiconductor plant construction project undertaken by the Company over the years.
- September 1994: Purchased the products and equipment of Chaoming Technology Co., Ltd., expanded the scale of product business, and increased the domestic and international sales of uninterruptible power system.
- March 1995: Acquired the real property at 1F, No. 1, Lane 7, Baoqiao Road, Xindian for the construction of the plant at Baoqiao Road, Xindian in order to expand the UPS production capacity to reach NT$600 million per year.
- March 1995: Signed a contract with Taiwan Tobacco and Liquor Corporation for the instrument control system project of Chiayi Winery Stage 2, which again helped demonstrate the Company's capabilities in large-scale instrument control systems.
- May 1995: The capitalization of cash and earnings was approved by the Securities and Exchange Commission; also, the Company was approved as a public offering company.
- May 1995: Signed a contract with China Commercial Bank for its utility and computer connection system inside the information building at Fuzhou Street, which was the largest utility engineering project in banking industry undertaken by the Company.
- August 1995: The capitalization of cash and earnings was completed for an amount of NT$251.3 million and the Company's capital amounted to NT$422.3 million.
- November 1995: Signed a contract with Acer Construction Co., Ltd. for the utility and firefighting project of Powerchip Semiconductor Factory, which was a project of foreign company undertaken by the Company again.
- January 1996: Signed a contract with TSMC for the utilities and air conditioning project of Plant IV after the successful completion of the engineering project of Plant III, which showed the confidence of customers in the Company.
- January 1996: Signed a contract with TAKASAGO THERMAL ENGINEERING CO., LTD. again for the CUB project of Winbond Electronics Co., Ltd. It indicated that the service and capabilities of the Company had been well recognized by foreign companies.
- January 1996: Signed a contract with Macronix International Co., Ltd. again for the central air conditioning project of its Plant II to continue the pleasant cooperation experience.
- February 1996: Signed a contract with Showa Denko HD Trace Corp. for the cleanroom construction project, which was a new era for the domestic manufacturer to complete the construction of cleanroom independently.
- April 1996: Signed a contract with Showa Denko HD Trace Corp. again for the construction of cleanroom Stage 2.
- June 1996: At the same time, signed a contract with Showa Denko HD Trace Corp. for the construction of the utilities and air conditioning in the cleanroom and entire system integration project.
- August 1996: Signed a contract with TECO Co., LTD. for the plant construction of SHIN-ETSU HANDOTAI TAIWAN CO., LTD.
- August 1996: Signed a contract with Winbond Electronics Corp. again for the utilities and air conditioning project of Plant IV.
- September 1996: The capitalization of earnings was completed and the capital amounted to NT$506.76 million.
- March 1997: Due to the booming development of telecommunications industry in Taiwan, the Company had also engaged in the station construction of Taiwan Mobile, and had

received a telecom station construction project for an amount of around NT$400 million.

- April 1997: Signed a contract with Macronix International Co., Ltd. again for the MEP project in the basement of the headquarters building.
- May 1997: Signed a contract with Commonwealth again for the AMPI cleanroom construction project.
- May 1997: Completed the capitalization of earnings and the capital amounted to NT$608,111,100.
- August 1997: Signed a contract with Taikisha Ltd. for the BP-8.BP-9 electrical/mechanical engineering project.
- September 1997: Signed a contract with WSMC for the installation of the 8' wafer CUB, MEP1, and MEP2 electrical/mechanical engineering, and cooperated with Huaxin Engineering Co., Ltd. to complete the contract.
- September 1997: Signed a contract with Analog Technology Inc. for the construction of a new plant.
- January 1998: Signed a contract with Macronix International Co., Ltd. for the construction of the new head office building.
- February 1998: The Company's stock was officially traded at Taipei Exchange.
- March 1998: Signed a contract with T&T Consulting Services, Inc. for the construction of the utilities and air conditioning project Stage 2.
- May 1998: Signed a contract with TSMC for the construction of Plant 6 in Tainan Science Park.
- May 1998: Completed the capitalization of earnings and employee bonus and the capital amounted to NT$769,297,420.
- June 1998: The Product Division officially became a subsidiary of the Company, Ablerex Electronics Co., Ltd.
- August 1998: Completed the capitalization of cash and the capital amounted to NT$899,297,420.
- October 1998: Signed a contract with Chi Mei Optoelectronics Corporation for the construction of a cleanroom.
- December 1998: Signed a contract with Chantek Electronic Co., Ltd. for the construction of Plant III.
- February 1999: Signed a contract with HannStar Display Corporation (HannStar) for the construction of the FAB factory cleanroom and the plant-wide electrical/mechanical engineering computer monitoring system integration project.
- December 1999: Signed a contract with Continental Engineering Corporation for the construction of Taipei Metro Rapid Transit System Engineering CD 550 project (utilities and Environmental Control Engineering).
- December 1999: Signed a contract with HannStar Display Corporation for the construction of FAB Plant II.
- February 2000: Signed a contract with T&T Consulting Services, Inc. for the construction of the MEP project of Longtan Plant II.
- February 2000: Signed a contract with Continental Engineering Corporation for the construction of Taipei Metro Rapid Transit System Project CD 550 (except for the utilities and environmental control projects).
- March 2000: Signed a contract with Quanta Display Inc. for the construction of the cleanroom at its Linkou Plant.
- March 2000: Traded at Taiwan Stock Exchange
- August 2000: Signed a contract with Global Communication Technology Corp. for the construction of a cleanroom.
- September 2000: Signed a contract with SEEDNet for the construction of its Neihu computer center.
- September 2000: Signed a contract with TSMC for the construction of TSMC FAB12 MEP project.
- October 2000: Signed a contract with TSMC for the construction of TSMC FAB14 MEP project.
- November 2000: Signed a contract with TSMC for the construction of TSMC Plant 14 cleanroom.
- February 2001: Signed a contract with HannStar Display Corporation for the construction of FAB II design change project.
- February 2001: Signed a contract with IQE PLC Inc. for the construction of the electrical/mechanical engineering project.
- May 2001: Signed a contract with Macronix International Co., Ltd. for the construction of the MXIC FAB3 MEP PROJECT.
- August 2001: Signed a contract with Episil Technologies Inc. for the construction of the electrical/mechanical engineering and cleanroom.
- October 2001: Signed a contract with Grace Semiconductor Co., Ltd. for the construction of the new plant in Shanghai.
- December 2001: Signed a contract with TSMC for the construction of the F12 MEP FOR OFFICE 1-6F project.

- December 2001: Signed a contract with Continental Engineering Corporation for the construction of the Taipei Metro Rapid Transit System CD315 communication system project.
- March 2002: Signed a contract with Quanta Display Inc. for the construction of Plant II.
- April 2002: Signed a contract with TSMC for the construction of TSMC 14 ME project.
- July 2002: Signed a contract with AU Optronics Corp. (AUO) for the construction of its LCA plant.
- July 2002: Signed a contract with AUO for the construction of the CATPRJECT project.
- August 2002: Signed a contract with TSMC for the construction of TSMC FAB12 MEP expansion project.
- August 2002: Signed a contract with TSMC for the construction of TSMC12 H/Q MEP&OFFICE MEP7-9F project.
- September 2002: Signed a contract with Chi Mei Optoelectronics Corporation for the construction of the FAB3 CF C/R project.
- October 2002: Signed a contract with AUO (Suzhou) for the construction of the FAB I CELL Plant.
- November 2002: Signed a contract with HannStar Display Corporation for the construction of HannStar FAB IIIStage 1 cleanroom project.
- November 2002: Signed a contract with Quanta Display Inc. for the construction of the LINE IIIUTILITY PACKAGE.
- November 2002: Signed a contract with HannStar Display Corporation for the construction of HannStar FAB IIIMEP project.
- March 2003: Signed a contract with HannStar Display Corporation for the construction of HannStar FAB III 30K HOOK UP project.
- March 2003: Signed a contract with Coretronic Corporation for the construction of its Zhunan Plant Stage 2.
- April 2003: Signed a contract with HannStar Display Corporation for the construction of its FAB3 color Filter cleanroom project.
- June 2003: Signed a contract with TSMC for the construction of TSM12 SUPPORT 1F C/R project.
- August 2003: Signed a contract with HannStar Display Corporation for the construction of its FAB3 color Filter project.
- August 2003: Signed a contract with HannStar Display Corporation for the construction of its FAB3 color Filter project.
- November 2003: Signed a contract with HannStar Display Corporation for the construction of its C/R CELL A LINE project of Plant III.
- November 2003: Signed a contract with HannStar Display Corporation for the construction of its FABIII project of Nanjing Plant III.
- December 2003: Signed a contract with HannStar Display Corporation for the construction of PHASE II HOOK UP project of HanStar Plant III.
- December 2003: Signed a contract with TSMC for the construction of TSM14 HOOK UP3K Turn-key Package.
- January 2004: Signed a contract with Quanta Display Inc. for the construction of Dawei QDS LCM Fab F3 project.
- January 2004: Signed a contract with Chi Mei Optoelectronics Corporation for the construction of its FAB4 plant LCD/CR project.
- January 2004: Signed a contract with AUO for the construction of its Tango M10 C/R project.
- February 2004: Signed a contract with HannStar Display Corporation for the construction of its FAB3 PHASE project of Plant IIIIII.
- March 2004: Signed a contract with Quanta Display Inc. for the construction of its QDI's TFT-LCD Fab Line3 Project.
- July 2004: Signed a contract with HannStar Display Corporation for the construction of its FAB IV TFT-LCD project.
- July 2004: Signed a contract with ProMOS Technologies Inc. (ProMOS) for the construction of its FAB III MEP project.
- September 2004: Signed a contract with AUO for the construction of its Lephant project of Taichung Plant Stage 1.
- September 2004: Signed a contract with Quanta Display Inc. for the construction of its QDI LINEII 75K expansion project.
- December 2004: Signed a contract with Winbond Electronics Co., Ltd. for the construction of the cleanroom of the plant in Central Taiwan Science Park.
- January 2005: Signed a contract with Formosa Petrochemical Corporation for the construction of North-South Instrument and Power Turnkey Project of No. 6 Naphtha Cracker.

- March 2005: Signed a contract with ChipMOS Technologies (Shanghai) Inc. for the construction of its electrical and mechanical renovation project.
- October 2005: Signed a contract with Chi Mei Optoelectronics Corporation for the construction of the CLEAN ROOM PACKAGE of Plant V.
- November 2005: Signed a contract with ChipMOS for the construction of its 1.2.4F electrical and mechanical engineering, air conditioning, and renovation project of Chubei Plant.
- December 2005: Signed a contract with ChipMOS for the construction of its T-B building in Southern Taiwan Science Park.
- January 2006: Signed a contract with AUO for the construction of its Taichung B11 cleanroom project.
- February 2006: Signed a contract with Chi Mei Optoelectronics Corporation for the construction of its CMO CLEANROOM PROJECT (Stage 1 + Stage 2).
- April 2006: Signed a contract with Powerchip Semiconductor Inc. for the construction of its FAB 12M C/R reconstruction project.
- May 2006: Signed a contract with TSMC for the construction of its FAB14 41K HOOK UP ENGINEERING project.
- May 2006: Signed a contract with TSMC for the construction of its TAMC12 PHASE 3B PROJECT.
- June 2006: Signed a contract with ChipMOS for the construction of electrical and mechanical project of its T-B building.
- August 2006: Signed a contract with ProMOS Technologies Inc. for the construction of its FAB14 MEP M10 electrical and mechanical engineering project.
- October 2006: Signed a contract with Chi Mei Optoelectronics Corporation for the construction of its CMO FAB6 cleanroom project.
- October 2006: Signed a contract with Powerchip Semiconductor Inc. for the construction of its PSC 12C cleanroom project.
- October 2006: Signed a contract with TSMC for the construction of its FAB14 P3 MEP+FP PACKAGE.
- January 2007: Signed a contract with ChipMOS for the construction of its cleanroom electrical and mechanical project.
- February 2007: Signed a contract with ChipMOS for the construction of its cleanroom expansion project at 4F of Chubei Plant.
- April 2007: Signed a contract with TSMC for the construction of its F14 P2 61.3K HOOK UP project.
- July 2007: Signed a contract with Tripod Technology Corporation (Wuxi) for the construction of the cleanroom air conditioning and processing project of its PCB Plant V.
- July 2007: Signed a contract with Rexchip Electronics Corp. for the construction of its PHASE II main power line project of R1 Plant.
- August 2007: Signed a contract with Winbond Electronics Co., Ltd. for the construction of its FAB6 B cleanroom project.
- August 2007: Signed a contract with Rexchip Electronics Corp. for the construction of its FAB R1 PHASE II cleanroom project.
- August 2007: Signed a contract with TSMC (Shanghai) for the construction of its F10 P2 MEP PACKAGE.
- September 2007: Signed a contract with Century Technology (Shenzhen) Co., Ltd. for the construction of its cleanroom system of Shenzhen Plant 1.
- December 2007: Signed a contract with InfoVision Optoelectronics Co., Ltd. for the construction of its 110K main system project expansion.
- January 2008: Signed a contract with TSMC for the construction of its F14 P2 HOOK UP project.
- January 2008: Signed a contract with Yi-Chong Technology (Suzhou) for the construction of its utilities and air conditioning and factory system piping project.
- February 2008: Signed a contract with Century Technology (Shenzhen) Co., Ltd. for the construction of its purification system - H1 project of module plant 1.
- March 2008: Signed a contract with Century Technology (Shenzhen) Co., Ltd. for the construction of a general power project.
- March 2008: Signed a contract with AUO for the construction of its Taichung Plant M12 cleanroom project.
- March 2008: Signed a contract with Innolux Corporation for the construction of its T2 C/F cleanroom project.
- March 2008: Signed a contract with AUO for the construction of electrical and mechanical project of its Hsinchu DAWN plant.
- April 2008: Signed a contract with TSMC for the construction of its F12 P4 – MEP, FP, C/R, and

VE projects.

- May 2008: Signed a contract with Century Technology (Shenzhen) Co., Ltd. for the construction of its craft production equipment pipeline project in K1 area.
- May 2008: Signed a contract with TSMC for the construction of its F12 P4 -PX PACKAGE.
- July 2008: Signed a contract with Jiangsu Best Company for the construction of thin film solar cell production project.
- July 2008: Signed a contract with Tatung Company for the construction of the L2 UP 120K project C/R modification engineering of Chunghwa Picture Tubes, Ltd.
- August 2008: Signed a contract with Rexchip Electronics Corp. for the construction of FAB R2 PCW, C/R, CHILLER PLANT and R2 power mainline projects.
- October 2008: The “Non-contact IR dry-eye diagnostic system” won the “Industry Innovation Achievement Award” from the Ministry of Economic Affairs in 2008.
- June 2009: Signed a contract with TAIWAN POLYSILICON CORPORATION for the construction of its PSS PROJECT C/R engineering.
- June 2009: Signed a contract with Inotera Semiconductor Inc. for the construction of its stacking process HOOK UP project.
- August 2009: Signed a contract with AUO for the construction of its power MEP project of AUO Chin-Shen Plant.
- September 2009: Signed a contract with AUO for the construction of AUO L8B MEP project.
- September 2009: Signed a contract with TSMC for the construction of F12 P4 MEP C/R ELE PACKAGE STAGE 2 project.
- December 2009: Signed a contract with TSMC for the construction of F14 AY CODE N65 82 machines installation project.
- December 2009: Signed a contract with AUO for the construction of AUO L8B M&E project of the new plant.
- January 2010 Signed a contract with TSMC for the construction of TSMC FAB 12 P5 project.
- January 2010 Signed a contract with TSMC for the construction of TSMC F14 P3 2010 N4&N65 HOOK UP project.
- April 2010 Signed a contract with TSMC for the construction of TSMC F14 P4 LEAROOM & CAS PACKAGE.
- April 2010 Signed a contract with TSMC for the construction of TSMC F14 MEP&FIRE PROTECTION&PX PACKAGE.
- April 2010 Signed a contract with TSMC for the construction of TSMC F14 P4 PX PACKAGE.
- May 2010 Signed a contract with TSMC for the construction of TSMC F14 N65 BK CODE 103 machines installation project.
- June 2010 Signed a contract with ChipMOS for the construction of its TB building 3F C/R expansion and TA building 2F C/R expansion.
- August 2010 Signed a contract with TSMC for the construction of TSMC 12 P5 EBO project.
- August 2010 Signed a contract with TSMC for the construction of TSMC 12 P2 HPM B1F CR project.
- August 2010 Signed a contract with ChipMOS for the construction of its 5F expansion of Chubei Plant.
- October 2010 Signed a contract with TSMC for the construction of TSMC F15 P1 MEP&PX PACKAGE project.
- October 2010 Signed a contract with TSMC for the construction of TSMC F14 P4 HOOK UP 180 Project.
- November 2010 Signed a contract with TSMC for the construction of TSMC SOLAR PROJECT PHASE 1 MEP PACKAGE.
- December 2010 Signed a contract with TSMC for the construction of TSMC F15P1 C/R WBS project.
- January 2011 AUO Singapore L4B CLEANROOM EXPANSION
- January 2011 Signed a contract with Qualcomm Taiwan Corporation for the construction of its new plant.
- February 2011 Signed a contract with TSMC for the construction of TSMC F14 P3 OFFICE 3F WAT C/R project.
- February 2011 AUO GRC MEP project
- March 2011 AUO Crystal Corp. Taichung Port Processing Export Zone Phase I Plant Electrical and Mechanical Engineering project
- April 2011 AUO Crystal Corp. Chung-Kong C/R construction project
- August 2011 TSMC F15 P2 MEP
- August 2011 TSMC F15 P2 CLEANROOM SYSTEM
- September 2011 The cancellation of the treasury stock for a capital decrease of NT$35,890,000 and the

total pain-in capital of the Company amounted to NT$2,474,833,730.

- November 2011 TSMC F15 P6 C/R PACKAGE STAGE-1
- December 2011 The cancellation of the treasury stock for a capital decrease of NT$92,500,000 and the total pain-in capital of the Company amounted to NT$2,382,333,730.
- March 2012 TSMC F12 P6 C/R STAGE-2
- March 2012 TSMC F15 P2 LAYOUT project
- April 2012 TSMC F15 P3 MEP project
- May 2012 TSMC F15 P3 CLEANROOM project
- May 2012 TSMC F6 BUMPPING project
- May 2012 TSMC F12 P6 CCD EXPANSION-EDC2 F12 P4 SITE project
- June 2012 TSMC F12 P6 CCD EXPANSION-F8 DC1 project
- August 2012 TSMC F14 OFFICE TESTING CLEANROOM AND UTILITY PACKAGE
- September 2012 TSMC F15 P4 MEP Engineering Stage 1
- October 2012 TSMC F14 P5 MEP PACKAGE
- October 2012 TSMC F15 P4 CLEANROOM project
- October 2012 TSMC FAB14 P5 FAB ARER CLEAN ROOM project
- January 2013 TSMC F14 POWER HOOK UP project
- January 2013 TSMC F4 HOOK UP EXHAUST, CAP, FILTER project
- March 2013 TSMC F14 P6 PX PACKAGE
- April 2013 TSMC F14 P6 MEP PACKAGE
- April 2013 TSMC F14 P6 CLEAN ROOM PACKAGE
- November 2013 TSMC F14 P6 POWER HOOK UP addition engineering project
- August 2013 Universal Scientific Industrial (Shanghai) Co., Ltd. Production Plant 1&2F Cleanroom & Interior Decoration project
- October 2013 China Electronics Panda Crystal Technology Corporation (Nanjing) new cleanroom system improvement engineering (+10K) project
- September 2013 Universal Scientific Industrial (Shanghai) Co., Ltd. Production Plant 3F Cleanroom project
- January 2014 Taiwan Micron R2 25NM 75K CLEANROOM Project (STANGE 1+2)
- January 2014 TSMC F14 OFFIC TESTING C/R AND UTILITY PACKAGE
- February 2014 TSMC Xintec new plant electrical and mechanical and cleanroom installation engineering project
- April 2014 TSMC F14 P7 C/R
- June 2014 AUO (Singapore) L4B POWER MTM project
- September 2014 ChipMOS TB building 4F cleanroom construction
- October 2014 TSMC F12 P7 MEP PACKAGE
- November 2014 AUO L8B B21 P1 P2 P3 cleanroom expansion project
- November 2014 TSMC F12 P7 CLEAN ROOM PACKAGE
- February 2015 ASE Kaohsiung Plant K22 Plane Plant Construction project
- February 2015 Taiwan Micron FAB A2 Base Build Project
- January 2016 Winbond Electronics Corporation MEP+CR
- February 2016 TSMC F15 P6 MEP PACKAGE STAGE 1 (EQUIPMENT/LABOR/MATERIAL)
- March 2016 TSMC F15 P5 MEP PACKAGE (STAGE 1) (UPS)
- March 2016 TSMC F15 P6 CR SCAD -TEM- -additional engineering by foremen
- October 2016 Taiwan Micron A2 110S TOTAL GAS SYSTEM(MOR)
- November 2016 TSMC (Nanjing) CHINA CLEANROOM PACKAGE-EQ (STAGE 1)
- March 2017 TSMC F-12 P4 EUV MEP+CR project
- October 2017 SSMC Expansion project
- November 2017 Taiwan Micron -TCP new plant construction
- February 2018 SSMC plant new construction project-equipment procurement
- February 2018 Taiwan Micron F11 CUB-1B construction
- April 2018 TSMC F15P7 C/R PROJECT A
- April 2018 TSMC F18 P1 MEP-A PACKAGE
- April 2018 TSMC F18 P1 MEP-B PACKAGE
- April 2018 TSMC F18 P1 FIRE PACKAGE
- May 2018 TSMC F18 P1 C/R

- June 2018 Yangtze Memory Technology Corp (YMTC) National Memory Base Project (Phase 1) Equipment Pipeline Import equipment
- July 2018 Taiwan Micron Build up for MTB warehouse
- July 2018 Taiwan Micron A2 E100 expansion project
- July 2018 ASE Test, Inc. - ASE Technology Holding Co., Ltd., k22 6F TEST Plant Construction Project
- July 2018 TSMC-F18P1 EBO construction
- August 2018 IQE PLC Inc. 3F factory building new TURN-KEY project
- December 2018 Initiated a de-capitalization for an amount of NT$476,466,750 to bring the total capital stock to NT$1,905,866,980.
- December 2018 AUO Optoelectronics Huaya Plant (AUO FAB L3D/L5D) L3D IJP Project
- December 2018 TSMC F18 P2 MEP-A PACKAGE
- December 2018 TSMC F18 P2 MEP-B PACKAGE
- December 2018 TSMC F18 P2 FIRE PACKAGE
- December 2018 TSMC F18 P2 PCW PACKAGE
- December 2018 TSMC F18 P2 C/R PACKAGE
- February 2019 Advanced Wireless Semiconductor Company Phase II Plant Expansion Project (Buildings A, B, C, D, E, F) -Mechanical and Electrical Contracting Project
- July 2019 TSMC F15P7 C/R Project B
- July 2019 TSMC F15 P7 MEP PACKAGE B
- October 2019 TSMC F18 P3 MEP A PACKAGE
- October 2019 TSMC F18 P3 MEP B PACKAGE
- October 2019 TSMC F18 P3 FIRE PACKAGE
- November 2019 TSMC F18 P3 C/R
- January 2020 Yangtze Memory Technology Corporation (YMTC) (Phase I) Second-stage Project focusing on the Process Equipment Pipeline Purchase and Installation in Tender B Phase, for -Imported Equipment
- January 2020 TSMC F18 P3 EBO CR PACKAGE
- April 2020 Advanced Wireless Semiconductor Company Phase II Expansion Project to add various new clean room (dust-free room) systems
- April 2020 Taiwan Micron’s f16 tool install service po-Gas/NG/BA
- June 2020 TSMC F18 P4 MEP PACKAGE
- June 2020 TSMC F18 P4 CLEAN ROOM PACKAGE
- October 2020 TSMC F18 P4 CLEAN ROOM PACKAGE
- November 2020 TSMC RDR1 C/R
- November 2020 TSMC F18 P5 CLEANROOM PACKAGE
- January 2021 Procurement of office at 13F, Taiwan Technology Plaza, No. 13, Qiaohe Road, Zhonghe District, New Taipei City
- January 2021 Advanced Wireless Semiconductor Company Phase II Expansion Project -- 2F Clean Room Extension Project
- February 2021 TSMC F18 P6 MEP PACKAGE
- March 2021 TSMC F18 P6 C/R
- April 2021 Purchased office at No. 168, Anhe East Road, Xitun District, Taichung City
- April 2021 TSMC 12B-BRIDGE_SP1_F12 P7 CR RETROFIT
- July 2021 TMSC F21 AAS Project
- July 2021 TSMC F21 CLEANROOM
- July 2021 TSMC F21 MEP
- November 2021 TSMC TCZWM MEP PACKAGE
- November 2021 TSMC F18 P7 MEP A
- November 2021 TSMC F18 P7 CLEAR ROOM A
- December 2021 TSMC F14 P8 MEP STAGE-1
- January 2022 Micron Technology Taiwan-TCP2 MAIN CONTRACT
- February 2022 TSMC F18 P8 UNDERGROUND PIPING PACKAGE
- March 2022 TSMC F18 P8 CR project
- March 2022 TSMC F18 P8 MEP project

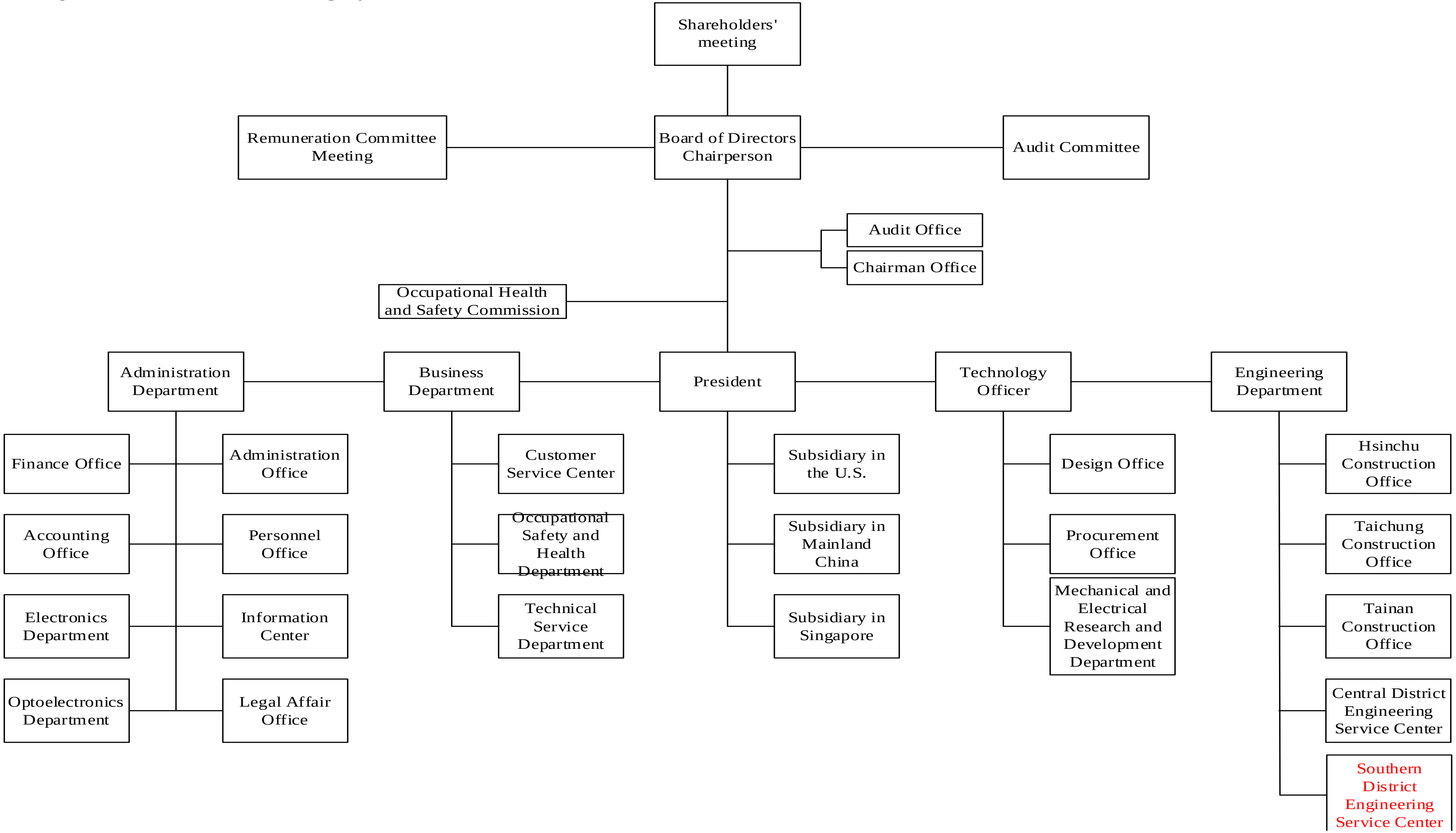
- June 2022 Micron Technology-A3 Phase 2 (Module 2)
- September 2022 JASM-TSMC F23 P1 MEP PACKAGE_POWER PANCEL_Equipment /CLEANROOM PACKAGE-United Integrated Services
- January 2023 TSMC F12 P8 Building O, Zone B+G MEP project
- March 2023 HannStar Display - L23 DRY & STRIPPER RELAYOUT project. CELL PCW expansion project. Electricity demand in LCD Plant FAB L23 ADER020.040 and APRI130
- May 2023 TSMC F20P1 UNDERGROUND PIPING PACKAGE
- May 2023 Z-Com - Development of solar power plant - trading of contractual rights and obligations of power plant
- June 2023 TSMC F20P1 MEP PACKAGE
- July 2023 TSMC-F20P1 CLEAN ROOM PACKAGE
- July 2023 UISUSA-F21P1 AAS Transportation additional fee
- January 2024 TSMC F22P1 MEP PACKAGE
- January 2024 TSMC F22P1 CLEANROOM PACKAGE

Three. Corporate governance report

I. Company organization

(I) Organization system

1. Organizational structure of the Company



2. The main job responsibility of each department is summarized as follows:

Department	Main job responsibility
Audit Office	Assist the Company's personnel to fulfill their job responsibilities and determine the correctness of their work in order to improve organizational performance.
Legal Affair Office	Assist in the legal affairs related to the business of each department (proposing legal opinions, contract drafting and review, litigation and non-litigation events, etc.), drafting and amending the Company's Articles of Associations, and implementing other legal matters.
Administration Office	Take care of general affairs, public relations, and other matters
Personnel Office	Responsible for the recruitment, performance evaluation, promotion, benefits, training, and other matters.
Finance Office	Responsible for financial scheduling, cashier, cash budgeting, and other matters.
Accounting Office	Responsible for the Company's accounting operations, tax return filing, cost calculation and stock affairs, and other matters.
Procurement Office	Responsible for the execution of the Company's various requisitions, orders processing, and documentation management.
Information Center	Responsible for the computer-related systems, and software and hardware inside and outside the Company, structure planning, development, construction, management, and maintenance.
Customer Service Center	Responsible for business solicitation and customer service.
Engineering Department	Responsible for the implementation of the system (including special systems) integration engineering projects.
Technical Service Department	Responsible for the execution of maintenance contracts and warranty services.
Design Office	Responsible for the design, integration, and technical support services of all systems (except special systems) of the Company.
Mechanical and Electrical Research and Development Department	Responsible for cleanroom related air conditioning, energy, airflow simulation, and chemical molecular pollution research and development.
Optoelectronics Department	Responsible for the research and development, production, sales and maintenance of infrared and related optoelectronic products, and after-sale service.
Electronics Department	Responsible for the research and development, production, sales, and maintenance of wireless monitoring products, and warranty and after-sale service.
Occupational Safety and Health Department	Formulate, plan, supervise, and promote safety and health management matters, and guide the relevant personnel in implementation. Formulate the Company's occupational safety and health management plan, supervise each project to follow the Company's occupational safety and health management plan, and audit and guide the implementation of various projects in compliance with the safety and health code.

II. Director and key manager information

1. Director Information (I)

April 2, 2024

Job title	Nationality or Registration Place	Name	Gender Age	Election date	Tenure	Initial Election Date	Shareholding at the time of election		Current shareholding		Current shareholding of spouse Female minor children		Shares held in the name of others.		Experience (education)	Job position held with the Company and other companies concurrently	Other managers, directors, or supervisors who are a spouse or second cousins			Remarks (Note)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Job title	Name	Relationship	
Chairperson	Taiwan	Belle Lee	Female 60-65 years old	2021.08.17	3 years	2021.08.17	8,825,867	4.63%	11,023,896	5.78%	-	-	-	-	Department of Economics, Chinese Culture University	Note 2	None	None	None	None
Director	-	Liang Yi Investment Co., Ltd.	-	2021.08.17	3 years	2020.08.06	7,173,571	3.76%	7,173,571	3.76%	-	-	-	-	-	-	-	-	-	-
Incorporated representative of the Director	Taiwan	Chih-Ming Lai	Male 60-65 years old	2021.08.17	3 years	2021.08.17	-	-	-	-	-	-	-	-	Department of Electrical Engineering, National Cheng Kung University	Note 3	None	None	None	None
Director	Taiwan	Joseph Lee	Male 66-69 years old	2021.08.17	3 years	1990.03.02	-	-	-	-	-	-	-	-	Electrical Engineering Department of Taipei Institute of Technology	Note 4	None	None	None	None
Director	Taiwan	Wei-Xin Ma	Female 50-55 years old	2021.08.17	3 years	2021.08.17	-	-	-	-	-	-	-	-	Note 1	Note 5	None	None	None	None
Director	Taiwan	Yu-An Chen	Male 66-69 years old	2021.08.17	3 years	1998.02.16	61,000	0.03%	39,000	0.02%	-	-	-	-	M.S., Institute of Transportation Engineering, National Chiao Tung University	Note 6	None	None	None	None
Independent Director	Taiwan	Kun-Hsien Lin	Male 60-65 years old	2021.08.17	3 years	2021.08.17	-	-	-	-	-	-	-	-	Department of Law, National Taiwan University	Note 7	None	None	None	None
Independent Director	Taiwan	Tsan-Kai Chen	Male 66-69 years old	2023.05.30	1 year	2023.05.30	-	-	-	-	-	-	-	-	Note 8	-	None	None	None	None
Independent Director	Taiwan	Ting Herh	Male 66-69 years old	2021.08.17	3 years	2015.06.16	-	-	-	-	-	-	-	-	Ph.D., Institute of Management, University of Victoria, Switzerland	Note 9	None	None	None	None

Note: If the Company's Chairperson and general manager or those of equal powers (top management) are the same person, the spouse, or a relative within the first degree kinship, the reason, rationality, necessity, responsive measures (such as, increasing the number of independent directors; also, the majority of the directors are not part-time employees or managers) , and other related information shall be disclosed.

Note 1: Ph.D., School of Humanities of Tsing Hua University; Executive MBA, Peking University; and Bachelor in Oriental Languages, University of California, Berkeley.

Note 2: Chairperson of the Company; Director of UNITED INTEGRATED SERVICES (USA) CORP.; Chairperson of UNITED INFORMATION SYSTEMS (BVI) CO., LTD. and UNITED INTEGRATED SERVICES CO., LTD. (Singapore); Supervisor, Jiangxi United Integrated Services Company

Note 3: President of the Company's Overseas Business Department; director, UNITED INTEGRATED SERVICES (USA) CORP.

Note 4: Chief Technology Officer of the Company; director, Jiangxi United Integrated Services Company; director, UNITED INTEGRATED SERVICES (USA) CORP. , person-in-charge of Yunhao Electric Technology.

Note 5: Chairperson and President of HannsTouch Holdings Company; Chairperson, Golden Apple Investment Co., Ltd., Yinwang Investment Co., Ltd., and Torch Investment Co., Ltd.; Director of Hannstar Display Corporation, Winbond Electronics Corporation, Glorystone Inc., and Hanns Blegrain Ltd.; Supervisor, **Pottery Inc.**

Note 6: Vice Chairperson of Ablerex Electronics Co., Ltd.; and director of Ablerex Electronics Co., Ltd., Z-Com, Inc., and Eco Energy Corporation.

Note 7: Director, BN Law Firm; eighth-session director of the Association for Victims Support (AVS) of the Ministry of Justice; Independent director, YungShin Global Holding Corporation. Served as Chairman of Taichung Bar Association

Note 8: Master in Mechanical Engineering, Auburn University, USA; Bachelor, Department of Naval Architecture, National Taiwan Ocean University

Note 9: Chairman, DAVICOM Semiconductor, Inc., and Independent Director, MiTAC Holdings Co., Ltd.

2. Major shareholders of corporate shareholders:

March 31, 2024

Name of corporate shareholder	Major shareholders of corporate shareholder
Liang Yi Investment Co., Ltd.	Kuo-Yu Wang 25.20%

Director Information (II)

I. Disclosure of information on the professional qualifications of directors and the independence of independent directors:

Conditions / Name	Professional qualifications and experience	Status of independence	Serve as an independent director of other public companies
Belle Lee	Department of Economics, Chinese Culture University Current vice president of Administration of United Integrated Services Co., Ltd. Not subject to circumstances defined in Article 30 of the Company Act.		0
Chih-Ming Lai	Department of Electrical Engineering, National Cheng Kung University Former president of ChenFull International Co., Ltd. Served as the Head of Corporate Security Division, Taiwan Semiconductor Manufacturing Company, Limited Served as the Deputy Chief of the New Plant Planning and Engineering Division of Taiwan Semiconductor Manufacturing Company, Limited Not subject to circumstances defined in Article 30 of the Company Act.		0
Joseph Lee	Electrical Engineering from National Taipei University of Technology Chief Technical Officer of United Integrated Services Co., Ltd. Not subject to circumstances defined in Article 30 of the Company Act.		0
Wei-Xin Ma	Ph.D., School of Humanities, National Tsing Hua University Current Chairman and President, HannsTouch Holdings Company Current Chairman of Jinpingguo Investment (Inc.) Current Chairman of Yinwang Investment Co., Ltd., Current Chairman of Torch Investment (Inc.) Current Director (served as Chairman of the Board) of HannStar Display Corporation Current Director of Winbond Electronics Corporation Current Director, Glorystone Inc. Current Director of Hanns Blegrain Ltd. Supervisor, Pottery Inc. Served as Chairman of Yuanta Securities Investment Trust Co., Ltd. Not subject to circumstances defined in Article 30 of the Company Act.		0

Yu-An Chen	M.S. Engineering, Institute of Transportation Engineering, National Chiao Tung University Vice Chairperson, Ablerex Electronics Co., Ltd. Director, Z-Com, Inc. Director, Eco Energy Corporation Not subject to circumstances defined in Article 30 of the Company Act.		0
Ting Herh	Ph.D., Institute of Management, University of Victoria, Switzerland M.S. in Electrical Engineering, Berkeley University, California, USA B.S. in Control Engineering, National Chiao Tung University Chairperson of DAVICOM Semiconductor Inc. Independent director of MiTAC Holdings Corporation. Not subject to circumstances defined in Article 30 of the Company Act.	Serving as an independent director and confirming to the conditions of independence 1. including but not limited to self, spouse, and relatives within the second degree of kinship do not serve as directors, supervisors, or employees of the Company or its affiliated companies. 2. Self, spouse, or relatives within the second degree of kinship (or others acting in their names) do not hold any shares of the Company. 3. Not serving in the position of director, supervisor, or employee of a company that has a specified relationship with the Company (in reference to Article 3, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. The amount of remuneration for providing business, legal, financial, accounting, and other services to the Company or its affiliates in the last two years is zero.	1
Kun-Hsien Lin	Department of Law, National Taiwan University Current Head of BN Law Firm Current serving as the eighth director of the Association for Victims Support (AVS), Ministry of Justice Current an independent director of YungShin Global Holding Co., Ltd. Served as Chairman of Taichung Bar Association Not subject to circumstances defined in Article 30 of the Company Act.		1
Tsan-Kai Chen	MS in Mechanical Engineering, Auburn University, USA B.S. in Shipbuilding Engineering, National Taiwan Ocean University Former Principal Engineer of Vehicles Division, Taipei Rapid Transit Corporation Former **Consultant** of METRO CONSULTING SERVICE LTD. Former President of METRO CONSULTING SERVICE LTD. Not subject to circumstances defined in Article 30 of the Company Act.		0

II. Diversity and independence of the Board of Directors:

(I) Diversity of the Board of Directors:

1. Election of directors of the Company adopts a candidate nomination system in accordance with Article 20, Paragraph 3 of the Company's Corporate Governance Best-Practice Principles. The composition of the Board of Directors should consider diversity, and an appropriate diversification policy should be formulated and implemented according to our own operations, operation type, and development needs. Various aspects of diversity should be assessed, such as basic conditions and values (e.g., gender, age, etc.), expertise (e.g., law, accounting, industry, finance, marketing, or technology) and professional skills and industry experience, and so on.
2. The Company’s current board of directors consists of eight directors. Two of them are female and three are independent directors. 37.5% of the Board of Directors are also employees of the Company, 37.5% of directors are independent directors, and 25% of directors are female. The term of office of two of the independent directors is under than 3 years, while the term of office of one independent director is 4 to 9 years. The ages of the 8 directors are between 53 and 68 years old. All directors generally have accounting and financial analysis capabilities, are superior in leadership, decision-making, operational judgment, business management, and crisis management; also, have industry knowledge and international marketing vision.

3. Implementation of diversity in Board membership:

Core diversification items / Name of Director	Sex	Professional background (education)	Years of service of independent directors		Operational judgment	Accounting and financial analysis skills	Management competence	Crisis management ability	Industrial knowledge	International market vision	Leadership	Decision-making capacity	Risk management knowledge and ability
			3 years or less	3 to 9 years									
Belle Lee	Female	Department of Economics, Chinese Culture University			✓	✓	✓	✓	✓	✓	✓	✓	✓
Joseph Lee	Male	Electrical Engineering Department of Taipei Institute of Technology			✓		✓	✓	✓	✓	✓	✓	✓
Representative of Liang Yi Investment Co., Ltd.: Chih-Ming Lai	Male	Department of Electrical Engineering, National Cheng Kung University			✓	✓	✓	✓	✓	✓	✓	✓	✓
Wei-Xin Ma	Female	Ph.D., School of Humanities, National Tsing Hua University Executive MBA, Peking University B.A. in Oriental Languages, University of California, Berkeley, USA			✓	✓	✓	✓	✓	✓	✓	✓	✓
Yu-An Chen	Male	M.S., Institute of Transportation Engineering, National Chiao Tung University B.S., Telecommunications Engineering, National Chiao Tung University			✓	✓	✓	✓	✓	✓	✓	✓	✓
Kun-Hsien Lin	Male	Department of Law, National Taiwan University	✓		✓		✓	✓	✓	✓	✓	✓	✓
Ting Herh	Male	Ph.D., Institute of Management, University of Victoria, Switzerland M.S. in Electrical Engineering, Berkeley University, California, USA B.S. in Control Engineering, National Chiao Tung University		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tsan-Kai Chen	Male	MS in Mechanical Engineering, Auburn University, USA B.S. in Shipbuilding Engineering, National Taiwan Ocean University	✓		✓		✓	✓	✓	✓	✓	✓	✓

(II) Independence of the Board of Directors:

1. The current Board of Directors is composed of eight directors. Three of the are independent directors and the term of office of two of them is under three years, while the term of office of one independent director is four to nine years. Furthermore, the directors are not subject to the circumstances stipulated in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act and there is no spousal relationship or family relationship within the second degree of kinship among directors.
2. The Company considers that the independence of directors must be judged on the basis of substantive circumstances, and this should be clearly stated in the Board diversity policy. The Board is committed to continuously evaluating the independence of directors and all relevant factors will be considered. These include: Whether the relevant directors can continue to raise constructive questions for management and other directors and express opinions independently of management or other directors, as well as considering the appropriateness of behavior both within and outside of the board of directors. The conduct of the directors of the Company must meet expectations under appropriate circumstances and exhibit the above mentioned characteristics.

3. Information on President, Vice Presidents, and department heads and branch officers

April 2, 2024

Job title	Nationality	Name	Sex	Election (Inauguration) Date	Shareholdings		Shareholding of the spouse and minor children		Shares held in the name of others		Experience (education)	Job position held with the other companies currently	Managers who are a spouse or second cousin			Remarks (Note)
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Job title	Name	Relationship	
Chief Executive Officer	Taiwan	Belle Lee	Female	2003.05.21	11,023,896	5.78%	-	-	-	-	Department of Economics, Chinese Culture University	Note 1	None	None	None	None
Chief Technology Officer	Taiwan	Joseph Lee	Male	1998.09.26	-	-	-	-	-	-	Electrical Engineering Department of Taipei Institute of Technology	Note 2	None	None	None	None
President of Overseas Business Department	Taiwan	Chih-Ming Lai	Male	2021.07.22	-	-	-	-	-	-	Department of Electrical Engineering, National Cheng Kung University	Note 3	None	None	None	None
Chief Business Officer	Taiwan	Chun-Yuan Hsu	Male	2021.08.30	-	-	-	-	-	-	National Taipei Institute of Technology	Note 4	None	None	None	None
Vice President of Engineering	Taiwan	Hsiang-Ching Tseng	Male	2012.07.10	769	0.00%	-	-	-	-	National Taipei Institute of Technology	Note 5	None	None	None	None
Vice President	Taiwan	Juichin Wu	Male	2012.07.10	162	0.00%	-	-	-	-	Department of Computer Science and Information Engineering, Tamkang University	Note 6	None	None	None	None
Accounting Officer	Taiwan	Limei Pan	Female	2012.06.27	600	0.00%	-	-	-	-	Hsingwu Junior College of Commerce	-	None	None	None	None
Finance Officer	Taiwan	Kuang-Yung Tseng	Male	2023.03.01	-	-	-	-	-	-	Master’s Degree in Accounting, National Chengchi University	-	None	None	None	None
Corporate Governance Officer	Taiwan	Li-Yun Pan	Female	2023.05.12	9,600	0.00%	23,276	0.01%	-	-	National Taipei College of Business	-	None	None	None	None

Note: If the Company’s Chairperson and general manager or those of equal powers (top management) are the same person, the spouse, or a relative within the first degree kinship, the reason, rationality, necessity, responsive measures (such as, increasing the number of independent directors; also, the majority of the directors are not part-time employees or managers), and other related information shall be disclosed.

Note 1: Chairperson of the Company; Director of UNITED INTEGRATED SERVICES (USA) CORP.; Chairperson of UNITED INFORMATION SYSTEMS (BVI) CO., LTD. UNITED INTEGRATED SERVICES CO., LTD. (Singapore); Supervisor, Jiangxi United Integrated Services Company

Note 2: Chief Technology Officer of the Company; director, Jiangxi United Integrated Services Company; director, UNITED INTEGRATED SERVICES (USA) CORP. , person-in-charge of Yunhao Electric Technology.

Note 3: President of the Company's Overseas Business Department; director, UNITED INTEGRATED SERVICES (USA) CORP.

Note 4: Chief Sales Officer of the Company; Chairperson, Suyuan Trading (Shanghai) Company, Suzhou Hantai System Integration and Jiangxi United Integrated Services Company; representative of a corporate director, JG Environmental Technology Co., Ltd. and Wholetech System Hitech Limited; supervisor of JXCG JIANGXI CONSTRUCTION ENGINEERING(GROUP) CO.,LTD.
Note 5: Vice President of the Company; corporate director representative, Ablerex Electronics Co., Ltd.
Note 6: President of the Company's branch office in Mainland China and the Director of Jiangxi United Integrated Services Company, Suyuan Trading (Shanghai) Company, Suzhou Hantai System Integration Company, and JXCG JIANGXI CONSTRUCTION ENGINEERING(GROUP) CO.,LTD.

5. Remuneration of Directors, President, and Vice President

(1) Remuneration to board directors (including independent directors) (name and remuneration shall be disclosed individually)

Unit: NT$ Thousands

Job title	Name	Remuneration of Directors								The total amount and ratio of A, B, C and D (4 items) to the net income		The relevant remunerations of part-time employees								The total amount and ratio of A, B, C, D, E, F and G (7 items) to the net income (%)		Remuneration received from the invested companies other than the subsidiaries or parent company
		Remuneration (A)		Pension (B)		Remuneration of Directors (C)		Business execution fee (D)				Salary, bonus, and special allowance (E)		Pension (F)		Remuneration to employees (G)						
		The Company	All the companies included in the financial report (Note 7)	The Company	All the companies included in the financial report (Note 7)	The Company	All the companies included in the financial report (Note 7)	The Company	All the companies included in the financial report (Note 7)	The Company	All the companies included in the financial report	The Company	All the companies included in the financial report (Note 7)	The Company	All the companies included in the financial report (Note 7)	The Company		All the companies included in the financial report (Note 7)		The Company	All the companies included in the financial report	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairperson	Belle Lee	-	-	-	-	6,493	6,493	36	36	6,529 0.1403	6,529 0.1403	6,132	6,132	278	278	20,800	-	20,800	-	33,739 0.7248	33,739 0.7248%	None
Director	Joseph Lee	-	-	-	-	6,493	6,493	30	30	6,523 0.1401	6,523 0.1401	6,292	6,292	285	285	21,700	-	21,700	-	34,800 0.7476	34,800 0.7476	None
Director	Liang Yi Investment Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None
Corporate representative of the Director	Chih-Ming Lai	-	-	-	-	6,493	6,493	36	36	6,529 0.1403	6,529 0.1403	3,974	6,444	108	108	20,800	-	20,800	-	31,411 0.6747	33,881 0.7278	None
Director	Benny Chen	-	-	-	-	2,056	2,056	30	30	2,086 0.0448	2,086 0.0448	-	-	-	-	-	-	-	-	2,086 0.0448	2,086 0.0448	None
Director	Yu-An Chen	-	-	-	-	6,493	6,493	30	30	6,523 0.1401	6,523 0.1401	-	-	-	-	-	-	-	-	6,523 0.1401	6,523 0.1401	3,414
Director	Wei-Xin Ma	-	-	-	-	6,493	6,493	36	36	6,529 0.1403	6,529 0.1403	-	-	-	-	-	-	-	-	6,529 0.1421	6,529 0.1403	None
Independent Director	Kun-Hsien Lin	-	-	-	-	4,693	4,693	1,836	1,836	6,529 0.1403	6,529 0.1403	84	84	-	-	-	-	-	-	6,613 0.1586	6,613 0.1586	None
Independent Director	Ting Herh	-	-	-	-	4,693	4,693	1,836	1,836	6,529 0.1403	6,529 0.1403	84	84	-	-	-	-	-	-	6,613 0.1586	6,613 0.1586	None
Independent Director	Tsan-Kai Chen	-	-	-	-	4,693	4,693	1,062	1,062	5,755 0.1236	5,755 0.1236	60	60	-	-	-	-	-	-	5,815 0.1249	5,815 0.1249	None

1. The correlation between the policies, system, standards, and structure of the independent director's remuneration, and the responsibilities, risk and time undertook by the Independent Director: Other than the fee payable for each participation, an independent director is entitled to a business execution fee of at NT$150,000 per month. Each and every independent director receives just the same amount. With the directors' remuneration allocated upon the annual accounting settlement, the remuneration for directors (including remuneration to directors and the fee for the independent directors in the execution of the business for the year) shall be evenly distributed according to the total number of directors (including independent directors). In case of independent directors, the differential gap shall be made up after payment of the business execution fee and each and every independent director shall receive exactly the same amount.
2. Except as disclosed in the aforementioned Table, the remuneration received by the Directors of the Company in the most recent year for the services (serving as an external consultant to the parent company, to any company listed in the financial statements, or to a reinvested company) provided to all the companies in the financial report: None

Remuneration Bracket Table

Bracket of the remuneration paid to each director of the Company	Name of Director			
	The total remuneration amount of the last 4 items (A+B+C+D)		The total remuneration amount of the last 7 items (A+B+C+D+E+F+G)	
	The Company	All the companies included in the financial report	The Company	All the companies included in the financial report
Less than NT$1,000,000				
NT$1,000,000 (inclusive)～NT$2,000,000 (not inclusive)				
NT$2,000,000 (inclusive)～NT$3,500,000 (not inclusive)	Benny Chen	Benny Chen	Benny Chen	Benny Chen
NT$3,500,000 (inclusive)～NT$5,000,000 (not inclusive)				
NT$5,000,000 (inclusive)～NT$10,000,000 (not inclusive)	Belle Lee, Joseph Lee, Chih-Ming Lai, Yu-An Chen, Wei-Xin Ma, Kun-Hsien Lin, Ting Herh, Tsan-Kai Chen	Belle Lee, Joseph Lee, Chih-Ming Lai, Yu-An Chen, Wei-Xin Ma, Kun-Hsien Lin, Ting Herh, Tsan-Kai Chen	Yu-An Chen, Wei-Xin Ma Kun-hsien Lin, Ting Herh Tsan-Kai Chen	Yu-An Chen, Wei-Xin Ma Kun-hsien Lin, Ting Herh Tsan-Kai Chen
NT$10,000,000 (inclusive)～NT$15,000,000 (not inclusive)				
NT$15,000,000 (inclusive)～NT$30,000,000 (not inclusive)				
NT$30,000,000 (inclusive)～NT$50,000,000 (not inclusive)			Belle Lee, Joseph Lee, Chih-Ming Lai	Belle Lee, Joseph Lee, Chih-Ming Lai
NT$50,000,000 (inclusive)～NT$100,000,000 (not inclusive)				
Over NT$100,000,000				
Total	9	9	9	9

(2) Remuneration of the President and Vice President (names and remuneration shall be disclosed individually)

Unit: NT$ Thousands

Job title	Name	Salary (A)		Pension (B)		Bonus, special allowance (C)		Employee's remuneration amount (D)				The total amount and ratio of A, B, C and D (4 items) to the net income		Remuneration received from the invested companies other than the subsidiaries or parent company
		The Compan	All the companies included in the financial report	The Company	All the companies included in the financial report	The Company	All the companies included in the financial report	The Company		All the companies included in the financial report (Note 5)		The Company	All the companies included in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
Chief Executive Officer	Belle Lee	4,632	4,632	278	278	1,500	1,500	20,800	0	20,800	0	27,210 0.5845	27,210 0.5845	None
Chief Technology Officer	Joseph Lee	4,752	4,752	285	285	1,540	1,540	21,700	0	21,700	0	28,277 0.6074	28,277 0.6074	None
President of Overseas Business Department	Chih-Ming Lai	2,474	4,944	108	108	1,500	1,500	20,800	0	20,800	0	24,882 0.5345	27,352 0.5876	None
Chief Business Officer	Chun-Yuan Hsu	4,632	4,632	108	108	1,500	1,500	20,800	0	20,800	0	27,040 0.5809	27,040 0.5809	None
Vice President of Engineering	Hsiang-Ching Tseng	4,308	4,308	258	258	1,360	1,360	12,400	0	12,400	0	**18,326** 0.3973	**18,326** 0.3973	None
Vice President	Juichin Wu	2,016	3,555	108	108	650	4,024	1,700	0	1,700	0	4,474 0.0961	9,387 0.2016	None

Remuneration Bracket Table

Bracket of the remuneration paid to the President and Vice President of the Company	Name of President and Vice President	
	The Company	All the companies included in the financial report
Less than NT$1,000,000		
NT$1,000,000 (inclusive)～NT$2,000,000 (not inclusive)		
NT$2,000,000 (inclusive)～NT$3,500,000 (not inclusive)		
NT$3,500,000 (inclusive)～NT$5,000,000 (not inclusive)	Juichin Wu	
NT$5,000,000 (inclusive)～NT$10,000,000 (not inclusive)		Juichin Wu
NT$10,000,000 (inclusive)～NT$15,000,000 (not inclusive)		
NT$15,000,000 (inclusive)～NT$30,000,000 (not inclusive)	Belle Lee, Joseph Lee, Chih-Ming Lai, Chun-Yuan Hsu, Hsiang-Ching Tseng	Belle Lee, Joseph Lee, Chih-Ming Lai, Chun-Yuan Hsu, Hsiang-Ching Tseng
NT$30,000,000 (inclusive)～NT$50,000,000 (not inclusive)		
NT$50,000,000 (inclusive)～NT$100,000,000 (not inclusive)		
Over NT$100,000,000		
Total	6	6

(3)

The remuneration of the top five managers of listed/OTC companies (names and remuneration shall be disclosed individually)

Unit: NT$ Thousands

Job title	Name	Salary (A)		Pension (B)		Bonus, special allowance (C)		Employee's remuneration amount (D)				The total amount and ratio of A, B, C and D (4 items) to the net income		Remuneration received from the invested companies other than the subsidiaries or parent company
		The Company	All the companies included in the financial report (Note 5)	The Company	All the companies included in the financial report (Note 5)	The Company	All the companies included in the financial report (Note 5)	The Company		All the companies included in the financial report (Note 5)		The Company	All the companies included in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
Chief Executive Officer	Belle Lee	4,632	4,632	278	278	1,500	1,500	20,800	0	20,800	0	27,210 0.5845	27,210 0.5845	None
Chief Technology Officer	Joseph Lee	4,752	4,752	285	285	1,540	1,540	21,700	0	21,700	0	28,277 0.6074	28,277 0.6074	None
President of Overseas Business Department	Chih-Ming Lai	2,474	4,944	108	108	1,500	1,500	20,800	0	20,800	0	24,882 0.5345	27,352 0.5876	None
Chief Business Officer	Chun-Yuan Hsu	4,632	4,632	108	108	1,500	1,500	20,800	0	20,800	0	27,040 0.5809	27,040 0.5809	None
Vice President of Engineering	Hsiang-Ching Tseng	4,308	4,308	258	258	1,360	1,360	12,400	0	12,400	0	**18,326** 0.3973	**18,326** 0.3973	None

(4) Name of the managers received employee remuneration and the amount of remuneration received. Unit: NT$ Thousands

	Job title	Name	Stock amount	Cash amount	Total	Ratio of total amount to net income (%)
Manager	Chief Executive Officer	Belle Lee	0	102,000	102,000	2.19%
	Chief Technology Officer	Joseph Lee				
	President of Overseas Business Department	Chih-Ming Lai				
	Chief Business Officer	Chun-Yuan Hsu				
	Vice President of Engineering	Hsiang-Ching Tseng				
	Vice President	Juichin Wu				
	Corporate Governance Officer	Li-Yun Pan				
	Accounting Officer	Limei Pan				
	Finance Officer	Kuang-Yung Tseng				

6. Analysis of the ratio of the total remuneration paid to the Company's Directors, President, and Vice President in the most recent year by the Company and the companies included in the consolidated statements to the net income; also, the explanation of the policies, standards and portfolio of the remuneration, the procedures for the stipulation of remuneration, and its relevance with the business performance

1. Analysis of the ratio of the total remuneration paid to the Company's Directors, President, and Vice President in the last two years by the Company and the companies included in the consolidated financial statements to the net income

Unit: NT$ Thousands

Identity \ Year	2022		2023	
	The Company	All the companies included in the financial report	The Company	All the companies included in the financial report
Remuneration of Directors	145,520	147,612	134,129	136,599
Ratio of remuneration of directors to net income (%)	3.64%	3.69%	2.88%	2.93%
Remuneration of President and Vice President	157,522	164,595	130,209	137,592
Ratio of remuneration of President and Vice President to net income (%)	3.94%	4.12%	2.80%	2.96%

The Board of Directors is authorized in accordance with the Articles of Association of the Company to determine the remuneration of all directors depending on their involvement in the Company operation and the value of their contribution; also, by referring to the general standards of the industry. Therefore, there should be no significant risks involved in the future.

2. Remuneration policies, standards and portfolio, procedures for determining remuneration , and their correlations with business performance and future risks

Remuneration paid by the Company to directors and managers is under the authority of the Remuneration Committee, which is responsible for formulating and regularly reviewing the policies, systems, standards, and structures for the annual performance evaluation and remuneration of directors and managers of the Company. It shall comprehensively consider the rationality of the relationship between personal performance, the Company’s operating performance, and future operating risks, and submit it to the Board of Directors for approval. If it is a distribution item in the earnings distribution statement, it must be submitted to the shareholders' meeting for approval.

(1) Remuneration distribution policy for directors (including independent directors): It is stipulated under Article 16 of the Company’s Articles of Incorporation that the remuneration of all directors shall be determined under the authorization of the Board of Directors according to the level of their participation in the Company's operations and the value of their contributions, and with reference to the usual level of the industry. In accordance with the Company's Remuneration Distribution Methods for Directors and Independent Directors, the amount director remuneration that can be allocated to each independent director must be deducted from the independent director's business execution expenses received in the current year. If the Company makes a profit, then in accordance with Article 19 of the Company's Articles of Incorporation, a maximum of 2% shall be allocated as directors' remuneration by a resolution of the Board of Directors; and this shall be submitted to the shareholders' meeting following a review by the Remuneration Committee and approval by the Board of Directors.

(2) Remuneration distribution policy for managers: It is stipulated under Article 19 of the Company’s Articles of Incorporation that if the Company has a profit for the year, it shall allocate 6%-10% as remuneration for employees and this shall be distributed in stock or cash by a resolution of the Board of Directors. Distribution recipients include employees of controlled or affiliated companies meeting certain conditions. Remuneration of managers is based on individual performance and contribution to the Company's overall operations and reasonable remuneration will be given in consideration of levels given by market peers. This shall be carried out after a review by the Remuneration Committee and approval of the Board of Directors.

(3) Correlation with operating performance and future risks: The Remuneration Committee refers to the Company's overall operational performance, operational risks and development trends; and, after evaluating the achievement of the performance targets of directors and managers, makes a submission to the Board of Directors for discussion. It also reviews the remuneration system for directors and managers at any time in accordance with actual business conditions and relevant laws and regulations; furthermore, it should not lead directors and managers to engage in behavior in pursuit of remuneration that exceeds the risk tolerances of the Company. The Company's remuneration policy should refer to the customary level of payment in the same industry while considering individual performance. Remuneration is positively related to the Company's operating performance. Future risks have been appropriately controlled, and the remuneration policy and future risks are also reasonably correlated to a certain extent. Overall compensation packages primarily include salaries, bonuses, various allowances and employee dividends, benefits, and other components. Standards of remuneration, salaries, and allowances are verified according to the competitive market situation vis-à-vis the position held by the employee, and in line with the Company’s policies. Bonuses and employee dividends are issued in conjunction with employees, departmental goals, or the Company’s operating performance. Regarding the design of benefits, we design employee benefit measures that can be shared by employees on the premise of compliance with laws and regulations and taking into account the needs of employees.

III. Corporate governance operation of TWSE/GTSM Listed Companies

(I) The operation of the Board of Directors

In 2023 and the most recent year through March 2024, the Board of Directors held 8 [A] meetings and the attendance of directors was as follows:

Job title	Name	Actual number of attendance (B)	Frequency of attendance by proxy	Actual attendance ratio (%) (B/A)	Note
Chairperson	Belle Lee	8	-	100%	Newly appointed on August 17, 2021
Director	Benny Chen	5	-	100%	Resigned on October 25, 2023
Corporate representative of the Director	Liang Yi Investment Co., Ltd.	8		100%	Newly appointed on August 17, 2021

	Chih-Ming Lai				
Director	Joseph Lee	7	-	88%	Reappointed on August 17, 2021
Director	Yu-An Chen	7	-	88%	Reappointed on August 17, 2021
Director	Wei-Xin Ma	8	-	100%	Newly appointed on August 17, 2021
Independent Director	Kun-Hsien Lin	8	-	100%	Newly appointed on August 17, 2021
Independent Director	Ting Hou	8	-	100%	Reappointed on August 17, 2021
Independent Director	Tsan-Kai Chen	4	-	100%	Newly appointed on May 30, 2023

Other information to be published:

I. The operation of the Board of Directors shall be with the date, term, content of the proposal, the opinions of all independent directors, and the Company's processing of the opinions of the independent directors stated in any of the following circumstances
   (I) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an audit committee.
   (II) Except for the matters stated in the preceding paragraph, the resolutions of the Board of Directors that are opposed or reserved by independent directors with a record or written statement filed: None

II. For the directors' having themselves recused from a proposal with the risk of conflict of interest, the name of the director, the content of the proposal, the reasons for recusing themselves, and the engagement in voting should be stated: None

III. Information on the evaluation cycle and period, evaluation scope, method and evaluation content of the board's self (or peer) assessment that should be disclosed by TWSE/TPEx listed companies, and fill in the attached form for the implementation of the evaluation of the Board of Directors.

Evaluation result:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Implemented at the end of each year	From January 1, 2023 to December 31, 2023	Board of Directors, individual directors, and functional committees	The Board of Directors, individual board members, and functional committees themselves fill in the performance evaluation self-assessment questionnaires	Measurement items for the Board of Directors performance evaluation I. Degree of participation in Company operations. II. Improving the quality of Board decisions. III. Board composition and structure. IV. Selection and continuous training of directors. V. Internal control. Score result **4.91** points Measurement items for the self-evaluation of Board members: I. Mastering the Company's goals and tasks. II. Awareness of directors' responsibilities. III. Degree of participation in Company operations. IV. Internal relationship management and communication. V. Directors' professional and continuous education. VI. Internal control. Score result **4.89** points Measurement items for functional committee performance evaluations: I. Degree of participation in Company operations. II. Recognition of functional committee responsibilities. III. Improving decision-making quality of functional committees. IV. Functional committee composition and member selection. V. Internal control. Score result **5.00** points Overall assessment: The overall result of the Company's board performance

					evaluation for 2023 was between 5 points, or "Excellent," and 4 points, or"Good," indicating that the Board of Directors and each functional committee were operating well. The board members are familiar with the operation status and prospects of the Company and its subsidiaries, make professional and appropriate judgments, and make effective contributions. In 2023, a total of six Board meetings were held in 2023, with the director's attendance in person reaching 95.83%. All functional committees fully expressed their opinions and suggestions, and exerted the functions of guidance and supervision as the Board of Directors; the attendance rate of functional committees reached 100%. Each functional committee performed due diligence in assessing and supervising various risks of the Company, and made timely, professional and objective suggestions for the decision-making of the Board of Directors, effectively enhancing the functions of the Board of Directors, and the overall performance is excellent, in line with the requirements of corporate governance. Improvement measures and plans: In 2023, the Company has established the corporate governance officer who will be responsible for corporate governance-related matters, seeking to provide directors with more correct, effective, and timely information, assist directors in business execution, and exert their supervisory functions. Also, as a communication channel, the officer cooperates with the competent authorities to promote laws and regulations, to assist directors and independent directors for the strict compliance, and strengthens the functions of the board of directors. The Company prepares ESG sustainability reports in advance on a voluntary basis. Since the first publication in 2022, the Company has continued to use the reports to communicate with stakeholders about information on social responsibility and sustainable operations. This year, the Company added a new climate change governance item, to review the achievements in planning and management on material issues; sharing of the core values of sustainability management, namely "environment, social and corporate governance" with stakeholders. The Company reported the evaluation results to the Board of Directors on March 14, 2024

IV. Evaluate the objectives (such as, setting up an Audit Committee, improving information transparency, etc.) of strengthening the functions of the Board of Directors and the implementation in the current year and the most recent year.

(1) Objectives of strengthening the functions of the Board of Directors: The Company has formulated the "Regulations Governing Board of Directors Meetings" to establish a good corporate governance system for the Board of Directors, strengthen management functions, and improve supervision functions for the compliance of the Board of Directors in order to exercise its function.

(2) Performance evaluation performed by the Board of Directors: The convening and deliberation of the board meeting shall be conducted in accordance with the "Rules of Procedure for Board of Directors Meetings" and the "Regulations Governing Board of Directors Meetings" of the Company. The Remuneration Committee shall also be responsible for reviewing the remuneration of the directors, and managers of the Company; also, provide recommendations and assess the relevant policies for the reference of the Board of Directors in decision-making.

(II) Operation of the Audit Committee:

1. Composition and duties of the Audit Committee

The Company's Audit Committee consists of three independent directors. The purpose of the Audit Committee is to assist the Board of Directors in monitoring the quality and ethics of the Company's accounting, auditing, financial reporting processes and financial control.

Professional qualifications and experience are as below:

Member	Professional qualifications and experience
Ting Herh	Mr. Ting Hou is a bachelor from Department of Control Engineering, National Chiao Tung University, a master in electrical engineering from the University of California, Berkeley, and a doctoral degree from the Institute of Management, University of Victor, Switzerland. Current positions are as

	follows: served as Chairman of DAVICOM SEMICONDUCTOR,INC. in 1996 with more than 27 years of business experience; since 2019, he has served as Chairman of the Alumni Association, National Taiwan Chiao Tung University, Director of the NYCU Foundation, and Director of Y.S. Educational Foundation.
Kun-Hsien Lin	Mr. Kun-hsien Lin graduated from the Department of Law, National Taiwan University, and is qualified as a lawyer in Taiwan. His current positions are as follows: Founder-Director of BN Law Firm since 1989, with 34 years of practicing experience; since 2015, he served as and independent director (and managing director) of COTA Commercial Bank, Ltd., as the independent director of YungShin Global Holding Corporation; in 2019, he was appointed as the director of the Association for Victims Support (AVS).
Tsan-Kai Chen	Mr. Tsan-Kai Chen has obtained the bachelor’s degree, Department of Naval Architecture, National Taiwan Ocean University and the master’s degree in Mechanical Engineering, Auburn University, USA; From November 2012 to December 2013, he served as the general manager of METRO CONSULTING SERVICE LTD.; in September 2017, he served as the Principal Engineer of Vehicles Division, Taipei Rapid Transit Corporation until the retirement in September 2022.

Major tasks of the Audit Committee

The Audit Committee held four meetings in 2023. Matters deliberated mainly included:

1. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. Matters in which a director is an interested party.
5. Asset transactions or derivatives trading of a material nature.
6. Loans of funds, endorsements, or provision of guarantees of a material nature.
7. The offering, issuance, or private placement of equity-type securities.
8. The hiring or dismissal of a certified public accountant, or their compensation.
9. The appointment or discharge of a financial, accounting, or internal audit officer.
10. Annual financial reports signed or stamped by the chairman, management, and accounting officer, and second quarter financial reports requiring to be audited and attested by CPAs.”
11. Other material matters as may be required by this Corporation or by the competent authority.

●Review financial statements

The board of directors has prepared the Company's 2022 business report, financial statements and earning distribution proposal, and the 2023 interim and quarterly financial statements. Of which, KPMG Taiwan was engaged to audit and/or review the financial statements, and the auditor’s reports or review reports have been issued. The above-mentioned business report, financial statements and earning distribution proposal have been reviewed by the Audit Committee and found no inconsistency.

●Evaluate the effectiveness of the internal control system

The Audit Committee assesses the effectiveness of the policies and procedures of the Company's internal control system (including control measures in finance, operations, risk management, information security, outsourcing, legal compliance and other control measures), and reviews the regular reports from the Company's audit department and CPAs, as well as the management, including risk management and compliance. With reference to the “Internal Control - Integrated Framework” announced in 2013 by the COSO, the Audit Committee believes that the Company's risk management and internal control systems are effective, and the Company has adopted the necessary control mechanisms to supervise and correct violations.

●Appoint CPAs

To ensure the independence of the CPA firm, the Audit Committee has established the independence evaluation form based on Article 47 of the Certified Public Accountant Act and the Bulletin of Norm of Professional Ethics for Certified Public Accountant, "Integrity, Objectivity, and Independence," to assess the independence, professionalism and suitability of the CPAs, and assess whether they and the Company are related parties, or have relationships with the Company of business or financial interest.

2. Information on the operation of the Audit Committee:

In 2023 and up to the publication date of the annual report, the second term Audit Committee has held five meetings

(A), and the attendance of independent directors is as follows:

Job title	Name	Actual number of attendance (B)	Frequency of attendance by proxy	Actual attendance ratio (%) (B/A) (Note)	Remarks
Independent Director	Ting Herh	5		100%	Re-elected
Independent Director	Kun-Hsien Lin	5		100%	Newly appointed on August 17, 2021
Independent Director	Tsan-Kai Chen	3		100%	Newly appointed on 2023.05.30

Other information to be published:

I. If any of the following circumstances arises in the operation of the Audit Committee, the meeting date, period, motion content, and any objections of independent directors should be stated, as well as contents of reserved opinions or major recommendations, the results of the audit committee's resolutions, and the Company's handling of the Audit Committee's opinions.

(I) Matters listed in Article 14-5 of the Securities Exchange act: Please refer to the important resolutions of the board of directors and the audit committee on page 67; all proposals have been approved by all members of the audit committee: also, proposed to and resolved by the board of directors.

(II) Except for the matters stated in the preceding paragraph, other proposals that have not been resolved by the Audit Committee, but with the consent of two-thirds of the board directors: None

II. For the independent directors' having themselves recused from a proposal with the risk of conflict of interest, the name of the independent director, the content of the proposal, the reasons for recusing themselves, and the engagement in voting should be stated: None.

III. The communication among the independent directors, the chief internal auditors, and the certified public accountants (shall include important matters, methods, and results of communication on the Company's financial and business conditions)

(I) The communication between the independent directors and the chief internal auditor

Based on the annual audit plan and the actual implementation, the internal audit officer reports and discusses the audit implementation with the Audit Committee members in the quarterly meetings of the Audit Committee; also, the monthly audit report of the internal audit department is submitted to each independent director for review and conduct necessary communications. Important details of the communication and interaction between independent directors and internal audit officer during the Audit Committee meeting are recorded in the Audit Committee meeting minutes.

Date of the Audit Committee meeting	Communication focus	Opinions of independent directors	Handling of implementation results
2023.03.23 8th session of the 2nd term	(1) Audit items, audit results, and tracking improvement report for 2022 Q4 (2) Report on 2022 Internal Control Statement	Independent directors expressed consent for the report	After the deliberation and approval, the proposals are submitted to the Board of Directors
2023.05.12 9th session of the 2nd term	2023 Q1 Audit items, audit results and tracking improvement report for 2021 Q1	Independent directors expressed consent for the report	After the deliberation and approval, the proposals are submitted to the Board of Directors
2023.08.11 10th session of the 2nd term	2023 Q2 Audit items, audit results and tracking improvement report for 2021 Q1	Independent directors expressed consent for the report	After the deliberation and approval, the proposals are submitted to the Board of Directors
2023.11.13 11th session of the 2nd term	(1) Audit items, audit results, and tracking improvement report for 2023 Q3 (2) The Company's 2024 audit plan	Independent directors expressed	After the deliberation and approval,

	(3) Proposal to amend some provisions of the Company's "Corporate Governance Best Practice Principles" and "Procedures for the Prevention of Insider Trading".	consent for the report and amendment content	the proposals are submitted to the Board of Directors

(II) Communication between the independent directors and the certified public accountant
Communication between the independent directors and the certified public accountant in 2023
In the following quarterly Audit Committee meetings, CPAs submit written briefings to the Audit Committee on matters to be communicated with the corporate governance unit. Principal communication items are as follows:

Date of the Audit Committee meeting	Communication focus	Opinions of independent directors	Handling of implementation results
March 23, 2023 8th session of the 2nd term	(1) 2022 Business Report and Financial Statements (2) Primary communication content with the corporate governance unit: *Annual audit highlights: evaluation of income recognition; assessment of impairment of accounts receivable; valuation of financial instruments	Independent directors expressed consent for the report	Submitted to the Board of Directors after deliberation and approval
May, 12 2023 9th session of the 2nd term	(1) The Company's 2023 Q1 financial statements. (2) Primary communication content with the corporate governance unit: A. Review of adjustments for differences B. Events or circumstances that may ca on the ability to continue as a going co C. Major difficulties confronted during D. Other communication matters	Independent directors expressed consent for the report	Submitted to the Board of Directors after deliberation and approval
August 11, 2023 10th session of the 2nd term	(1) The Company's 2023 Q2 financial statements. (2) Primary communication content with the corporate governance unit: A. Review of adjustments for differences B. Events or circumstances that may ca doubt on the ability to continue as a go C. Major difficulties confronted during process D. Other communication matters	Independent directors expressed consent for the report	Submitted to the Board of Directors after deliberation and approval.
November 13, 2023 11th session of the 2nd term	(1) The Company's 2023 Q3 financial statements. (2) Primary communication content with the corporate governance unit: A. Review of adjustments for differences B. Events or circumstances that may ca doubt on the ability to continue as a go C. Major difficulties confronted during process D. Other communication matters	Independent directors expressed consent for the report	Submitted to the Board of Directors after deliberation and approval.

IV. Minutes of meetings convened by the Audit Committee in 2023 and 2024 through the publication date of the annual report

Date of Audit Committee (term)	Proposal description and subsequent treatment	Matters specified in Article 14-5 of the Securities and Exchange Act	Resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors
March 23, 2023 (8th meeting of the 2nd term)	1. 2022 Business Report and Financial Statements. 2. 2022 Earnings Distribution proposal 3. Preparation of the Company's 2022 :Internal Control System Statement." 4. Release the non-compete restriction on the newly elected directors and their representatives. 5. Passed the independence and competency assessment performed on the Company's public auditor. 6. Remuneration of financial statement CPA. 7. Proposal on recruitment of the Company's financial officer. Resolution of the Audit Committee: approved as proposed without objection. The opinions of the Audit Committee handled by the Company: Passed unanimously by the board directors present.	✓	None
May 12, 2023 (9th meeting of the 2nd term)	1. The Company's 2023 Q1 consolidated financial statements. Resolution of the Audit Committee: approved as proposed without objection. The opinions of the Audit Committee handled by the Company: Passed unanimously by the board directors present.	✓	None
August 11, 2023 (10th meeting of the 2nd term)	1. The Company's 2023 Q2 consolidated financial statements Resolution of the Audit Committee: approved as proposed without objection. The opinions of the Audit Committee handled by the Company: Passed unanimously by the board directors present.	✓	None
November 13, 2023 (11th meeting of the 2nd term)	1. The Company's 2023 Q3 consolidated financial statements 2. The Company's 2024 audit plan 3. Passed the partial amendment of the Company's "Corporate Governance Best Practice Principles." 4. Amendment to some provisions of the Company's "Preventive Management of Insider Trading and Operating Procedures for Handling Internal Material Information." Resolution of the Audit Committee: approved as proposed without objection. The opinions of the Audit Committee handled by the Company: Passed unanimously by the board directors present.	✓	None
March 14, 2024 (12th meeting of the 2nd term)	1. 2023 Business Report and Financial Statements 2. 2023 Earnings Distribution Proposal 3. Preparation of the Company's "2023 Internal Control System Statement." 4. Lift the restriction of non-compete off the newly elected directors and their representatives.	✓	None

	5. Proposal on the assessment of the independence and suitability of the Company's attesting CPAs. 6. Remuneration of financial statement CPA.		

(III) The status of corporate governance operation and its differences from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the root causes

Evaluation items	Operations			Its differences from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the root causes
	Yes	No	Summary description	
I. Does the Company stipulate and disclose its corporate governance best-practice principles in accordance with the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies?"	V		It has been handled in accordance with the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies."	None
II. The shareholding structure and shareholders' equity of the Company				None
(I) Does the Company have an internal operating procedure formed to deal with shareholders' recommendations, doubts, disputes, and litigation matters, and implement it according to the procedures?	V		(I) In order to protect the interests of shareholders, the Company handles shareholders' suggestions or disputes through special personnel, such as, spokespersons and stocks service officer.	
(II) Does the Company have a list of the ultimate controllers of the major shareholders who actually control the Company?	V		(II) The personnel directly under the administration of the "Chairperson's Office" are responsible for mastering the list of the ultimate controllers of the major shareholders who actually control the Company, and interact frequently to establish good relationships and ensure the stability of the business operation.	
(III) Does the Company establish and implement risk controls and firewall mechanisms between the Company and the affiliates?	V		(III) The Company has set up and supervised the operation of the subsidiary.	
(IV) Does the Company have internal regulations formed that prohibit insiders from using unpublished information to buy and sell securities in market?	V		(IV) The Company has formulated the "Procedures for the Prevention of Insiders' Trade" so the internal personnel shall comply with the relevant regulations and internal operating procedures.	
III. The composition and duties of the Board of Directors				None
(I) Has the Board of Directors formulated a	V		(I) 1. Election of directors of the Company adopts a candidate nomination	

Evaluation items	Operations			Its differences from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the root causes
	Yes	No	Summary description	
diversity policy and specific management objectives, and implemented them?			system in accordance with Article 20, Paragraph 3 of the Company's Corporate Governance Best-Practice Principles. The composition of the Board of Directors should consider diversity, and an appropriate diversification policy should be formulated and implemented according to our own operations, operation type, and development needs. Various aspects of diversity should be assessed, such as basic conditions and values (e.g., gender, age, etc.), expertise (e.g., law, accounting, industry, finance, marketing, or technology) and professional skills and industry experience, and so on. 2. The Company's current board of directors consists of eight directors. Two are female and three are independent directors. 37.5% of the Board of Directors are also employees of the Company, 37.5% of directors are independent directors, and 25% of directors are female. The term of office of two of the independent directors is under than 3 years, while the term of office of one independent director is 4 to 9 years. The ages of the 8 directors are between 53 and 68 years old. All directors generally have accounting and financial analysis capabilities, are superior in leadership, decision-making, operational judgment, business management, and crisis management; also, have industry knowledge and international marketing vision.	

Diversified project / Name of Director	Operational judgment	Accounting and financial analysis skills	Management competence	Crisis management ability	Industrial knowledge	International market vision	Leadership ip	Decision -making capacity	Risk managem knowledge and a
Belle Lee	✔	✔	✔	✔	✔	✔	✔	✔	✔
Joseph Lee	✔		✔	✔	✔	✔	✔	✔	✔
Representative of Liang Yi Investment Co., Ltd.: Chih-Ming Lai	✔	✔	✔	✔	✔	✔	✔	✔	✔
Wei-Xin Ma	✔	✔	✔	✔	✔	✔	✔	✔	✔
Yu-An Chen	✔	✔	✔	✔	✔	✔	✔	✔	✔
Kun-Hsien Lin	✔		✔	✔	✔	✔	✔	✔	✔
Ting Herh	✔	✔	✔	✔	✔	✔	✔	✔	✔
Tsan-Kai Chen	✔		✔	✔	✔	✔	✔	✔	✔

(II) Does the Company voluntarily set up other functional committees besides setting up the Remuneration Committee and the Audit Committee according to	V		(II) The Company has duly set up the Remuneration Committee and Audit Committee. All departments concerned assume the respective responsibility and duty about corporate governance. The board of directors has exercised its responsibilities and powers exactly in accordance with laws and ordinances	

<table>
<tr><th rowspan="2">Evaluation items</th><th colspan="3">Operations</th><th rowspan="2">Its differences from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root causes</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>law?

(III) Does the Company formulate the rules governing the performance evaluation of the board of directors and the evaluation methods, conduct performance evaluation on a regular basis every year, report the results of the performance evaluation to the board of directors, and apply it as a reference for individual director’s remuneration and nomination for reappointment?</td><td>

V</td><td></td><td>concerned and Articles of Incorporation, decisions resolved in the shareholders’ meeting and the very spirit of corporate governance.
(III) The Company has formulated the “Rules Governing the Performance Evaluation of the Board of Directors” on November 12, 2019 to regularly review the effectiveness of the board of directors in order to improve corporate governance.
Performance evaluation methods include internal self-evaluation by the board of directors, self-evaluation by directors, evaluation performed by the appointed external professional institutions, experts, or other appropriate methods.
Performance evaluations are conducted regularly every year. The “Board Performance Evaluation Self-Assessment Questionnaire” and “Directors Self-Assessment Questionnaire” are evaluated according to the evaluation criteria and the evaluation results are recorded and sent to the Board of Directors for review and improvement.
Evaluation indicators and evaluation grade principles:
<table><tr><th>Evaluation of the board of directors performance.</th><th>Self-evaluation on the performance of the board of director members.</th><th>Evaluation of the functional committee.</th></tr><tr><td>• Involvement in Company operations
• Improvement in the quality of the board's decision-making
• Board composition and structure
• Selection and continuous training of directors
• Internal control</td><td>• Mastery of Company goals and tasks
• Awareness of directors' responsibilities
• Involvement in Company operations
• Internal relationship management and communication
• Professional and continuing education for directors
• Internal control</td><td>• Involvement in Company operations
• Recognition of functional committee responsibilities
• Improvement of the decision-making quality of functional committees
• Composition of functional committees and selection of members
• Internal control</td></tr></table>
Evaluation results of the board of directors for 2023:</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation items</th><th colspan="3">Operations</th><th rowspan="2">Its differences from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root causes</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Evaluation of the board of directors performance.</td><td>Self-evaluation on the performance of the board of director members.</td><td>Evaluation of the functional committee.</td></tr>
<tr><td>Score result 4.91 points</td><td>Score result 4.89 points</td><td>Audit Committee/Remuneration Committee
Score result 5.00 points</td></tr>
</table>
Overall assessment:
The overall result of the Company's board performance evaluation for 2023 was between 5 points, or "Excellent," and 4 points, or"Good," indicating that the Board of Directors and each functional committee were operating well. The board members are familiar with the operation status and prospects of the Company and its subsidiaries, make professional and appropriate judgments, and make effective contributions. In 2023, a total of six Board meetings were held in 2023, with the director's attendance in person reaching 95.83%. All functional committees fully expressed their opinions and suggestions, and exerted the functions of guidance and supervision as the Board of Directors; the attendance rate of functional committees reached 100%. Each functional committee performed due diligence in assessing and supervising various risks of the Company, and made timely, professional and objective suggestions for the decision-making of the Board of Directors, effectively enhancing the functions of the Board of Directors, and the overall performance is excellent, in line with the requirements of corporate governance.
The Company would report the outcome of the evaluation to the board of directors on March 14, 2024.</td><td></td></tr>
<tr><td>(IV) Does the Company regularly assess the independence of the public auditor?</td><td>V</td><td></td><td>(IV) The Company’s accounting department independently evaluates the independence and suitability of the certified public accountant annually, obtains the accounting firm's independence statement, and reports the evaluation results to the board of directors. The Company formulates the evaluation items: 1. There is no direct or significant indirect financial interest relationship with the audit client, 2. There is no financing or guarantee act with the audit client, 3. There is no close commercial relationship with the audit client, 4. There is no potential employment relationship with the audit client, and 5. There is no contingent audit fee related to the audit case.
Description of AQIs for KPMG and its CPAs:</td><td></td></tr>
</table>

Evaluation items	Operations			Its differences from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the root causes
	Yes	No	Summary description	
			Audit quality indicators (AQIs) comprise the following five aspects: Aspect No.1 : Professionalism (1-1) Audit experience (1-2) Training hours (1-3) Turnover rate (1-4) Professional support (1-5) Aspect NO.2: Quality control (2-1) CPAs' workload (2-2) Audit engagement (2-3) Status of EQCR review (2-4) Quality control support capability Aspect No.3: Independence (3-1) Non-audit service fees (3-2) Familiarity with customers Aspect No.4: Supervision (4-1) External inspection deficiency and penalties (4-2) Improvement demanded via an official letter from the competent authority Aspect 5: Innovation capability (5-1) Innovation planning and initiatives 1. The Company's Audit Committee evaluates the independence and suitability of the CPAs every year. In addition to requiring the CPAs to provide the "Declaration of Independence" and "Audit Quality Indicators (AQIs)," the evaluation is conducted based on 13 AQIs. It was confirmed that the CPAs have no other financial interests or business relationship with the Company, and that the CPA's family members do not violate the independence requirements. AQI indicator information is also referred to for confirming that the CPAs and the firm have superior audit experience and the training hours to the industry average. 2. The most recent assessment was performed on February 22, 2024. The Accounting Office examined the competence and independence of the public auditor. It had not found any dissatisfaction and violation of the independence of the said public auditor. The proposal was reviewed and approved by the Board of Directors on March 14, 2024.	

Evaluation items	Operations			Its differences from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the root causes
	Yes	No	Summary description	
IV. Are listed/OTC companies equipped with component and appropriate numbers of corporate governance personnel; also, designate corporate governance officers to be responsible for corporate governance-related affairs (including but not limited to providing directors, supervisors with the information needed to perform business, assisting directors and supervisors in complying with laws and regulations, handling matters related to the board meetings and shareholders meetings in accordance with the law, generating the minutes of board meetings and shareholders meetings)?	V		1. The Corporate Governance Unit of the Company assists the Board of Directors to promote the establishment of a sound corporate governance structure and implement various corporate governance systems in order to protect shareholders ultimately.	None
V. Does the Company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), set up stakeholder section on the Company's website, and respond appropriately to important corporate social responsibility issues of concern to stakeholders?	V		The Company has smooth communication and grievance channels held with business owners, suppliers, banks, and employees. The dedicated departments are responsible for communication and coordination to protect their legitimate rights and interests. The Company's website also has a stakeholder section and the email for the contact of stakeholders in order to properly respond to issues of concern to stakeholders.	None
VI. Does the Company commission a professional stock agency to handle the affairs of the shareholders meeting?	V		The Company appointed Shareholder Service Agency Department of Taishin Securities Co., Ltd. to handle various stock transactions of the Company.	None
VII. Information disclosure				
(I) Does the Company set up a website to disclose financial business and corporate governance information?	V		(I) The company information is disclosed on the Company's website for the reference of shareholders and the public.	None
(II) Does the Company adopt other methods of information disclosure (such as, setting up an English website,	V		(II) The Company has designated a person to be responsible for the collection of company information and has information disclosure made on the Market Observation Post System. A spokesperson system has also been established to	

Evaluation items	Operations			Its differences from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the root causes
	Yes	No	Summary description	
designating a person to be responsible for the collection and disclosure of Company information, implementing a spokesperson system, and placing the incorporated investor conference recording on the Company's website)? (III) Does the Company announce and report the annual financial report within two months after the fiscal year; also, announce and report the first, second, and third quarter financial reports and monthly operating conditions before the deadline?		V	ensure the information that may affect the decision-making of shareholders and stakeholders is immediately disclosed. (III) Filed within the specified time	
VIII. Does the Company have other important information that helps understand the operation of corporate governance (including but not limited to employee benefits, employee care, investor relations, supplier relations, stakeholder rights, director and supervisor advanced study, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, the liability insurance acquired for the Company's directors and supervisors, etc.)?	V		(I) Employees' Rights and Interests: The Company has always treated employees with sincerity and safeguarded the legitimate rights and interests of employees in accordance with the Labor Standards Law. (II) Employee care: The Company has the Employee Welfare Committee set up with the relevant system stipulated. Such as: Provide subsidies or cultural and recreational activities, community activities, etc. to employees. (III) Social care: Note 1 (IV) Investor Relations: The spokesperson is responsible for handling shareholders' recommendations. (V) Supplier relations: The communication with suppliers is smooth and well executed. (VI) Interests of stakeholders: Stakeholders may communicate with the Company or make suggestions to the Company to protect their legitimate rights and interests. (VII) Implementation of customer policy: The Company maintains a good and stable relationship with its customers to create corporate profits. (VIII) The Company has based on the provisions of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" of Taiwan Stock Exchange to allow each director arranging his/her advanced study independently. Note 2 (IX) The liability insurance acquired by the Company for directors and supervisors: The liability insurance for the directors was purchased by the	None

Evaluation items	Operations			Its differences from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root causes
	Yes	No	Summary description	
			Company in July 2023. (X) Implementation of risk management policies and risk measurement standards: The Company has established various internal regulations in accordance with the law to conduct various risk management and evaluation.	

IX. Please explain the improvement of the Company’s corporate governance according to the evaluation results released by the Corporate Governance Center of Taiwan Stock Exchange in the most recent year, and propose the prioritized nonconformities for improvement and the respective measures. (Exempted for those companies that are not included in the assessment list)

Question number	Evaluation Index	Remarks
4.07	Has the Company uploaded the English version of its sustainability report to the Market Observation Post System and the Company's website?	This is currently under consideration and expected to be completed in September 2024.

Note 1:

Details of social donation in 2023

S EQ_NO: 1	Event
1	Taichung Guangyin Nursing Home under Upward Social Welfare Foundation
2	Day trip of Senior Association, Houli community, Taichung City
3	Luncheon of environment volunteers from Houli community, Taichung City
4	The Dragon Boat Festival sponsorship, passing down love from grandparents to grandchildren, Houli community, Taichung City
5	Taiwan High-Tech Facility Association (Sponsorship under the 2023 High-tech Factory Facilities International Forum)
6	Han Hsiao 2023 Recital, Creation Opera Institute
7	Yuying Elementary School, Houli Dist., Taichung City
8	A Kernel of Wheat Foundation
9	Prader-Willi Syndrome Association
10	Jiehui Social Welfare Foundation
11	Mennonite Social Welfare Foundation

Note 2:

Board Directors' continuing education

Job title	Name	Date of continuing education		Organizer	Course Title	Continuing education hours	Total continuing education hours of the year	Remarks
		Start	End					
Director	Wei-Xin Ma	2024/01/26	2024/01/26	Taiwan Corporate Governance Association	Analysis of Taiwan economic trend in 2024	3.0	3.0	
		2023/11/15	2023/11/15	Securities and Futures Institute	2023 Legal Compliance Promotional Seminar for Insider Equity Trading	3.0	6.0	
		2023/05/05	2023/05/05	Taiwan Corporate Governance Association	New Trends and Prospects of Global Politics and Economy - Sino-US Competition and Cross-Strait Relations	3.0		
Independent Director	Kun-Hsien Lin	2023/08/09	2023/08/09	Taiwan Corporate Governance Association	Ethical Management and Anti-bribery Management System Practice	3.0	6.0	
		2023/05/26	2023/05/26	Environmental Protection Administration, Executive Yuan	Lectures and Symposium on Green Chemistry for Sustainability in Joint Hands	3.0		
Director	Yu-An Chen	2023/06/06	2023/06/06	Taiwan Securities Association	Legal Responsibilities for Trade Secret Protection and Case Studies	3.0	6.0	
		2023/03/21	2023/03/21	Taiwan Securities Association	Legal Responsibilities for Corporate Fraud and Case Study	3.0		
Independent Director	Ting Hou	2023/07/06	2023/07/06	Securities and Futures Institute	Technical development and application opportunities of the chatting robot, ChatGPT	3.0	15.0	
		2023/07/04	2023/07/04	Taiwan Stock Exchange	2023 "Cathay Sustainable Finance and Climate Change Summit"	6.0		
		2023/04/11	2023/04/11	Securities and Futures Institute	Server system integration technology and application opportunities	3.0		
		2023/02/23	2023/02/23	Securities and Futures Institute	Technology and Application Opportunities of the Third Generation Semiconductor Power Components	3.0		
Director	Joseph Lee	2023/07/04	2023/07/04	Taiwan Stock Exchange	2023 "Cathay Sustainable Finance and Climate Change Summit"	6.0	6.0	
Independent Director	Tsan-Kai Chen	2023/06/27	2023/06/28	Securities and Futures Institute	Taipei Session, the Practical workshop for directors (including independent directors), supervisors, and corporate governance executives	12.0	12.0	
Director	Belle Lee	2023/11/01	2023/11/01	Taiwan Academy of Banking and Finance	Workshop of Corporate Governance and Corporate Sustainability	3.0	6.0	
		2023/04/13	2023/04/13	Taiwan Academy of Banking and Finance	Lecture for Corporate Governance	3.0		

(II) If a Company has set up a Remuneration Committee, it should disclose its composition, responsibility, and operation:

(1. Composition and duties of the Remuneration Committee

The Company with the resolution of the board of directors on October 20, 2011 has a remuneration committee formed. The remuneration committee is responsible for enacting and regularly reviewing the annual and long-term performance goals and remuneration policies, systems, standards, and structure for the Company's directors and managers; also, regularly evaluate the performance of the directors and managers of the Company, and determine the content and amount of remuneration for each individual. The members of the fifth-term remuneration committee are as follows:

(1) Remuneration Committee member information

March 31, **2024**

ID type	Name \ Conditions	Professional qualifications and experience (Note 2)	Status of independence (Note 3)	Serve as a member of the Remuneration Committee of other public companies
Convener	Ting Herh	Please refer to page 23 for content related to director information (1)	Please refer to page 23 for content related to director information (1)	1
Member	Kun-Hsien Lin	Please refer to page 23 for content related to director information (1)	Please refer to page 23 for content related to director information (1)	1
Member	Tsan-Kai Chen	Please refer to page 23 for content related to director information (1)	Please refer to page 23 for content related to director information (1)	0

2. The operation of the Remuneration Committee

I. The Board of Directors approved the establishment of the Remuneration Committee on October 20, 2011. .

II. There are three members of the Remuneration Committee of the Company, all of which are independent directors, resolved by the board meeting. The members of the committee comply with professional qualifications and independence.

III. The tenure of this term: August 17, 2021 to August 16, 2024. The Remuneration Committee had held four meetings (A) in the most recent year; also, the member qualifications and attendances are as follows:

Job title	Name	Actual number of attendance (B)	Frequency of attendance by proxy	Actual attendance ratio (%) (B/A) (Note)	Remarks
Convener	Ting Herh	4	-	100%	Re-elected
Member	Kun-Hsien Lin	4	-	100%	Newly appointed on August 17, 2021
Member	Tsan-Kai Chen	4	-	100%	2022. Newly appointed on November 10

Other information to be published:

I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it shall state the board meeting date, term, content of the proposal, the resolutions of the Board of Directors, and the Company's handling the opinions of the Remuneration Committee (such as, the salary and remuneration approved by the Board of Directors is better than the recommendations of the Remuneration Committee), and should explain the difference and its reasons): None

II. For the resolutions of the Remuneration Committee, if members have objections or reservations raised and have a record or written statement kept, it shall state the Remuneration Committee meeting date, term, content of the proposal, the opinions of all members, and the handling of the members' opinions: None

III. Scope of authority of the Remuneration Committee:

The following functions and powers should be faithfully carried out in good faith and the recommendations should be submitted to the Board of Directors for discussion.

I. Review this procedure regularly and propose amendments.

II. Establish and regularly review the policies, systems, standards, and structures of the performance evaluation and remuneration for the Company's directors and managers.
III. Regularly evaluate and determine the salary and remuneration of directors and managers.

The Committee shall perform the responsibilities as stated in the preceding paragraph in accordance with the following principles:

I. Ensure that the Company's remuneration arrangements are in compliance with relevant law and regulations and are sufficient enough to attract talents.
II. The performance evaluation and remuneration of directors and managers should be determined by referring to the standards of the industry, including the reasonable connection of the personal performance, the Company's operating performance, and future risks.
III. Directors and managers should not be led to engage in an act exceeding the tolerable risk of the Company for the pursuit of remuneration.
IV. The ratio of remuneration distributed and partial change in remuneration payment time for the short-term performance of directors and senior managers, the characteristics of the industry and the nature of the Company's business should be taken into account.
V. Members of the Remuneration Committee are not allowed to participate in discussing and voting on their personal salary and remuneration decision-making process.

The so-called "salary and remuneration" referred to in the preceding two paragraphs includes cash remuneration, stock options, dividend shares, pension or severance pay, various allowances, and other measures with substantial rewards; the scope of the remuneration shall be consistent with the remuneration of the directors and managers stated in the "Regulations Governing Information to be Published in Annual Reports of Public Companies."

IV. Important resolutions of the remuneration committee in 2023 and up to the publication date of the annual report:

Date of Remuneration Committee meeting (term)	Proposal description	Resolution result	The Company's treatment of the opinions of the Remuneration Committee
January 18, 2023 (5th meeting of the 5th term)	1. The Company's 2022 remuneration distribution to employees and directors 2. The Company's distribution of annual bonus to managers for 2022. 3. The salary adjustment of the managers by the Company in 2023.	Approved unanimously by all members present.	The proposal was approved by all directors present without objection after submitted to the Board of Directors.
March 23, 2023 (6th meeting of the 5th term)	1. Remuneration of the Company's new financial officer.	Approved unanimously by all members present.	The proposal was approved by all directors present without objection after submitted to the Board of Directors.
August 11, 2023 (7th meeting of the 5th term)	1. The Company's distribution of employee compensation to managers of 2022.	Approved unanimously by all members present.	The proposal was approved by all directors present without objection after submitted to the Board of Directors.
January 31, 2024 (8th meeting of the 5th term)	1. The Company's 2023 remuneration distribution to employees and directors 2. The Company's distribution of annual bonus to managers for 2023. 3. The salary adjustment of the managers by the Company in 2024.	Approved unanimously by all members present.	The proposal was approved by all directors present without objection after submitted to the Board of Directors.

(V) Fulfilling social responsibility:

Difference of the social responsibility fulfillment from the requirements of the “Sustainable Development Best Practice Principles for TWSE/GTSM-Listed Companies” and the root causes

<table>
<tr><th rowspan="2">Evaluation items</th><th colspan="3">Operations</th><th rowspan="2">Its differences from the “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and its root causes</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>I. Does the Company establish a governance structure to promote sustainable development, and set up a designated full-time (or part-time) unit to promote Sustainable Development, and the Board of Directors authorizes senior management to handle this and the Board of Directors supervises the situation?</td><td>V</td><td></td><td>Under the supervision of the Chairman, the Company has established the Sustainable Development Committee.
It is responsible for promoting the sustainable development of the Company and reporting to the Board of Directors annually
Status of treatment For 2023 , on May 12, August 11, and November 13 a report on the progress of sustainable development was made at the Board of Directors meeting.</td><td>Compliance with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies</td></tr>
<tr><td>II. Does the Company conduct risk assessments on environmental, social, and corporate governance issues related to the Company’s operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?</td><td>V</td><td></td><td>1. The Company’s Sustainable Development Committee started a stakeholder engagement campaign on environmental, social, and corporate governance issues in 2023; completed the assessment of the Company’s ESG risks; determined nine material topics; and formulated management approaches and disclosed them in the report. For details, see 2023 Sustainability Report - 1.4 Identification of Material Topics.
2. The company has established the "Corporate Governance Best Practice Principles" to guide its risk management.
3. The Company's risk policies and strategies for 2023 are as follows:
<table>
<tr><th colspan="2">Risk aspect</th><th>The Company's countermeasures</th></tr>
<tr><td rowspan="2">Corporate Governance</td><td>Interest rate fluctuation</td><td>The Company's financial structure has always been sound, the capital is used conservatively and prudently, there are dedicated personnel to grasp the financial information, and the Company uses financial instruments from a conservative and prudent stance to reduce the risk of interest rate changes.</td></tr>
<tr><td>Exchange rate fluctuation</td><td>● Reduce the net position of USD and CNY to reduce exchange risk.
● The Company's financial personnel collect information on fluctuation in exchange rates from time to time, and refer to the financial information provided by banks and investment institutions, to grasp the dynamics of</td></tr>
</table></td><td>Compliance with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies</td></tr>
</table>

Evaluation items	Operations			Its differences from the "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and its root causes
	Yes	No	Summary description	

		exchange rates in a timely manner. ● Open foreign currency deposit accounts and adjust foreign currency positions based on actual fund requirements and exchange rate trends.
	Credit risk:	The Company has dedicated staff responsible for the review of the counterparty's credit limit, credit approval, and other monitoring procedures, to ensure that appropriate actions have been taken to collect overdue receivables, and review the recoverable amount of receivables one by one to, ensure that the irrecoverable accounts receivable are provided with appropriate impairment loss.
	Market competition	● Maintain close contact with customers, understand and meet the latest customer needs, and visit customers regularly with R&D technicians, to grasp the future trends of customers' products and develop new products as responses. ● The innovation of R&D technologies and the acquisition of patents ensure that the Company stays in the global leading group.
Corporate Governance	Novel infectious disease	● Established a project team. ● Continuously monitor pandemic information and make timely adjustments in response to government regulations. ● Implement the job deputy mechanism. ● Implement preventive measures against novel infectious diseases.
Corporate Governance	Information security risk	● The file security and equipment security are managed; the entire system shall be backed up regularly, and the refresh operation shall be executed regularly, to save the space used by the disk drives and increase the system operation performance. ● Equipment safety shall control access to entrances and data centers, manage the maintenance of equipment and data center equipment, with regular inspection of the safety measures in data centers. ● Authorization management was established to implement the internal control cycle for information security. ● Implement an off-site backup mechanism. ● Regularly outsource information security audits.
Environmental aspect	Environmental pollution	● The management is conducted based on the waste management mechanism, and the qualification review of

Evaluation items	Operations			Its differences from the "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and its root causes
	Yes	No	Summary description	

		waste treatment vendors and confirmation of the final treatment flow are regularly carried out, to ensure that the waste produced by United Integrated can be properly treated. ● Implement environmental risk management and establish control mechanisms for possible pollution sources. ● The Environmental Safety and Health Committee holds meetings to review the effectiveness of environmental control every quarter. ● Implement regulatory identification to meet government regulatory requirements.
	Climate Change Risks	● The issues of water restriction, water supply rotation, and water shortage are our water resource management issues. Therefore, in terms of water management, in addition to collecting reservoir water conditions, we establish water consumption trend monitoring to keep track of consumption; and the water-saving measures are promoted daily including using the recycled water. ● Regarding the impact of typhoons, the typhoon prevention headquarters is established when a typhoon warning is issued to accurately grasp the typhoon trend and the current situation in the plant, and issue a typhoon forecast in the plant, so that personnel can effectively understand the typhoon situation and take typhoon precautionary measures to minimize the impact of typhoons; where flooding is caused, the typhoon prevention headquarters is responsible for coordinating the response conditions and troubleshooting, as well as subsequent recovery tasks after the water recedes. ● In response to the government's energy-saving policy, we plan to introduce the greenhouse gas inventory in 2024. ● Aligning with government regulations and customer needs
Social aspect	Occupational disaster risk	Employees are an important asset. We ensure a safe working environment and avoid potential costs and risks due to occupational incidents. Continue to implement the ISO 45001 management system to implement the hazard identification and risk management, with regular Occupational Safety and Health Commission meetings, to advise the safety and health policies formulated by the employer, while deliberating, coordinating, and advising the safety and health related matters. Employees

<table>
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<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td rowspan="3"></td><td></td><td>help each other, with peace of mind when working, and the hazard-free working hour record is promoted.</td></tr>
<tr><td>Labor shortage risk</td><td>● Proactive promotion of equipment automation: in response to the labor shortage, the Company actively promotes the automation of production equipment, establishes the Equipment Automation Center to integrate and share the Group's resources of equipment automation, and increases investments in equipment automation, to reduce the labor intensity of personnel with machines, and replace the simple and repetitive actions
● Enhancement of employee retention: improving employee remuneration and benefits, focusing on employee care, and striving to reduce employee turnover.</td></tr>
<tr><td>Risks associated with supply and demand of raw materials</td><td>● In response to the uncertainty of suppliers, in addition to developing and diversifying the locations of suppliers, and hedging procurement is used to reduce the risk of interruption of supply.
● Increase the ratio of consolidated container shipments and reduce the risk of fragmented shipments by using the logistics collection mechanism and requesting suppliers.</td></tr>
</table></td><td></td></tr>
<tr><td>III. Environmental issues
(I) Does the Company establish a suitable environmental management system based on its industrial characteristics?</td><td>V</td><td></td><td>For environmental management policy, regulations, and approaches formulated by the Company, see the 2023 Sustainability Report - 4.1 Environmental Management Policy.</td><td>Compliance with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies</td></tr>
<tr><td>(II) Is the Company committed to improving the efficient use of resources and using recycled materials that have a low impact on the environment?</td><td>V</td><td></td><td>The Company's electronic products follow eco design and eco production to avoid environmental impact arising from our products. For the status of use of renewable materials, see 4.2 Energy and Resources Management in the 2023 Sustainability Report.</td><td>Compliance with the Corporate Social Responsibility Best Practice</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation items</th><th colspan="3">Operations</th><th rowspan="2">Its differences from the “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and its root causes</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td></td><td>Principles for TWSE/TPEx Listed Companies</td></tr>
<tr><td>(III) Does the Company assess the current and future potential risks and opportunities of climate change for the Company, and take measures to respond to climate-related issues?</td><td></td><td>V</td><td>The Company assesses the risks and rewards of climate change and takes response measures through its Sustainable Development Committee. Countermeasures to climate-related risks in 2023 are as follows:
<table>
<tr><th colspan="2">Climate-related financial impacts and responses</th></tr>
<tr><th>Risk and opportunity items</th><th>Financial Impacts and Responsive Mechanisms</th></tr>
<tr><td>Increase pricing of greenhouse gas emissions</td><td>Due to the Climate Change Response Act, the government will levy a carbon fee in 2025 on direct emissions or indirect emissions with intensive emissions. The possible financial impact of this risk is an increase in operating costs. However, at this stage, the Company is not deemed as a high-carbon emission industry, so it will not pose a significant impact on the overall financial impact. Considering the future, in addition to implementing a comprehensive GHG inventory in 2024, the Company will also conduct evaluations for the purchase of green power and carbon rights, determine the carbon reduction targets.</td></tr>
<tr><td>Strengthening obligations of emission reporting</td><td>The government regulations require the disclosure of greenhouse gas emissions in 2026. It is expected that the initial expense of the greenhouse gas inventory introduction will increase by about NT$500,000, and the financial impact will be small. The Company has mainly implemented voluntary inventory for emission scope 2 in 2021. A comprehensive inventory is planned to be introduced in 2024 and disclosed in the sustainability report every year.</td></tr>
<tr><td>Extreme changes in rainfall (water) patterns and climate patterns</td><td>The increase in extreme weather events has led to an increase in the frequency of typhoons and rainstorms, which may cause flooding in the office building and affect the Company's operations. After assessment, it may cause low-level financial losses. The Company's countermeasures are to implement the maintenance of the drainage system, and to establish typhoon and rainstorm emergency contingency plans to reduce immediate risks. The building has completed the waterproof construction, insured against natural disasters, purchased additional retaining walls, and maintained the pump and drainage on a monthly basis. Therefore, the risk does not pose a significant impact on the overall operation.</td></tr>
</table></td><td>Compliance with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies</td></tr>
</table>

Evaluation items	Operations			Its differences from the "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and its root causes
	Yes	No	Summary description	
(IV) Does the Company count the greenhouse gas emissions, water consumption, and total weight of waste of the last two years, and formulate policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction, or other waste management?		V	1. The Company has implemented various energy conservation and carbon reduction measures to support the promotion of energy conservation and carbon reduction. For example, better controlling the office temperature with the air conditioner, turning off the lights, less water consumption, using energy-saving lamps, separating recyclables and garbage, and reusing resources if possible. Develop specific improvement goals according to relevant regulations and actual conditions. Greenhouse gas inventory water usage, waste volume, and related reduction performances are already disclosed in the Sustainability Report. Refer to sections 4.2-4.4 of the 2023 Sustainability Report: (1) Greenhouse gas: Total greenhouse gas emissions were 560.21 tonnes of CO_2e in 2021 and 589.16 tonnes of CO_2e in 2022. (2) Water consumption: 13.00 million liters of water was consumed in 2021, and 10.30 million liters in 2022. (3) Waste: The Company produces no hazardous waste but domestic waste. The Company will introduce ISO 14064-1 to inventory its GHG emissions. The Company plans to set the emissions in the first inventoried year as the base year, and aims to reduce carbon emissions by 1% from the level in the base year every year. 3. The environmental performance data in the Sustainability Report was attested to by an independent third party, which also issued a report containing its opinion. For details, see the Appendices to the 2023 Sustainability Report.	Compliance with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
IV. Social issues (I) Does the Company formulate relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?	V		United Integrated Services respects and complies with internationally recognized human rights regulations/principles, e.g., "The United Nations Universal Declaration of Human Rights", "The United Nations Global Compact", and "ILO Convention"; by referencing the core labor standards therein and local laws and regulations, United Integrated Services has formulated its human rights policy. Meanwhile, education and trainings are given to employees to raise their human rights awareness, to wipe out any conduct infringing on or violating human rights, and to further ensure that the Company's employees and stakeholders can be treated in a fair, equal, and dignified manner. The human rights policy is disclosed on the official website. Visit the official website and to Investor/Corporate Governance/Company Regulations and Systems.	Compliance with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation items	Operations			Its differences from the "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and its root causes
	Yes	No	Summary description	
II) Does the Company formulate and implement reasonable employee benefits measures (including remuneration, vacation, benefits, etc.) and appropriately reflect operating performance or results in employee salary and compensation?	V		1. The Company has established an Employee Welfare Committee, formulated the "Working Rules," and stipulated the rules governing salary and compensation. 2. The Company has formulated a performance evaluation system. Remuneration is adjusted based on operating performance and employees' personal performance. For the achievement in the execution of the salary and welfare policy, see 5.2.1 of the 2023 Sustainability Report.	Compliance with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
(III) Does the Company create a safe and healthy working environment for employees, and regularly provide safety and health education to employees?	V		1. The Company has introduced the ISO 45001 occupational safety and health management system; by being risk-minded, the Company ensures the provision of a persistent safe and healthy workplace to employees. 2. New employees are given a 3-hour occupational safety training session; awareness sessions and training courses on fire safety and occupational incidents in the industry are given regularly. In 2022, a total of 17,420.5 hours of occupational safety and health trainings were provided to employees and contractors; health check is given every two years. The participation rate in the health checkup in 2022 was 89.8%. 3. The Company obtained the certificate of ISO 45001:2018 whose scope is the Hsinchu operation. 4. The Company did not have any occupational incidents in 2023, so both the number of incidents and the incident rate are 0. For the achievement in the implementation of the occupational safety and health policy, see 5.3 of the 2023 Sustainability Report.	Compliance with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
(IV) Does the Company establish an effective career development training program for its employees?	V		Describe the areas covered by training programs (e.g., newcomer training, professional development, supervisor training, etc.) and their scope (e.g., supervisors at all levels, colleagues, etc.) as well as their implementation.	The Company has established a comprehensive welfare system and planned a variety of

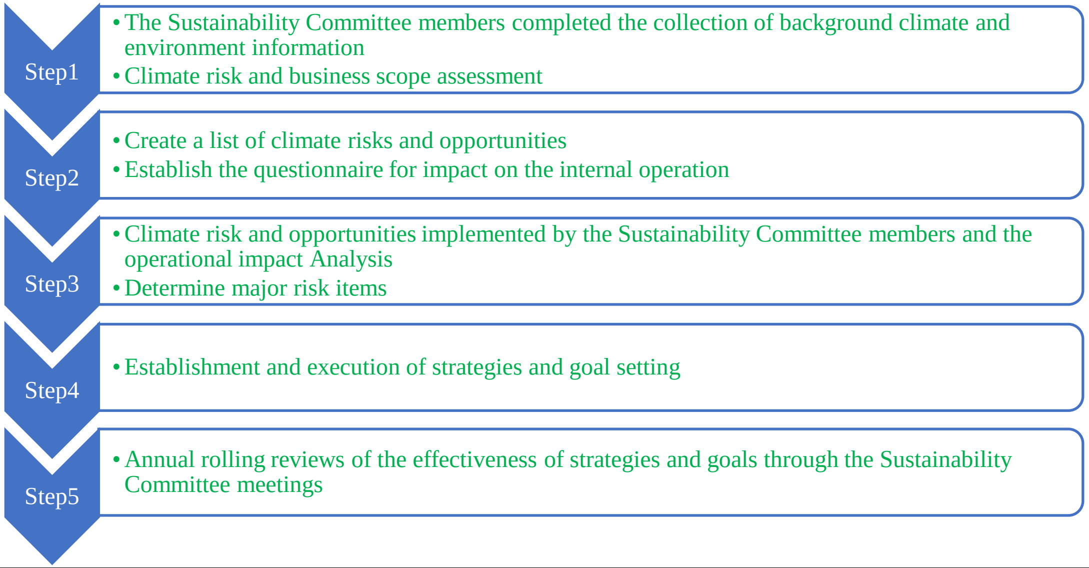
Evaluation items	Operations			Its differences from the “Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies” and its root causes
	Yes	No	Summary description	
				educational training courses to enhance the job competence of employees.
(V) Does the Company comply with relevant laws and regulations and international standards for customer health and safety, customer privacy, marketing and labeling of products and services; also, formulate relevant consumer protection policies and grievance procedures?	V		1. Consumer-related rights are clearly stated in the contract, and special units are set up to fulfill the warranty obligations. 2. The Company has established ISO: 13485 Medical Equipment Quality System to protect consumer safety. 3. The Company sets up customer complaint filing procedures, and provide a complaint filing channel in the Stakeholders zone on its official website. https://www.uisco.com.tw/stakeholder.html In 2023, the Company did not violate any laws or regulations governing customer health and safety, customer privacy, or labelling or marketing. For the implementation of the legal compliance policy, see 3.3 of the 2023 Sustainability Report.	Compliance with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
(VI) Does the Company formulate a supplier management policy that requires suppliers to follow relevant regulations on issues, such as, environmental protection, occupational safety and health, or labor rights, and their implementation?	V		1. The Company has set up its “Rules for Selection of Suppliers” and “Regulations for Management of Contractors“, wherein the supplier management policy and compliance requirements are set out. 2. For disclosure of supplier management policy and the implementation thereof, refer to section 4.5 of the 2023 ESG Report	The Company’s quality management system has passed the internationally recognized latest edition (2015) of the ISO 9001 quality management system certification with a certificate received, in addition to meeting international

Evaluation items	Operations			Its differences from the "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies" and its root causes
	Yes	No	Summary description	
				quality control requirements; it is in line with the international community. The Company will evaluate suppliers on their social and environmental performance in 2023.
V. Does the Company compile reports on corporate non-financial information, such as, corporate social responsibility reports, by referring to internationally accepted reporting standards or guidelines? Did the assurance, guarantee, or opinions of a public verification unit obtained for the aforementioned reports?		V	The Company referenced the general principles, industry-specific principles, and material topic principles issued by the Global Reporting Initiatives (GRI) when preparing the previous year's Sustainability Report, wherein material environmental/social/economic topics identified by the Company, their effects, disclosure items, and reporting requirements therefor were disclosed. the 2023 Sustainability Report was further verified by a third party and will be released in August 2024. For details, see the compilation policy of the 2023 Sustainability Report and the third party verification report in the Appendices.	Compliance with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
VI. If the Company has its own sustainable development best practice principles in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between its operation and the Principles: The Company has adopted the general principles promulgated by the Global Reporting Initiatives (GRI) when preparing its 2023 ESG Report, which is scheduled for release for August 2024 and will be certified by a third party.				
VII. Other important information helpful to understand the implementation of sustainable development: environmental protection, garbage sorting and recycling, resource recycling and reuse: such as PET bottles, second-hand paper, and iron and aluminum cans.				

Climate-Related Information of TWSE/TPEx Listed Company

1. Implementation of Climate-Related Information

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</td><td>The Sustainability Committee conducts discussion and evaluation on the discussion and management of climate change at United Integrated Services Co., Ltd. The relevant resolutions on climate change and the status of sustainable development are approved by the Board of Directors upon resolutions. There are task forces under the Committee. The Sustainability Committee coordinates and combines the task forces. The 2023 climate risk governance has been reported to the Board of Directors as reference for decision-making in November.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).
3. Describe the financial impact of extreme weather events and transformative actions.</td><td>
<table>
<tr><th>No.</th><th>Climate Change Risks Issues</th><th>Risk Level</th><th>Time Scope</th><th>No.</th><th>Climate Change Opportunity Issues</th><th>Opportunity Level</th><th>Time Scope</th></tr>
<tr><td>R4</td><td>Average temperature rise</td><td>High</td><td>Mid- and long-term</td><td>O4</td><td>Development of low-carbon products and services</td><td>High</td><td>Short, medium and long-term</td></tr>
<tr><td>R6</td><td>Increased severity of extreme weather events such as typhoons, floods, and droughts</td><td>High</td><td>Short, medium and long-term</td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="8">Transformation risks
The average temperature rises, resulting in rising electricity costs: 1. Promote the replacement of lights with LED lights; 2. introduction of air conditioning inverter equipment and other solutions. The electricity cost is expected to increase by 20% in the next 3 years for the short term, and the financial impact will be medium.
Physical risk: The increase in extreme climate events leads to an increase in the frequency of typhoons and rainstorms, which may cause large-scale regional transportation disruptions, affecting the supply chain and customers' rights and interests. Upon the assessment, it may cause financial losses. The Company's countermeasures are to develop suppliers from multiple locations, and to establish an emergency response mechanism for typhoons and rainstorms, to reduce immediate risks. This risk is responded to by the procurement end in time and does not pose a significant impact on the overall operation. Based on the impact of typhoons and heavy rains in the past three years, the provisional short-term impact is estimated to increase the financial cost by about NTD2 million, and the impact is medium.
Opportunity: Development of new low-carbon products and services
1. Regarding the demand for carbon emission of the optoelectronic business department, the plan is also toward the direction of energy saving, high efficiency and carbon emission monitoring. Through equipment automation and low-carbon product design, it is estimated that the medium-term impact will increase by NTD3 million in financial costs.</td></tr>
</table>
</td></tr>
<tr><td>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</td><td>The Company has established risk management measures (including climate risk management procedures), which are effectively operating. The risk implementation results in 2023 and the sustainable development status was reported to the Board of Directors in November 2023.</td></tr>
</table>

<table>
<tr>
<td></td>
<td>
</td>
</tr>
<tr>
<td>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</td>
<td>1. Set the baseline scenario and 1.5°C scenario to identify and analyze the short, medium and long-term climate risks and opportunities in the Company's operation scope and the entire asset life cycle. In terms of transition risk, the baseline scenario and 1.5°C scenario refer to the RCP 8.5 and RCP 2.6 climate scenarios from the United Nations Panel on Climate Change (IPCC), respectively, and the risk assessments are conducted the for immediate and long-term physical risks.
2. The average temperature continues to rise, resulting in an increase in energy consumption and operating costs. In response to the scenario where one degree Celsius rises in the average temperature throughout Taiwan, results in a 6% increase in electricity consumption. Assuming the unit price of electricity remains stable, the electricity consumption will at least increase by 27% with the derivative electricity bill during the short period of three years in case of 1.5ºC degree increase.
3. In terms of regulatory scenario, in response to the government's carbon fee in 2025, if the fee per metric ton of emission is NTD 500, and 2022 is used as the baseline, the Company will increase the cost by about NTD300,000 per year, and increase the expenses by NTD900,000 in the short period of three years.</td>
</tr>
<tr>
<td>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</td>
<td>The average temperature rises: 1. Promote the replacement of lights with LED lights; 2. introduction of air conditioning inverter equipment and other solutions.
Resource efficiency improvement and low-carbon products:
1. In addition to continuously upgrading the equipment automation of each production plant, we are also planning toward the direction of energy saving and high efficiency, carbon emission monitoring, while developing low-carbon products to meet the needs of enterprises for energy-saving products.
Relevant indicator targets:
1. ISO 14064 will be introduced in 2026 and certified by a third party.
2. Continue to optimize the production process and improve performance, reduce production energy consumption, and increase product gross profit. At least one project is proposed every year.</td>
</tr>
</table>

7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	No internal carbon pricing yet
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Emission reduction target Comparing to base year 2023 for the Headquarters Scope 1 + Scope 2 greenhouse gas emission reduction by 20% by 2030 Scope 1 + Scope 2 greenhouse gas emission reduction by 30% by 2040 The Company plans to purchase renewable energy certificates from 2030 onwards, and the purchase limit is the consumption of purchased electricity under Scope 2.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	Not applicable, based on the schedule for disclosure of information for GHG inventory for TWSE/TPEx-listed companies, the Company is subject to stage 4.

1-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO_2e), intensity (metric tons CO_2e/NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

Item / Year	Scope 1 (Metric tons CO_2e)	Scope 2 (Metric tons CO_2e)	Data coverage: All business locations in Taiwan

Item / Year	Company revenue (in NT$ millions)	Total emissions (Metric tons CO_2e)	Intensity (Metric tons CO_2e / NT$ 1 million)	Data coverage: All business locations in Taiwan

1-1-2 Greenhouse Gas Assurance Information
(Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.)

The current status for inventory of greenhouse gas emissions of the Company is self-management and voluntary disclosure, in order to understand the current trend and respond in advance, and has not been assured by an external third-party verification agency.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Emission reduction target	**Strategic actions**	Plan Schedule
Comparing to base year 2023 **Scope 1 + Scope 2 greenhouse gas emission reduction by 20% by 2030** **Scope 1 + Scope 2 greenhouse gas emission reduction by 30% by** 2040	**1.** Through the green procurement, we purchase infrastructure equipment with environmental protection labels, and fully replace the refrigeration and air conditioning system with energy efficiency class 1. **2.** Implementing energy-saving projects for facilities and equipment **3.** Green power certificate purchase	**1. 2023 - 2030** **2. 2023 - 2030** **3. 2023 - 2040**

(VI) The ethical management of the Company and the measures adopted:

Difference of the ethical management performance from the requirements of the "Ethical Management Best Practice Principles for TWSE/GTSM-Listed Companies" and the root causes

Evaluation items	Operations			Its differences from the "Ethical Management Best-Practice Principles for TWSE/GTSM Listed Companies" and the root causes
	Yes	No	Summary description	
I. Establishing ethical management policies and programs (I) Does the Company formulate an ethical management policy approved by the board of directors, and clearly state the policies and practices of ethical management in the regulations and external documents, and the board of directors and senior management actively implement the business policy? (II) Does the Company have established an evaluation mechanism for the risk of unethical conduct, regularly analyzed and evaluated business activities with a higher risk of unethical conduct within the business scope, and formulates a plan to prevent unethical conduct, which at least cover the precautionary measures for the unethical conduct listed in Article 7, Paragraph 2 of the "Ethical Management Best Practice Principles for TWSE/GTSM-Listed Companies." (III) Does the Company clearly define the operating procedures, guidelines for conduct, disciplinary act and appeal system in the plan to prevent unethical conduct, implement it, and regularly review and revise the aforementioned plan?	V V	 V	(I) The Company has established the "Ethical Management Best-Practice Principles." A responsible person is designated for the formulation, supervision, and implementation of the ethical management policy and prevention plan, and reports to the Board of Directors on a regular basis. (II) The Company has not yet established an assessment mechanism for the risk of unethical conduct. It is currently in the planning process. In order to ensure an ethical management operation, the Company has established an effective accounting system and internal control system. Internal auditors regularly check the compliance with the aforementioned system. The Company's Employee Work Rules clearly stated that employees must not use their powers to seek illegal benefits, accept hospitality, receive kickback and gifts, and embezzle public funds and properties or other illegal interests; also, do not negligently disclose the Company's technology or business secrets in order to avoid employees' sacrificing company's equity for personal gains. (III) The Company has formulated the "Procedures for Ethical Management and Guidelines for Conduct" to regulate the relevant operation procedures. Internal auditors regularly review and revise the aforementioned plan.	None Being studied and worked out by the Company. None
II. Implementing ethical management (I) Does the Company assess the ethical conduct record of the counterparty and specify the terms of ethical conducts in the contract signed with the counterparty? (II) Does the Company have formulated a dedicated unit to promote corporate ethical management under the board of	V V		(I) Does the Company assess the legality of the customer and supplier and whether they have any record of unethical conduct before dealing with them? (II) The Audit Office of the Company is responsible for the formulation, supervision, and implementation of the ethical	None

Evaluation items	Operations			Its differences from the "Ethical Management Best-Practice Principles for TWSE/GTSM Listed Companies" and the root causes
	Yes	No	Summary description	
directors, and regularly (at least once a year) report to the board of directors the ethical management policy and plans to prevent unethical conduct and monitor its implementation?			management policy and prevention plan, and reports to the Board of Directors.	
(III) Does the Company have a policy to prevent conflicts of interest, provide a proper communication channel, and implement it accordingly?	V		(III) The Company's Employee Work Rules clearly stated that employees must not use their powers to seek illegal benefits, accept hospitality, receive kickback and gifts, and embezzle public funds and properties or other illegal interests; also, do not negligently disclose the Company's technology or business secrets in order to avoid employees' sacrificing company's equity for personal gains.	None
(IV) Does the Company have established an effective accounting system and internal control system for the implementation of ethical management, and the internal audit unit based on the assessment of the risk of unethical conduct to draft up relevant audit plans, and checked the compliance with the plan in preventing unethical conduct, or commissioned a certified public accountant to perform an audit?	V		(IV) In order to ensure the implementation of ethical management, the Company has established an effective accounting system and internal control system, and internal auditors regularly check the compliance of the said system.	None
(V) Does the Company regularly hold ethical management education and training internally and externally?	V		(V) The Company maintains the principle of good faith with its customers, handles customer complaints in a timely manner, and actively takes measures to minimize the loss of both parties in order to secure the trust of customers. The Administration Office of the Company clearly defines the job responsibilities and employee grievance; also, clearly defines the prevention of conflict of interest policy and communication channel in the management procedures.	None
III. The operation of the Company's reporting system (I) Does the Company have a specific reporting and reward system, a convenient reporting channel, and an appropriate officer assigned to deal with the reported individual? (II) Does the Company have established standard operating procedures for investigating any incident reported, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms? (III) Does the Company take measures to protect the reporting personnel from improper treatment?	V V V		The Company has a "Chairperson's Mailbox for suggestions and grievances" to handle the Company's major nonconformities, frauds, and other matters in a confidential manner for the protection of the reporting individuals. The relevant departments have been instructed to handle the specific project as quickly as possible. According to the reward and punishment regulations in the "Work Rules," the employees with unethical acts committed are accordingly reported for a disciplinary action.	None

Evaluation items	Operations			Its differences from the "Ethical Management Best-Practice Principles for TWSE/GTSM Listed Companies" and the root causes
	Yes	No	Summary description	
IV. Strengthening information disclosure (I) Does the Company disclose the contents of its "Ethical Management Best-Practice Principles" and the achievement in implementation on the website and Market Observation Post System?	V		The Company has disclosed the contents of the "Ethical Management Best-Practice Principles" on the Company's website and Market Observation Post System; also, the achievement in implementation is disclosed in the annual report.	None
V. If the Company has its own "Ethical Management Best-Practice Principles" stipulated in accordance with the "Ethical Management Best-Practice Principles for TWSE/GTSM Listed Companies," please describe its operation and its differences from the "Ethical Management Best-Practice Principles" stipulated: None VI. Other important information that helps understand the operation of ethical management (such as, the Company reviews and amends its established "Ethical Management Best-Practice Principles," etc.): None				

(VII) The Company has established the Corporate Governance Best-Practice Principles and related regulations inquiry method: the website of UNITED INTEGRATED SERVICES CO., LTD. (http://www.uisco.com.tw)

(VIII) Other important information that helps understand the operation of corporate governance: None

(IX) The implementation of the internal control system should be with the following information disclosed:

1. Internal Control Statement

UNITED INTEGRATED SERVICES CO., LTD.

Internal Control Statement

Date: March 14, 2024

The 2023 internal control system of the Company is declared as follows according to the results of self-inspection:

I. The Company is aware that the establishment, implementation, and maintenance of the internal control system is the responsibility of the Board of Directors and the management of the Company. The Company has established such system. The purpose is to provide reasonable assurance in terms of achieving the goals of operational effectiveness and efficiency (including profitability, performance, asset safety, etc.), reporting reliability, timeliness, transparency, meeting relevant regulations, and compliance with relevant law and regulations.

II. The internal control system has its inherent limitations. Regardless of how well the design is perfected, an effective internal control system can only provide reasonable assurance in achieving the above three objectives. Moreover, due to changes in the environment and conditions, the effectiveness of the internal control system may change. However, the Company's internal control system is designed with a self-monitoring mechanism. The Company can take corrective actions immediately upon identifying nonconformities.

III. The Company judges whether the design and implementation of the internal control system is effective based on the criteria of the effectiveness of the internal control system as stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria of the effectiveness of the internal control system as stated in the "Regulations" has internal control system divided into five elements according to the management and control process: 1. Environment control, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Monitoring operations. Each element contains several items. Please refer to the "Regulations" for the aforementioned items.

IV. The Company has adopted the aforementioned criteria of the internal control system to evaluate the effectiveness of the design and implementation of the internal control system.

V. The Company based on the results of the previous assessment believes that the internal control system (including the supervision and management of subsidiaries) on December 31, 2023, including understanding the operational effectiveness and the achievement in efficiency, the reliability, timeliness, and transparency of reporting, and the design and implementation of the internal control system complying with the relevant requirements and regulations, is effective and can reasonably ensure the achievement of the aforementioned objectives.

VI. This statement will become the main content of the Company's annual report and prospectus, and is hereby made known to the public. If the content of the disclosure in the preceding paragraph is illegal or concealed, it will involve legal liabilities as stated in Articles 20, 32, 171, and 174 of the Securities and Exchange Act

VII. This Statement has been passed by the Board of Directors Meeting of the Company held on March 14, 2023, where none of the 8 attending Directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

UNITED INTEGRATED SERVICES CO., LTD.

Chairperson: Belle Lee (signed/stamped)

President: Joseph Lee (signed/stamped)

(person with equivalent responsibilities)

2. If a certified public accountant is commissioned to examine the internal control system, the review report of the CPA should be disclosed: None**.**

(X) In the most recent year and up to the publication date of the annual report, if the Company and its internal personnel were punished according to law, or the Company punished its internal personnel for violating the provisions of the internal control system, and the results of the punishment may have a significant impact on shareholders' equity or securities prices, the punishment content, major nonconformity, and improvements shall be detailed:

(XI) Important resolutions of the shareholders meeting and the Board of Directors in the most recent year and as of the annual report printing date:

1. 1. Important resolutions reached in the 2021 Shareholders Meeting and their implementation

1.1. 2023 Regular Shareholders' Meeting

Time: May 30, 2023 (Tuesday) 9:00 a.m.

Location: Conference Room on the top floor of Taiwan Tech Arena (Building R, No. 11-29, Qiaohe Road, Zhonghe District, New Taipei City)
Attendance: Shareholders with a total of 138,213,335 shares (including shareholders of 62,754,469 shares electronically exercising their voting rights) were present in person and by proxy, accounting for 73.67% of the total number of 187,586,698 shares (without including non-voting shares) issued by the Company.
Attending Directors: Belle Lee, Joseph Lee, Benny Chen
Attending Independent Directors/Conveners of the Audit Committee: Kun-Hsien Lin, Ting Hou
Guest participant: Certified Public Accountant Tsung-lin Li of KPMG Certified Public Accountants
Chair: Belle Lee

I. Company Reports:

(I) 2022 Business Report
(II) 2022 Audit Committee's Audit Report
(III) Distribution of remuneration to employees and directors for 2022
(IV) 2022 Report on the Distribution of Surplus (see Agenda Handbooks)
(V) Report on the implementation of the investment in Mainland China

II. Proposals:

No. 1: The 2022 Business Report and Financial Statements (submitted by the Board of Directors)
Summary of the proceedings: No shareholders raised related questions.
Resolution: Voting rights (including electronic voting) of shareholders attending were 138,170,335; including 126,053,792 affirmative votes (accounting for 91.23% of the total voting rights of attending shareholders), 9,306 dissenting votes, and 12,107,237 abstentions. This proposal was passed based on voting result.

No. 2: 2022 Report on the Distribution of Surplus, Statements (submitted by the Board of Directors)
Summary of the proceedings: No shareholders raised related questions.
Resolution: Voting rights (including electronic voting) of shareholders attending were 138,170,335; including 128,046,790 affirmative votes (accounting for 92.67% of the total voting rights of attending shareholders), 120,747 dissenting votes, and 10,002,798 abstentions. This proposal was passed based on voting result.
Implementation: Cash dividend distribution date: August 10, 2023

III. Discussions:

Proposal 1: Partial amendment of the provisions of the Company's "Articles of Association". (Proposed by the Board of Directors)
Summary of the proceedings: No shareholders raised related questions.
Resolution: Voting rights (including electronic voting) of shareholders attending were 138,170,335; including 127,662,115 affirmative votes (accounting for 92.39% of the total voting rights of attending shareholders), 12,037 dissenting votes, and 10,496,183 abstentions. This proposal was passed based on voting result.

No. 2: Partial amendment to the Company's "Regulations Governing the Election of Directors and Independent Directors" (Proposed by the Board of Directors)
Summary of the proceedings: No shareholders raised related questions.
Resolution: Voting rights (including electronic voting) of shareholders attending were 138,170,335; including 128,969,453 affirmative votes (accounting for 93.34% of the total voting rights of attending shareholders), 19,971 dissenting votes, and 9,180,911 abstentions. This proposal was passed based on voting result.

IV. Elections

Subject: The by-election for one independent director of the Company, please vote. (Proposed by the Board of Directors)
Election results:

List of Independent Directors Elected

Account number or identity certificate Doc. No.	Account title or name	Election shares
P12149****	Tsan-Kai Chen	124,721,272

V. Other Proposals

Subject: Proposed release of the non-compete restriction on directors and their representatives (submitted by the Board of Directors)
Summary of the proceedings: No shareholders raised related questions.
Resolution: Voting rights (including electronic voting) of shareholders attending were 138,170,335; including 128,875,851 affirmative votes (accounting for 93.27% of the total voting rights of attending shareholders), 110,810 dissenting votes, and 9,183,674 abstentions. This proposal was passed based on voting result.

VI. Extraordinary Motion: None

Summary of remarks made by relevant shareholders during the meeting:

Question raised by Shareholder account number 00040120: (1) What are the quantities of orders in hand at the end of April this year, including from the United States, Taiwan, and China. (2) Will the Company be involved in TSMC's factory construction in Germany? (3) What is the direction of future developments? (4) Has any current order in hand been canceled or postponed? (5) When will the appointee to the position of General Manager be finalized?

The Chair and the relevant personnel designated by the Chair answered and explained the questions, one by one, raised by the shareholders. However, the above-mentioned remarks made by the shareholders were their free remarks by nature, which had not been a part of the formal procedures for extraordinary motion and resolutions.

3. Minutes of Board of Directors' meetings for **2023**, up to the publication date of the annual report

Term	Date	Important matters resolved
10th meeting of the 14th term	January 18, 2023	(I) Passed the proposal to reduce the capital of the subsidiary Han Xuan Energy by retiring shares and returning share subscription proceeds to shareholders. (II) Passed the proposal to reduce the capital of the subsidiary Han Te Energy by retiring shares and returning share subscription proceeds to shareholders. (III) Passed the proposal to sell the shares of subsidiaries Han Xuan and Han Te and determine the rights and obligations attached to a photovoltaic power generation system installation project. (IV) Passed the proposal on the Company's 2022 compensation distribution to employees and directors. (V) Approved the proposal for the Company's 2022 year-end bonus distribution to managerial officers. (VI) Passed the proposal on the Company's 2023 manager pay raise.
11th meeting of the 14th term	March 8, 2023	(I) Passed the proposal on partial amendment of the provisions of the Company's "Articles of Association". (II) Passed the partial amendment to the Company's "Regulations Governing the Election of Directors and Independent Directors" (III) Passed the proposal on by-election of an independent director of the Company. (IV) Passed the proposal on nomination of the candidates for independent directors. (V) Approval of matters related to the convening of the 2023 annual regular meeting of the Company. (VI) Passed the proposal on the amount of capital reduction of the subsidiary Han Xuan Energy through retiring shares and returning share subscription proceeds to shareholders.
12th session of the 14th term	March 23, 2023	(I) Passed the proposal on the Company's 2022 business report and financial statements. (II) Passed the proposal on the Company's 2022 earnings distribution. (III) Passed the proposal on the Company's 2022 compensation distribution to employees and directors. (IV) Passed the preparation of the Company's "2022 Internal Control System Statement." (V) Passed the proposal to lift the non-compete restrictions on directors and their representatives. (VI) Passed the proposal on the assessment of the independence and suitability of the Company's attesting CPAs. (VII) Passed the proposal on remuneration for the CPAs attesting the Company's financial statements. (VIII) Passed the proposal on ratification of the appointment of the Company's financial officer. (IX)) Passed the proposal on ratification of the remuneration of the Company's new financial officer.
13th term of the 14th term	May 12, 2023	(I) Passed the Company's 2023 Q1 consolidated financial statements. (II) Approved the appointment of the Company's corporate governance officer
14th meeting,	August 11, 2023	(I) Passed the Company's 2023 Q2 consolidated financial statements. (II) Passed the proposal on the Company's 2022 distribution of employee

the 14th term		compensation to managers.
15th meeting, the 14th term	November 13, 2023	(I) The Company's 2023 Q3 consolidated financial statements. (II) Passed the Company's 2024 annual audit plan. (III) Passed the amendment to the Company's "Corporate Governance Best Practice Principles." (IV) Passed the proposal to amend some provisions of the Company's "Procedures for the Prevention of Insider Trading".
16th meeting, the 14th term	January 31, 2024	(I) Passed the proposal on the Company's 2023 compensation distribution to employees and directors. (II) Passed the proposal on the Company's distribution of year-end bonus to managerial officers for 2023. (III) Passed the proposal on the Company's 2024 monthly salary raise for managerial officers.
17th meeting, the 14th Board	March 14, 2024	(I) Passed the proposal on the Company's 2023 compensation distribution to employees and directors. (II) Passed 2023 Business Report and Financial Statements (III) Passed the proposal on the Company's 2023 earnings distribution. (IV) Passed the preparation of the Company's "2023 Internal Control System Statement." (V) Passed the election of all board directors. (VI) Passed the nomination of the candidates for directors and independent directors. (VII) Passed to release the newly elected directors and their representatives from the non-compete restrictions (VIII) Passed the convention of the 2024 Regular Shareholders' Meeting of the Company (IX) Passed the proposal on the assessment of the independence and suitability of the Company's attesting CPAs. (X) Passed the proposal on remuneration for the CPAs attesting the Company's financial statements.

(XII) For the resolutions of the Board of Directors in the most recent year and as of the annual report printing date, if the directors have different opinions on the resolutions reached by the Board of Directors and have a record or written statement made, the main contents are: None

(XIII) Summary of the resignation and dismissal of the Company's chairman, general manager, accounting officer, financial officer, internal audit supervisor, corporate governance officer, and R&D officer in the most recent year and up to the publication date of the annual report:

Summary of the resignation of the relevant individuals of the Company

March 31 , 2024

Job title	Name	Date of reporting to duty	Date of dismissal	Reason for resignation or dismissal
Finance Officer	Liyu Lin	June 27, 2012	February 24, 2023	Retirement
Vice President	Chun-Hsiung Wang	July 10, 2012	January 2, 2024	Resignation

IV. CPA auditing fee information

CPA auditing fee information

Amount: NT$ Thousands

Name of CPA Firm	Name of CPA	Auditing period of CPA	Audit fees	Non-audit fees	Total	Remarks
KPMG Taiwan	Chihkai Chen	January 2023 through December 2023	-	180	**180**	Audit into direct deduction method for business tax (VAT).
KPMG Taiwan	Tsunglin Li	2023	-	550	**550**	2023 tax document attestation
KPMG Taiwan	Fu-jen Chen Tsunglin Li	2023		300	**300**	Financial Statements in the English language (both parent company only and consolidated ones)
KPMG Taiwan		2023	-	540	**540**	Reports by country and transfer pricing report
KPMG Taiwan	Fu-jen Chen Tsunglin Li	January 2023 through December 2023	6,880	-	6,880	Audit fees
KPMG Taiwan	Fu-jen Chen Tsunglin Li	January 2023 through December 2023	-	50	50	Information of the salary remuneration to non-supervisor full-timers

Note: If the Company has changed the certified public accountant or accounting firms during the year, please indicate the audit period separately, and explain the reason for the replacement in the remark column; also, disclose the audit and non-audit expenses in an orderly manner. Non-audit expenses should be annotated to explain service content.

V. Information on CPA replacement

(I) About the predecessor CPA

Replacement date	January 2021		
Reason for and description of replacement	Internal job adjustment		
Explain whether it is terminated by the principal or the CPA, or the appointment is declined by the CPA	Contractual parties / Status	CPA	Principal
	Proactive termination of appointment	Not applicable	Not applicable
	No longer accepting (continuously) appointment	Not applicable	Not applicable
The audit report issued with an opinion other than unqualified opinion within two years and the reasons	None		
Is there any disagreement with the issuer?	Yes		Accounting principles or practice
			Disclosure in financial report
			Audit scope or steps
			Others
	None	V	
	Remarks		
Other disclosures (The disclosures made according to Section 1.4 ~ Section 1.7, Paragraph 6, Article 10 of the Regulations)	None		

(II) About the successor CPA

Name of CPA Firm	KPMG Taiwan
Name of CPAs	CPA: Fu-jen Chen CPA: Tsunglin Li
Date of appointment	January 2021
The consultation on accounting treatment methods and accounting principles for specific transactions and possible opinion issued on the financial report prior to appointment and its result	None
Written opinion of the successor CPA that is different from the opinion of the predecessor CPA	None

(III) The reply of the predecessor accountant to the matters stated in Section 1 and Section 2.3 of Paragraph 6 of Article 10 of the Regulations: Not applicable.

(IV) Evaluation into certified public accountants' attribute in independence

The Company's Audit Committee members evaluate the certified public accountants' distribution of independence through the key issues as enumerated below:

1. The certified public accountants' detached declaration of independence
2. A same certified public accountant did not at all continually render certification services for more than seven (7) years in a row.
3. The Company conducts an evaluation through the Accounting Department over the key points of independence attribute of the certified public accountants each and every year.
4. Audit quality indicators (AQIs) (see p.42)

VI. The Company's Chairperson, President, manager of finance or accounting who has worked in the public auditor's CPA Firm or affiliates within the most recent year: None.

VII. Changes in shareholdings of directors, managers, and major shareholders

(I) Changes in shareholdings of directors, managers, and major shareholders.

Job Title	Name	2023		2023 through March 31	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairperson	Belle Lee	—	—	—	—
Director	Liang Yi Investment Co., Ltd.	—	—	—	—
Incorporated representative of the Director	Chih-Ming Lai	—	—	—	—
Director	Joseph Lee	—	—	—	—
Director	Wei-Xin Ma	—	—	—	—
Director	Yu-An Chen	(22,000)	—	—	—
Independent Director	Ting Herh	—	—	—	—
Independent Director	Kun-Hsien Lin	—	—	—	—
Independent Director	Tsan-Kai Chen Took office on 2023.05.30	—	—	—	—
Chief Executive Officer	Belle Lee	—	—	—	—
Chief Technology Officer	Joseph Lee	—	—	—	—
President of Overseas Business Department	Chih-Ming Lai	—	—	—	—
Chief Business Officer	Hsu Chun Yuan	—	—	—	—
Vice President	Hsiangching Tseng	—	—	—	—
Vice President	Juichin Wu	(5,000)	—	(5,000)	—
Accounting Officer	Limei Pan	—	—	—	—
Finance Officer	Kuang-Yung Tseng	—	—	—	—
Corporate Governance Officer	Li-Yun Pan took the office on 2023.05.12	—	—	—	—

(II) Equity transfer information: None

Equity transfer information

Name	Reason for transfer	Transaction date	Transaction counterparty	Relationship of the transaction counterparty with the Company, or its directors, supervisors, managers, and major shareholders with 10% or more stake	Shares	Transaction price

(III) Equity pledge information: None

VIII. Top-ten shareholders who are the relatives to each other as stipulated in Article 6 of the Financial Accounting Standards or the spouses and the second cousins

April 2 , 2024

Name	Shareholding of the Principal		Shareholding of the spouse and minor children		Total shares held in the name of others		The titles, names, and relationships of the top-ten shareholders who are related or the spouses and the second cousins.		Remarks
	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Name	Relationship	
Dedicated account for Capital Tip Customized Taiwan Select High Dividend ETF	17,418,000	9.14%	-	-	-	-	-	-	
Belle Lee	11,023,896	5.78%	-	-	-	-	Kuo-Yu Wang Kuo-Wei Wang	Daughter Son	
Liang Yi Investment Co., Ltd.	7,173,571	3.76%	-	-	-	-	-	-	
Dedicated account for Fuh Hwa Taiwan Technology Dividend Highlight ETF in custody of TAIPEIFUBON COMMERCIAL BANK CO., LTD	7,065,000	3.71%	-	-	-	-	-	-	
Dedicated account for Yuanta Taiwan Value High Dividend ETF in custody of Hua Nan Bank	6,551,000	3.44%	-	-	-	-	-	-	
Dedicated account for Fubon Taiwan high dividend 30 ETF	5,348,000	2.81%	-	-	-	-	-	-	
Kuo-Yu Wang	3,855,524	2.02%	-	-	-	-	Belle Lee	Mother/daughter	
Kuo-Wei Wang	3,854,160	2.02%	-	-	-	-	Belle Lee	Mother/son	
Dedicated account for UPAMC Taiwan High Dividend Momentum ETF in custody of Hua Nan Bank	2,228,000	1.17%	-	-	-	-	-	-	
HSBC (Taiwan) Commercial Bank Co., Ltd. as the custodian of the investment account of Rena Emerging Market Value Fund	2,142,000	1.12%	-	-	-	-	-	-	

IX. Comprehensive shareholding ratio:

Unit: shares; % December 31, 2023

Transfer investment	The Company's investment		Directors, managers, and investments of the directly or indirectly controlled business		Comprehensive investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Ablerex Electronics Co., Ltd.	13,596,502	30.21%	–	–	13,596,502	30.21%
Wholetech System Hitech ed	9,946,080	13.61%	–	–	9,946,080	13.61%
UNITED INTEGRATED SERVICES CO., LTD. (BVI)	17,698,630	100.00%	–	–	17,698,630	100.00%
Jiangxi United Integrated Services Company	Note 1	75.00%	–	–	Note 1	75.00%
UNITED INTEGRATED SERVICES CO., LTD. (Singapore)	Note 1	100.00%	–	–	Note 1	100.00%
JG Environmental Technology Co., Ltd.	2,217,989	9.84%	–	–	2,217,989	9.84%
UNITED INTEGRATED SERVICES (USA) CORP	50,000,000	100.00%	–	–	50,000,000	100.00%

Note: Investment of the Company under the equity method. Note 1: It is registered with the capital contribution amount indicated.

Four. Public offering

I. Capital stock and shares

(I) Source of capital: Unit: Thousand shares; NT$ Thousands

Month/Year	Issuance price (NT$)	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Paid-in capital of assets other than cash	Others
September 1982	10	Note 1	5,100	Note 1	5,100	Initial capital stock	None	
August 1985	10	Note 1	15,100	Note 1	15,100	Capitalization of cash	None	
August 1987	10	Note 1	55,100	Note 1	55,100	Capitalization of cash	None	
July 1988	10	Note 1	85,100	Note 1	85,100	Capitalization of cash	None	
November 1990	10	14,060	140,600	14,060	140,600	Consolidated capital increase	None	
November 1991	10	17,100	171,000	17,100	171,000	Capitalization of cash	None	
August 1995	10	90,000	900,000	42,230	422,300	Capitalization of cash and earnings	None	
September 1996	10	90,000	900,000	50,676	506,760	Capitalization of earnings	None	
May 1997	10	90,000	900,000	60,811	608,112	Capitalization of earnings	None	
May 1998	10	90,000	900,000	76,930	769,297	Capitalization of earnings and employee bonus	None	
August 1998	10	90,000	900,000	89,930	899,297	Capitalization of cash	None	1998.7.22 (1998) Tai.Chai.Jen (I) No. 59372 Letter
August 1999	10	180,000	1,800,000	114,322	1,143,222	Capitalization of earnings and employee bonus	None	1999.7.8 (1999) Tai.Chai.Jen (I) No. 62332 Letter
July 2000	10	180,000	1,800,000	145,313	1,453,129	Capitalization of earnings, additional paid-in capital, and employee bonus	None	2000.6.20 (2000) Tai.Chai.Jen (I) No. 53145 Letter
July 2001	10	180,000	1,800,000	163,675	1,636,755	Capitalization of earnings, additional paid-in capital, and employee bonus	None	2001.6.8 (2001) Tai.Chai.Jen (VI) No. 136314 Letter
July 2002	10	180,000	1,800,000	179,216	1,792,158	Capitalization of earnings and employee bonus	None	2002.6.14 Tai.Chai.Jen -I No. 0910132448 Letter
July 2003	10	210,000	2,100,000	188,840	1,888,398	Capitalization of earnings and employee bonus	None	2003.7.1 Tai.Chai.Jen -I No. 0920129184 Letter
March 2004	10	210,000	2,100,000	190,210	1,902,097	Corporate bond converted to stock shares	None	2004.3.5 Jin.So.Sun.Tzi No. 09301036350
June 2004	10	210,000	2,100,000	194,594	1,945,937	Corporate bond converted to stock shares	None	2004.6.25 Jin.So.Sun.Tzi No. 09301110720
August 2004	10	300,000	3,000,000	214,738	2,147,379	Capitalization of earnings and employee bonus; corporate bond converted to stock shares	None	2004.8.17 Jin.So.Sun.Tzi No.09301152040
August 2005	10	300,000	3,000,000	236,613	2,366,127	Capitalization of earnings and employee bonus; corporate bond converted to stock shares	None	2005.8.18 Jin.So Sun.Tzi No.09401158100
August 2006	10	300,000	3,000,000	251,072	2,510,724	Capitalization of earnings and employee bonus	None	2006.8.18 Jin.So.Sun.Tzi No.09501182170
September 2011	10	300,000	3,000,000	247,483	2,474,834	Capital decrease with Treasury Stock cancelled	None	2011.9.21 Fu.Du.Jen.Tzi No. 10071686000
December 2011	10	300,000	3,000,000	238,233	2,382,334	Capital decrease with Treasury Stock cancelled	None	2011.12.06 Jin.So.Sun.Tzi No.10001274090
October 2018	10	300,000	3,000,000	190,587	1,905,867	Capital decrease with cash refunded	None	2018.10.26 Jin.So.Sun.Tzi No.10701133530

Note 1: The Company was originally a limited company; therefore, the number of shares is not stated.

As of April 2, 2024 Unit: share

Type of shares	Authorized capital stock			Remarks
	Outstanding shares	Unissued stock shares	Total	
Common stock	190,586,698 (issued shares)	109,413,302	300,000,000	

The public offering and issuance of securities by shelf registration: None.

(II) Shareholder structure

April 2, 2024

Shareholder structure / QTY	Government agency	Financial institution	Other legal persons	Individuals	Foreign institutions and foreigners	Total
Number of persons	3	57	301	38,705	307	39,373
Shareholding	1,268,200	48,521,547	19,157,376	79,145,917	42,493,658	190,586,698
Shareholding ratio	0.67%	25.46%	10.05%	41.53%	22.30%	100.00%

(III) Equity dispersion

April 2, 2024

Shareholding bracket	Number of shareholders	Shareholding	to total shares
1 ~ 999	23,273	2,914,817	1.53%
1,000 ~ 5000	13,932	24,149,640	12.67%
5,001 ～ 10,000	1,066	8,193,510	4.30%
10,001 ～ 15,000	325	4,105,988	2.15%
15,001 ～ 20,000	180	3,265,345	1.71%
20,001 ～ 30,000	170	4,234,718	2.22%
30,001 ～ 40,000	88	3,124,443	1.64%
40,001 ～ 50,000	47	2,127,098	1.12%
50,001 ～ 100,000	122	8,786,491	4.61%
100,001 ～ 200,000	71	10,235,256	5.37%
200,001 ～ 400,000	50	14,347,887	7.53%
400,001 ～ 600,000	11	5,215,510	2.74%
600,001 ～ 800,000	9	6,183,362	3.24%
800,001 ～ 1,000,000	5	4,355,200	2.29%
Over 1,000,001	24	89,347,433	46.88%
Total	39,373	190,586,698	100.00%

(IV) Major shareholders list

Shareholders holding more than 5% of total shares or the top-ten shareholders. April 2, 2023

Name of major shareholders \ Shares	Shareholding	Shareholding ratio
Dedicated account for Capital Tip Customized Taiwan Select High Dividend ETF	17,418,000	9.14%
Belle Lee	11,023,896	5.78%
Liang Yi Investment Co., Ltd.	7,173,571	3.76%
Dedicated account for Fuh Hwa Taiwan Technology Dividend Highlight ETF in custody of TAIPEIFUBON COMMERCIAL BANK CO., LTD	7,065,000	3.71%
Dedicated account for Yuanta Taiwan Value High Dividend ETF in custody of Hua Nan Bank	6,551,000	3.44%
Dedicated account for Fubon Taiwan high dividend 30 ETF	5,348,000	2.81%
Kuo-Yu Wang	3,855,524	2.02%
Kuo-Wei Wang	3,854,160	2.02%
Dedicated account for UPAMC Taiwan High Dividend Momentum ETF in custody of Hua Nan Bank	2,228,000	1.17%
HSBC (Taiwan) Commercial Bank Co., Ltd. as the custodian of the investment account of Rena Emerging Market Value Fund	2,142,000	1.12%

(V) Price per share, net worth, earnings, dividends, and related information for the last two years

Unit: NT$

Item \ Year			2022	2023	Current year up to March 31, 2024
Price per share	Max.		201.00	284.00	448.50
	Min.		129.00	181.50	263.50
	Average		169.55	226.85	315.05
Net asset value per share	Before distribution		54.64	64.66	-
	After distribution		39.88	To be resolved	-
Earnings per share	Weighted average shares		190,586,698	187,586,698	-
	Earnings per share		21.25	24.82	-
Dividend per share	Cash dividend		15	To be resolved	-
	Stock dividend	Earnings distribution	-	-	-
		Additional paid-in capital	-	-	-
	Accumulated unpaid dividend		-	-	-
Return on investment analysis	Profit-Earnings ratio (P/E ratio)		7.98	9.14	-
	Ratio of dividend		11.30	To be resolved	-
	Cash dividend yield		8.85	To be resolved	-

(VI) Company’s dividend policy and implementation

1. Dividend policy

   The Company’s earnings, if any, should be applied to pay tax and make up for losses, and then appropriate 10% legal reserve. However, when the legal reserve is equivalent to the paid-in capital of the Company, the appropriation of the legal reserve could be ceased. In addition, special reserves will be appropriated or reversed according to law and regulations. The remaining amount, if any, plus the accumulated undistributed earnings will be available for distribution according to the proposal of the Board of Directors. The distribution of dividends to the shareholders should be presented in the shareholders' meeting for resolutions.

   For the earnings distribution in the form of cash dividend as stated in the preceding paragraph, the Board of Directors is authorized to have it distributed with a special resolution reached and have it reported in the shareholders' meeting.

   The Company’s dividend policy is based on current and future development plans, considering the investment environment, capital needs, and domestic and international competition, and taking into account the interests of shareholders and other factors, in order to stabilize business development and protect investors’ rights and interests. The dividends to shareholders can be in the form of cash dividend and/or stock dividend; also, the cash dividend is not less than 25% of the total dividend.

   If the Company has no loss, the earnings distribution can be resolved specifically in the shareholders meeting according to the Company Act, which is issuing stock dividend or cash dividend with the legal reserve exceeding 25% of the paid-up capital and all or part of the capital reserve in compliance with the Company Act. When cash dividend is to be distributed, the Board of Directors is authorized to have it distributed with a special resolution reached and have it reported in the shareholders' meeting.

2. The dividend distribution proposed in the current shareholders meeting

   On March 14, 2023, the Board of Directors of the Company proposed the profit distribution plan for 2022, with a proposed distribution of dividends of NT$3,939,320,658 all to be distributed in the form of cash dividends for NT$21.00 per share.

3. Significant changes in the expected dividend policy: The aforementioned policies will be implemented accordingly in the next three years without significant changes expected.

(VII) The impact of the proposed stock dividend proposed by the shareholders’ meeting on the Company’s operating performance and earnings per share: The Company had no stock dividend distributed in 2023; therefore, it is not applicable.

Unit: NT$ thousand

Item \ Year			2023
Paid-in capital - beginning			1,905,867
Distribution of stock dividend and cash dividend in current year	Cash dividend per share (NT$)		21.00
	Stock dividend (shares) per share from the capitalization of earnings		-
	Stock dividend (shares) per share from the capitalization of additional paid-in capital		-
Changes in business performance	Operating profit		-
	Ratio of increase (decrease) in operating profit over the same period last year		-
	Net income		-
	Ratio of increase (decrease) in net income over the same period last year		-
	Earnings per share		-
	Ratio of increase (decrease) in earnings per share over the same period last year		-
	Annual average return on investment (annual average E/P ratio)		-
Proforma earnings per share and P/E ratio	If the capitalization of earnings is fully distributed with cash dividends	Proforma earnings per share (NT$)	-
		Proforma annual average return on investment	-
	If the capitalization of additional paid-in capital is not arranged	Proforma earnings per share (NT$)	-
		Proforma annual average return on investment	-
	If the capitalization of additional paid-in capital is not arranged and the capitalization of earnings is with cash dividend distributed	Proforma earnings per share (NT$)	-
		Proforma annual average return on investment	-

(VIII) Remuneration of employees and directors

1. The percentage or range of remuneration to employees and directors as stipulated in the Company's Articles of Association:

According to the Company's Articles of Association, if the Company has earnings resulted in the year; an amount equivalent to 6%~10% of the earnings should be appropriated as remuneration to employees. The Board of Directors decides the distribution of stock dividend and cash dividend; also, the employees of controlled or subsidiary companies that meet certain conditions are also entitled to the said remuneration. The Board of Directors of the Company may base on the aforementioned earnings to resolve having not more than 2% of the earnings appropriated as remuneration to directors. The remuneration to employee and directors shall be reported in the shareholders meeting.

2. If the estimation basis for the remuneration to the employees and directors, the basis for the calculation of the stock dividend as remuneration to employees, and the actual distribution amount different from the estimated amount in the current period, the accounting treatment is as follows:

If the estimation basis for the remuneration to the employees and directors, the basis for the calculation of the stock dividend as remuneration to employees, and the actual distribution amount in 2023 different from the estimated amount in the current period, they are booked in the profit and loss in 2024.

3. Information on the distribution of remuneration resolved by the Board of Directors:

(1) The amount of remuneration to employees and directors with cash dividend or stock dividend distributed. If it is different from the amount estimated in the expense recognizing year, the amount of differences and the root cause should be disclosed.

Here at the Company in 2023, the report on distribution of remuneration to employees and remuneration to directors was passed in the board of directors meeting convened on March 14, 2024, with remuneration to employees amounting to NT$640,000,000 and remuneration to directors amounting to NT$48,600,000.

Unit: NT$

Distribution items	**The distribution amount proposed by the Board of Directors (A)**	**The amount estimated in the expense recognizing year (B)**	**Amount of difference (B-A)**	**Reason for difference and treatment**
Employee cash bonus	640,000,000	640,000,000	0	None
Remuneration of Directors	48,600,000	48,600,000	0	

(2) The stock dividend distributed as remuneration to employees and the ratio to the total amount of net income and remuneration to employees in the subsidiary's financial report or the individual financial report in the current period: the Company has no intention to distribute stock dividends to employees in 2023.

4. The earnings of the previous year used for the distribution of remuneration to employees and directors:

Unit: NT$ thousand

	First half of the year (2022)			
	The actual distribution of stock shares is resolved in the shareholders meeting	The distribution of stock shares originally proposed by the Board of Directors	Variance	Root cause
Distribution 1. Employee cash bonus 2. Employee stock dividend 3. Remuneration to directors and supervisors	 566,000 47,000	 566,000 47,000	 None None	-

(IX) Repurchase of the Company's stock shares

March 31, 2024

Repurchase term	1st time	2nd time	3rd time	4th time	5th time	6th time	7th time
Purpose of repurchase	Transfer shares to employees	Transfer shares to employees	Transfer shares to employees	Transfer shares to employees	Transfer shares to employees	Transfer shares to employees	Transfer shares to employees
Repurchase period	2000.11.23~2001.01.22	2001.08.08-2001.10.07	2001.10.09-2001.12.08	2008.07.24-2008.09.23	2008.10.22-2008.11.20	2011.08.11-2011.10.7	2022.03.09-2022.05.06
Repurchase price range	22 ~ 30	14 ~ 29	12 ~ 27	15.50 ~ 30	12 ~ 28	23 ~ 33	170-250
Type of stock and shares repurchased	Common stock 3,000 thousand shares	Common stock 6,067 thousand shares	Common stock 7,000 thousand shares	Common stock 8,871 thousand shares	Common stock 1,257 thousand shares	Common stock 7,993 thousand shares	Common stock 3,000 thousand shares
Amount of repurchase shares	71,680,603	116,721,309	139,154,310	191,412,351	17,339,767	229,318,034	573,943,069
The ratio of the quantity bought back to the quantity planned to be bought back (%)	100%	60.67%	100%	44.36%	8.38%	42.07%	100%
Number of shares that have been processed for sale and transfer	3,000 thousand shares	6,067 thousand shares	7,000 thousand shares	8,871 thousand shares	1,257 thousand shares	7,993 thousand shares	0 share
Cumulative shareholding of the Company's stock	–	–	–	–	–	–	3,000 thousand shares
Ratio of cumulative shareholding of the Company's stock to the total number of issued shares (%)	–	–	–	–	–	–	3,000 thousand shares

II. Issuance of Corporate bond: None.

III. Issuance of preferred stock: None.

IV. Issuance of global depository receipt: None.

V. Issuance of employee stock warrant: None.

VI. Merger or acquisition or transfer of shares from other company with stock shares issued: None.

VII. Implementation of fund plan: The Company did not have securities issued or private placement arranged in the most recent year.

Five. Operational overview

I. Business content

(I) Business scope

1. The main business content and business ratio of the Company:
   (1) Main contents: The construction of semiconductor, optoelectronics and other technology plants; the consultancy work for cleanrooms, control, electromechanical, and special process system construction, maintenance and operation services.
   (2) Business ratio:

Item	2022	2023
System integration	99.52%	99.75%
Maintenance service	0.08%	0.06%
Design business and product sales	0.41%	0.19%

(II) Industry overview

1. Current and future industry prospects:
   (1) The Company has primarily engaged in such business lines as to serve the high-tech industry in planning for plant construction and expansion, including the semiconductor industry, optoelectronics industry, packaging and testing industry, solar energy industry, LED industry, biotechnology industry and the like. Given the Company's revenue in the past five years, the semiconductor industry accounts for more than 90% of the Company's total revenues.
   (2) Due to the recent AI upsurge, major customers have also increased their investments in the construction of semiconductor plants. In addition to the increase in the proportion of advanced manufacturing processes, the demand for advanced packaging fabs has also increased. Therefore, the Company will expand the scope of construction services to cope with future development trends.
2. Relevance of the up, middle and downstream amidst industries:
   Our Company undertakes system integration services for the construction of high-tech plants. For that purpose, we must possess the technology and sufficient management workforce. In terms of suppliers including subcontracting manufacturers and suppliers for materials and equipment, we possess multiple supply sources and are virtually free of the risk of being cut off from or insufficient supply. Toward the price increase of materials and the shortage of skilled workers with special expertise, nevertheless, we must try hard in prevention with sound educational & training programs so that we may be free of problems in mounting costs and shortage of workforce.
3. Product development trend and competition:
   United Integrated Services will continue to monitor the movements of the high-tech industry market and competitors, and adjust management capabilities and service scopes with emerging technologies and market demand changes, in order to expand its leading position. Meanwhile, the changes in government policies and regulations in various countries are closely monitored to ensure that the business meets the standards, to cooperate with the customers' overseas deployments. In the highly competitive environment, United Integrated Services responds changes flexibly, optimizes operating strategies, and achieves long-term development goals.

(III) Technology and R&D overview

1. R&D expenses invested in the last two years and as of December 31, 2023:

Unit: NT$ thousand

Year	R&D expense	% of current annual operating expense	% of current annual operating income
2022	27,165	2.1085%	0.0564%
112	25,425	1.7300%	0.0369%

2. Research and development achievement:
   (1) Continuing to develop wireless home security monitoring system that helps make the overall system more complete.

(IV) Long-term and short-term business development plans:

1. In the short term, the business opportunities in market will grow to a certain extent, and the Company's revenue will also grow. Under this circumstance, it is also necessary to strengthen internal management, reduce costs, train cadres, upgrade technology, and perform customer service work to meet future challenges.
2. In the long-term, the Company will work with clients all over the world to tap into the industry of in-plant

system integration and to gain market share on the foreign market, to become a leading system integrator.

3. In response to TSMC's establishment of a factory in the United States, our Company sets up a new firm in the United States to vigorously boost.
4. We shall set up a Green Energy Business Office to put forth maximum possible efforts to develop solar photovoltaic-related businesses.
5. The wireless security monitoring product R&D will be enhanced. Wireless security monitoring businesses had begun to become profitable. In the future, we will try our best to expand the market share and to increase turnover and profit.

II. Market and production and sales overview

(I) Market analysis

1. Major target markets for our sales of commodities or businesses: Unit: NT$ thousand

		2022		2023	
Item	Area	Amount	%	Amount	%
System integration	Domestic	30,011,309	62.26	20,125,937	29.21
	Offshore	17,955,721	37.25	48,592,489	70.54
Maintenance Services	Domestic	36,426	0.08	37,815	0.05
	Offshore	0	0	0	0
Design business and product sales	Domestic	192,995	0.40	128,541	0.19
	Offshore	3,859	0.01	4,898	0.01
Total		48,200,310	100	68,889,680	100

2. Future market supply and demand:

— Taiwan —

Investment in the optoelectronic industry in Taiwan has decreased, but semiconductor industry investment is still strong and constitutes the main foundation for the steady development of the Company.

— Mainland China —

Mainland semiconductors still have a certain amount of investment power. However, the investment power of the panel industry has declined compared with previous years.

3. Business objectives

The Company has based on the business philosophy of “profession, teamwork, and efficiency” to accumulate technical experience for more than a decade, cultivate and recruit outstanding talents in related fields; also, has established a reputation of professionalism and quality in the industry. The trust and affirmation of customers has helped the business of the Company grow. The continuous management improvement will help reduce operating costs and enhance profitability of the Company. Given the gradual expansion of market demand, the established business objectives could be ensured.

4. Advantages and disadvantages affecting the Company’s future development

Advantages

(1) Investment in the semiconductor industry is strong while investment in the panel industry is weakening, which is beneficial to the Company's competitiveness

(2) The Company is in a leading position in business performance and has easily obtained customer trust and government engineering bidding qualifications to win over businesses.

(3) In a large-scale and complex integration project, there are not many domestic competitors who can compete. If competitors are foreign manufacturers, the Company has the advantages of familiarity with local operating environment, local relevant regulations, and local low-cost technology and management.

(4) Taiwanese businesspeople in Mainland China are more experienced in the high-tech industry because they share the same culture and background as the mainlanders. Therefore, they retain certain competitiveness.

(5) The Company has an experienced technical and management team with low operational risks for difficult projects.

Disadvantages

(1) The experience of the owners in building factories is increasingly established and the effort in cost control is maturing. It is not easy to have a high profit margin while price competition is severe. In particular, the recent sharp rise in raw materials, workforce shortages and such rising prices will become an impact. In this regard, the Company has been working hard to improve and upgrade its procurement, management, technology, construction methods, and in-house processing improvements; therefore, this unfavorable factor can be minimized.

(2) The competition in this industry is fierce over smaller projects.

(II) Intended use of the main products and production process

1. Intended use of the main products:

   System integration: Integrate system control and electromechanical engineering, including the installation, and test of the computer, communication, instruments, automation engineering and utilities, air conditioning, fire protection, etc. in order to satisfy the overall needs of the customers.

2. Production process: not applicable.

(III) Availability of major raw materials: Not applicable.

(IV) The name of the customers who had accounted for more than 10% of the total purchases (sales) of goods in one of the last two years and the amount and proportion of the goods purchased (sold), and the reasons for any increase or decrease occurred:

1. Main suppliers:

Major suppliers in the last two years Unit: NT$ Thousands

	2022				2023				As of the prior quarter of 2023 (Note)			
Item	Name	Amount	% of annual net purchase amount	Relationship with the issue	Name	Amount	% of annual net purchase amount	Relationship with the issue	Name	Amount	% of the net purchase amount up to the last quarter of the current year	Relationship with the issue
1	Supplier A	1,170,340	2.82%	None	Supplier A	6,287,000	10.25%	None	-	-	-	-
2	Supplier B	883,088	2.13%	None	Supplier B	3,179,401	5.18%	None	-	-	-	-
3									-	-	-	-
4									-	-	-	-
5									-	-	-	-
6									-	-	-	-
7									-	-	-	-
8									-	-	-	-
9									-	-	-	-
10									-	-	-	-
	Others	39,428,158	95.05%		Others	51,892,088	84.57%		-	-	-	-
	Net purchase amount	41,481,586	100%		Net purchase amount	61,358,489	100%		-	-	-	-

Note 1: As of the publication date of the annual report, the 2023 Q1 financial data has not been reviewed by the certified public accountant and will not be listed.

Note 1: The name of the customers who had accounted for more than 10% of the total purchases of goods in the last two years and the amount and proportion of the goods purchased. However, if the name of the suppliers may not be disclosed due to the contracts signed or the counterparty of the transaction is a non-related individual, the name should be disclosed instead of the supplier code.

2. Major customers:

Major customer in the last 2 years

Unit: NT$ Thousands

	2022				2023				As of the prior quarter of 2023 (Note)			
Item	Name Note 1	Amount	% of the annual net sales amount	Relationship with the issue	Name	Amount	% of the annual net sales amount	Relationship with the issue	Name	Amount	% of the net sale amount up to the last quarter of the current year	Relationship with the issue
1	Customer A	19,494,958	40.45%	None	Customer A	42,599,027	61.84%	None	-	-	-	-
2	Customer B	18,370,552	38.11%	None	Customer B	9,898,521	14.37%	None	-	-	-	-
3	Customer C	6,320,885	13.11%	None	Customer C	9,441,299	13.70%	None	-	-	-	-
4									-	-	-	-
5									-	-	-	-
6									-	-	-	-
7									-	-	-	-
8									-	-	-	-
9									-	-	-	-
10									-	-	-	-
	Others	4,013,915	8.33%		Others	6,950,833	10.09%		Others	-	-	-
	Net sale amount	48,200,310	100%		Net sale amount	68,889,680	100%		Net sale amount	-	-	-

Note 1: As of the publication date of the annual report, the 2023 Q1 financial data has not been reviewed by the certified public accountant and will not be listed.

Note 1: The name of the customers who had accounted for more than 10% of the total sales of goods in the last two years and the amount and proportion of the goods sold. However, if the name of the customers may not be disclosed due to the contracts signed or the counterparty of the transaction is a non-related individual, the name should be disclosed instead of the supplier code.

Changes in the customers of the Company are arising from normal operating activities, and there are no special changes occurred.

(V) Production quantity and value in the last two years

Unit: NT$ thousand

Year / Production quantity and value / Main products (or departments)	2022			2023		
	Productivity (Note 1)	Production quantity (Note 1)	Production value	Productivity (Note 1)	Production quantity (Note 1)	Production value
System integration			41,389,192			61,287,033
Maintenance service			19,862			15,769
Design business and product sales			72,532			55,687
Total			41,481,586			61,358,489

Note 1: The main business of the Company is to serve high-tech industry with its plant construction and expansion. The nature of each project is different and cannot be quantified.

(VI) Sales quantity and value in the last two years

Unit: NT$ Thousands

Year / Sales volume and value / Main products (or departments)	2022				2023			
	Domestic sales		Exports		Domestic sales		Exports	
	QTY Note	Value	QTY	Value	QTY	Value	QTY	Value
System integration		30,011,309		17,955,721		20,125,937		48,592,489
Maintenance service		36,426		0		37,815		0
Design business and product sales		192,995		3,859		128,541		4,898
Total		30,240,730		17,959,580		20,292,293		48,597,387

Note: The main business of the Company is to serve high-tech industry with its plant construction and expansion. The nature of each project is different and cannot be quantified.

III. Staff information in the last two years and as of the annual report printing date

March 31, 2024

Year		2022	2023	Current year up to March 31, 2024
Number of employees	Technicians	662	622	618
	Administration personnel	186	173	170
	Project workers	63	46	42
	Total	911	841	830
Average age		41.83	40.05	43.32
Average years of service		9.56	10.81	11.05
Education level	PhD	0.35%	0.25%	0.13%
	Master	7.19%	7.42%	7.45%
	College and University	75.23%	75.48%	75.53%
	High School	15.46%	15.09%	15.13%
	Under high school	1.77%	1.76%	1.76%

IV. Environmental expenditure information

(I) The Company has suffered losses due to environment pollution in the most recent year and up to the publication date of the annual report (including compensation and environmental protection audits that concluded violations of environmental protection laws and regulations, the date of punishment, the case number of the punishment, in violation of the governing provisions, the content of the violation, and the content of the punishment) shall be detailed; also, the current and future estimated amounts and responsive measures shall be disclosed. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be explained in details: None.

(II) The Company's countermeasures for improving environmental pollution:
The Company engages in the system integration technical service industry and there is no environmental pollution situation, so there is no need to take countermeasures for improvement.

(III) Future response measures and possible expenses:
Due to the recent general awareness of environmental protection, the Company demands that all manufacturers cooperate in engineering safety and health and environmental protection measures throughout the construction process in order to comply with the provisions of labor safety and health regulations. The clean and delivery of the waste generated is specified in the contract. At present, the environmental protection work at each site has been thoroughly implemented and well appreciated. Therefore, the Company has no major environmental protection expenditures expected in the next two years.

V. Labor Relations

(I) The implementation of various employee welfare measures, advanced study, training, and retirement system, as well as the agreement between labor and the management:

1. Employee welfare measures:
   (1) The establishment of the employee welfare committee to appropriate welfare funds in accordance with the law, and to handle various welfare businesses.
   (2) Provide employee with labor and health insurance.
   (3) Issue Dragon Boat Festival, Mid-Autumn Festival, and year-end bonuses.
   (4) Appropriate pension reserves in accordance with government requirements.
   (5) Various subsidy plans of the Welfare Committee.
2. Education and Training:
   Education and training are a long-term and planned talent training program of the Company, including:
   (1) New recruits' education and training.
   (2) Employee on-job training.
   (3) Professional skills training.
3. Retirement system:
   The Company has offered a labor retirement plan stipulated for all official employees. According to the said retirement plan, the payment of employee pension is calculated according to the pension points earned for the service years and the average salary of the six months before retirement. The pension points are the total of 2 points per year for the first 15 service years and 1 point per year after the fifteen service year with a maximum of 45 points per employee. Under the said retirement plan, the pension payment is fully borne by the Company. With the implementation of the Labor Pensions Act (hereinafter referred to as the "New Pension Plan") since July 1, 2005, for the employees who originally subject to this retirement plan choose to switch to the defined contribution plan for the

service years performed after the application of the new retirement plan or the service years of the new recruits, the pension reserve is appropriated by the Company monthly for an amount no less than 6% of the monthly salary, which is deposited in the personal labor pension account. However, the Company's retirement plan has not been amended in compliance with the new pension act, so the employee retirement plan that is not stipulated should be processed according to the provisions of the Labor Pension Act.

4. The agreement between the employer and employees and various employee rights protection measures:

The Company has a comprehensive system in place to maintain a harmonious labor-management relationship and a smooth communication channel maintained. The Company has properly handled the opinions of employees, if any, through the maintenance of a harmonious labor-management relationship.

5. Protective measures to its staff members in the personal safety & security and working environments

1. Health management measures:

1.1 To maintain employees' health, the Company offers a health checkup for them at the Company's expense every two years. Aside from the mandatory checkup items, the Company also plans and accommodates other checkup items by looking at the employees' age dispersion and the 10 most fatal factors of Taiwanese. In addition, the Company also has health facilitators provide improvement measures for the health checkup results and hold awareness sessions to raise the health awareness based on employees' needs.

1.2 The Company further sorts employees by their health checkup results, arranges for doctors to give healthcare services and individual consultation on site, and tracks the improvement of employees' health.

2. Work environment and employee safety measures:

2.1. In an effort to prevent potential occupational disasters, safeguard labor in safety and health and assure that all safety and health related issues comply with relevant laws and regulations so as to minimize the loss in life and property of personnel, the Company faithfully complies with the Occupational Safety and Health Act, occupational safety and health facility rules and so on to duly enact "Safety & Health Management Plan" applicable to the entire staff, contractors, third party contractors or suppliers whenever they enter the Company for operations or activities. Toward incumbent employees, we implement safety & health oriented educational & training programs against potential calamity on a regular basis.

2.2. The Company has successfully passed ISO45001:2018 Certification and has duly set up an "Occupational Safety and Health Policy." Moreover, the Company has established a dedicated Occupational Safety & Health Department to check and identify hazards and analyze related high-risk operation procedures based on the Company's business characteristics and project contents. Our entire staff members are strictly required to comply with the standard operational procedures (SOP) so as to minimize potential risks at work and prevent a potential occupational calamity. The Company's Occupational Safety and Health Department will check and verify the effectiveness of each branch's occupational safety and health management from time to time to ensure that our colleagues are provided with a comfortable, safe and healthy working environment.

2.3. Publicity and drills on safety education: In an effort to continuously optimize the working environment and personal safety management toward employees, we have duly stipulated the emergency response plans, including notably "Establishment of an Emergency Response Task Force," "timeframe for notification in case of an accident," "the tasks assigned onto all levels of personnel for the responsibilities to assume," and the like while we conduct safety and health educational & training programs and publicity to ensure that all employees shall be provided with appropriate and necessary emergency response training and be equipped with the capability to perform their tasks among the overall endeavors to prevent occupational disasters from occurring.

2.4. ISO 45001 occupational safety and health management system

Verification unit: DNV (DNV Business Assurance Co., Ltd.)

Certificate code: 2986-2006-ASA-RGC-RVA

Certificate validity: 2021/04/09-2024/04/02

Initial certification date: 2006/04/11

Expiration date of last certification cycle: 2024/04/02

Last review date: February 5, 2024 (new certificate not yet issued)

ISO 45001 certificate is valid for 3 years (3-year comprehensive review-certification-April 2021)

Annual regular audit: The regular three-year comprehensive review in 2024: February 5, 2024

The annual review has been completed this year... Audit results: No primary deficiency... This year's audit results: 2 Deficiency, 5 Observation

(II) (II) In the most recent year and up to the publication date of the annual report, the Company’s losses due to labor disputes (including the result of labor inspection in violation of the Labor Standards Act, the date of punishment, the case number of the punishment, in violation of the governing provisions, the content of the violation, and the content of the punishment shall be disclosed in details). The current and future estimated amounts and responsive measures shall be disclosed: None

VI. Cyber security management:

Information security organization

The Company has established an information security team with the Chief Sales Officer as the Chair, and it is responsible for the supervision and review of information security risk management and information security target performance. The Manager of the Information Center serves as the Executive Director, and reports practical information security goal results to the Chair through the meeting. Representatives of each unit serve as committee members and are responsible for assisting the Executive Director in the implementation of information security tasks.

Information security policy

◎The very first policy of the company in information security management and operation is to abide by relevant regulations and protect information assets of the company to ensure its confidentiality, integrity, and availability.

◎ Regularly assess various possible hazards or the impact on and formulate emergency response measures and recovery plans for the company's information assets and key businesses to prevent interruption to company operation.

◎ Promote employees to practice information security measures and build up their responsibility, awareness and code of conduct for information security.

◎ Mandate vendors, customers, and third parties to abide by the company’s information security policies and guidelines when operating or connecting to information environment of the company.

Information security management program

- Permission management: users are provided with different permission according to their security level.
- Security management for access to the operating system: install operating systems in company domain according to company guidelines and keep them under centralized management. Keep operating systems’ virus code updated all the time; equip hosts and computers of the company with anti-virus system to download and update scan engine and code of virus availed every day. Set the system to mandate users’ changing password regularly.
- Application software security management: mandate special approval before installing any software other than applications, utilities, and productivity packages.
- Set up filters in company firewalls to block specific software and address from accessing internal network to maintain its quality and security.
- Network communication security management: subject external VPN (remote) access and internal access (file transfer FTP), instant messaging (MSN), special connection (HTTPS), and other network applications to IT head’s review and permission management head’s approval.
- Application system security management: IT unit shall block access and update to source codes only by authorized personnel and give users different execution permission based on their operation requirements.
- Backup management: implement backup management relevant measures including system disaster recovery and database backup.
- Asset management: code computer room equipment and personal computers and subject them to regular inventory taking.
- Train users online to set up and operate security mechanism of operating system; learn about sources and invasion routes of viruses including Trojan horses, backdoors, and worms to improve protection level of users.

  Amid increasing cases of information security incidents in 2023, United Integrated has been enhancing its information security management with the following investment in information security system in 2023:

  1. Substitution of 41 sets of computers (including notebook computers) for NT$815,050.
  2. Software (AutoCAD & AECC) rent in the amount of NT$ 8,701,120 in 2022.
  3. Anti-virus software (Apex One from Trend Micro) added Vison module at the end of 2023.

  The company suffered no **material** information security incidents in 2023 and remains to pursue the goal of zero information security incidents.

VII. Important contracts

Counterparty	Commencement date of contract	Major Contents	Covenants
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	July 27, 2018-December 31, 2018	TSMC-F18P1 EBO construction	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
IQE PLC Inc.	August 24, 2018-March 31, 2019	IQE PLC Inc. 3F factory building new TURN-KEY project	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
AU Optronics Corp. (Note)	December 4, 2018-May 31, 2019	AUO Optoelectronics Huaya Plant (AUO FAB L3D/L5D) L3D IJP Project	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Advanced Wireless Semiconductor Company (Note)	February 11, 2019-December 31,2020	Advanced Wireless Semiconductor Company Phase II Plant Expansion Project (Buildings A, B, C, D, E, F)-Mechanical and Electrical Contracting Project	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	October 21, 2019-December 31, 2020	TSMC F18 P3 MEP A PACKAGE	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	October 21, 2019-December 31, 2020	TSMC F18 P3 MEP B PACKAGE	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	October 21, 2019-December 31, 2020	TSMC F18 P3 FIRE PACKAGE	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Yangtze Memory Technology Corp. (Note)	January 3, 2020~October 15, 2020	Yangtze Memory Technology Corporation (YMTC) (Phase I) Second-stage Project focusing on the Process Equipment Pipeline Purchase and Installation in Tender B Phase, for Imported Equipment	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	January 10, 2020~December 31, 2020	TSMC F18 P3 EBO CR PACKAGE	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Advanced Wireless Semiconductor Company (Note)	April 20, 2020~June 30, 2021	Advanced Wireless Semiconductor Company Phase II Expansion Project to add various new clean room (dust-free room) systems	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Micron Taiwan Memory Co., Ltd. (Note)	April 15, 2020~March 31, 2021	Taiwan Micron’s f16 tool install service po-Gas/NG/BA	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	June 15, 2020~June 14, 2022	TSMC F18 P4 MEP PACKAGE	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day

			overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	June 1, 2020~October 31, 2021	TSMC F18 P4 CLEAN ROOM PACKAGE	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	October 20, 2020~December 31, 2021	TSMC RDR1 MEP PACKAGE	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	November 1, 2020~December 31, 2021	TSMC RDR1 C/R	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	November 11, 2020~December 31, 2021	TSMC F18 P5 CLEANROOM PACKAGE	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd. (Note)	November 1, 2020~December 31, 2021	TSMC F18 P5 MEP PACKAGE	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Advanced Wireless Semiconductor Company	January 1, 2021-June 30, 2022	Advanced Wireless Semiconductor Company Phase II Expansion Project -- 2F Clean Room Extension Project	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	February 1, 2021-February 28, 2022	TSMC F18 P6 MEP PACKAGE	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	March 10, 2021-June 30, 2022	TSMC F18 P6 C/R	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	April 7, 2021-April 30, 2022	TSMC 12B-BRIDGE_SP1_F12 P7 CR RETROFIT	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Micron Taiwan Memory Co., Ltd. (Note)	November 1, 2021-August 31, 2021	F387 Taiwan Micron Technology-O2 expansion engineering-phase1	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	November 16, 2021-December 31, 2022	TSMC TCZWM MEP PACKAGE	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	November 24, 2021-December 31, 2022	TSMC F18 P7 MEP A	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	November 24, 2021-	TSMC F18 P7 CLEAR ROOM A	Overdue Penalty: Overdue penalty to be imposed

	December 31, 2022		at 1‰ (0.1%) of the project cost for each day overdue.
Advanced Wireless Semiconductor Company	December 31 2021- December 31, 2022	In 2021, Advanced Wireless Semiconductor added mechanical and electrical engineering to the office in Building A and the parking lot in Building D	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	December 1, 2021-December 31, 2022	TSMC F14 P8 MEP STAGE-1	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Micron Taiwan Memory Co., Ltd.	January 20, 2022 ~ December 31, 2022	Micron Technology Taiwan-TCP2 MAIN CONTRACT	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	February 15, 2022 ~ December 31, 2022	TSMC F18 P8 UNDERGROUND PIPING PACKAGE	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	March 1, 2022 ~ December 31, 2023	TSMC F18 P8 CR project	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	March 1, 2022 ~ December 31, 2023	TSMC F18 P8 MEP project	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Micron Taiwan Memory Co., Ltd.	June 22, 2022 ~ December 31, 2023	Micron Technology-A3 Phase 2 (Module 2)	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Japan Advanced Semiconductor Manufacturing, Inc.	September 30, 2022 ~ December 31, 2023	JASM-TSMC F23 P1 MEP PACKAGE_POWER PANCEL_Equipment /CLEANROOM PACKAGE-United Integrated Services	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	January 6, 2023 ~ May 31, 2024	TSMC F12 P8 Building O, Zone B+G MEP project	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Tainan Science Park Branch, HannStar Display Corporation	March 31, 2023 ~ March 31, 2024	HannStar Display - L23 DRY & STRIPPER RELAYOUT project. CELL PCW expansion project. Electricity demand in LCD Plant FAB L23 ADER020.040 and APRI130	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	May 1, 2023 ~ May 31, 2025	TSMC F20P1 UNDERGROUND PIPING PACKAGE	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Eco Energy Corporation	May 31, 2023 ~ May 31, 2025	Z-Com - Development of solar power plant - trading of contractual rights and obligations of power plant	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day

			overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	June 6, 2023 ~ December 31, 2024	TSMC F20P1 MEP PACKAGE	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	July 3, 2023 ~ December 31, 2024	TSMC-F20P1 CLEAN ROOM PACKAGE	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
United integrated services(USA) Corp.	July 28, 2023 – August 31, 2024	UISUSA-F21P1 AAS Transportation additional fee	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	January 1, 2024 ~ September 1, 2025	TSMC F22P1 MEP PACKAGE	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.
Taiwan Semiconductor Manufacturing Co., Ltd.	January 1, 2024 ~ September 1, 2025	TSMC F22P1 CLEANROOM PACKAGE	Overdue Penalty: Overdue penalty to be imposed at 1‰ (0.1%) of the project cost for each day overdue.

Note: The case cannot be closed as the Proprietor has not yet completed the final acceptance check. The Company is not subject to the penalty as it does not fall within the scope of the Company's responsibilities.

Six. Financial overview

I. Condensed balance sheet and consolidated income statement for the last five years

(I) Condensed consolidated balance sheet and consolidated income statement

1. Condensed consolidated balance sheet Unit: NT$ Thousands

Item / Year		The financial data of the last five years					The financial data Financial information as of March 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Current assets		19,154,225	22,951,798	18,963,373	29,016,228	42,413,003	
Financial assets measured at cost - noncurrent		-	-	-	-	-	
Financial assets measured at fair value through profit and loss - noncurrent		6,347	6,805	3,529	-	-	
Financial assets measured at fair value through other comprehensive profit and loss - noncurrent		2,051,779	1,958,718	2,026,136	1,630,910	1,559,028	
Investment under the Equity Method		837,973	849,145	874,867	839,280	806,234	
Property, plant, and equipment		778,132	790,818	1,328,217	1,405,613	1,368,849	
Long-term receivables		0	0	0	0	0	
Right-of-use assets		59,443	192,323	285,099	376,598	174,185	
Intangible assets		2,705	3,353	22,096	19,138	13,777	
Deferred income tax assets		156,384	165,079	181,705	121,268	91,892	
Other noncurrent assets		38,348	130,528	64,480	63,512	37,460	
Total assets		23,085,336	27,048,567	23,749,502	33,472,547	46,464,428	
Current liabilities	Before distribution	13,938,252	16,059,658	13,204,445	21,898,666	33,072,057	
	After distribution	16,415,879	19,552,816	15,666,576	24,712,466	Note 3	
Noncurrent liabilities		409,271	837,391	778,749	963,533	963,671	
Total liabilities	Before distribution	14,347,523	16,897,049	13,983,194	22,862,199	34,035,728	
	After distribution	16,825,150	20,137,023	16,445,325	25,675,999	Note 3	
Attributable to the shareholders' equity of the parent company		8,567,466	10,004,054	9,606,663	10,413,826	12,129,173	
Capital stock		1,905,867	1,905,867	1,905,867	1,905,867	1,905,867	
Additional paid-in capital		373,561	368,144	377,460	378,352	378,709	
Retained earnings	Before distribution	5,356,074	6,882,189	6,426,414	7,991,483	9,834,716	
	After distribution	2,878,447	3,642,215	3,964,283	5,177,683	Note 3	
Other equity		931,964	847,854	896,922	712,067	583,824	
Treasury stock		0	0	0	(573,943)	(573,943)	
Non-control equity		170,347	147,464	159,645	196,522	299,527	
Total equity	Before distribution	8,737,813	10,151,518	9,766,308	10,610,348	12,428,700	
	After distribution	6,260,186	6,911,544	7,304,177	7,796,548	Note 3	-

Note 1: As of the publication date of the annual report, the 2024 Q1 financial data has not been reviewed by the certified public accountant and will not be listed.

Note 2: The Company did not arrange asset revaluation. Note 3: The shareholders meeting has not been held as of the annual report printing date.

2. Condensed Consolidated Income Statement

Unit: NT$ thousand

Item \ Year	The financial data of the last five years					The financial data as of March 31, 2024 (Note 1)
	2019	2020	2021	2022	2023	
Operating income	23,920,633	35,836,642	25,606,141	48,200,310	68,889,680	
Gross profit	4,351,240	5,684,146	4,086,636	6,718,724	7,531,191	
Operating profit and loss	3,407,298	4,620,646	3,139,661	5,430,364	6,061,509	
Non-operating income and expense	322,091	461,156	415,653	(2,465)	417,915	
Net income before tax	3,729,389	5,081,802	3,555,314	5,427,899	6,479,424	
Net income of the continuing business unit	2,893,881	4,091,332	2,820,482	4,101,845	4,847,498	
Net income (loss)	2,893,881	4,091,332	2,820,482	4,101,845	4,847,498	
Other comprehensive profit and loss of the current period (net amount after tax)	396,255	(112,057)	62,544	(154,822)	(133,869)	
Total consolidated profit and loss of the current period	3,290,136	3,979,275	2,883,026	3,947,023	4,713,629	
Net income attributable to the shareholders' equity of the parent company	2,815,298	4,033,304	2,769,475	3,999,485	4,655,215	
Net income attributable to non-control equity	78,583	58,028	51,007	102,360	192,283	
Comprehensive profit and loss attributable to the shareholders' equity of the parent company	3,219,592	3,919,632	2,833,267	3,842,345	4,528,791	
Comprehensive profit and loss attributable to non-control equity	70,544	59,643	49,759	104,678	184,838	
Earnings per share	14.77	21.16	14.53	21.25	24.82	

Note 1: As of the publication date of the annual report, the 2024 Q1 financial data has not been reviewed by the certified public accountant and will not be listed.

(II) Condensed balance sheet and comprehensive income statement of subsidiary

1. Condensed balance sheet of subsidiary Unit: NT$ Thousands

Item \ Year		The financial data of the last five years				
		2019	2020	2021	2022	2023
Current assets		14,801,451	18,657,050	13,973,957	19,111,110	23,737,825
Financial assets measured at cost - noncurrent		0	0	0	0	0
Financial assets measured at fair value through profit and loss - noncurrent		6,347	6,805	3,529	0	0
Financial assets measured at fair value through other comprehensive profit and loss - noncurrent		2,051,779	1,958,718	2,026,136	1,630,910	1,559,028
Investment under the Equity Method		2,048,791	2,296,558	3,995,151	4,783,529	5,304,773
Property, plant, and equipment		553,061	547,066	1,090,521	1,124,182	1,108,497
Right-of-use assets		19,164	19,676	39,980	21,760	10,740
Intangible assets		2,705	3,353	21,422	18,353	12,782
Deferred income tax assets		156,384	165,079	172,319	121,268	91,892
Other assets		7,639	114,789	12,699	25,056	21,201
Long-term receivables		0	0	0	0	0
Long-term notes and accounts receivable		203,876	202,767	162,917	0	0
Total assets		19,851,197	23,971,861	21,498,631	26,836,168	31,846,738
Current liabilities	Before distribution	10,883,101	13,502,344	11,534,301	15,998,630	19,104,196
	After distribution	13,360,728	16,742,318	13,996,432	18,812,430	Note 2
Noncurrent liabilities		400,630	465,463	357,667	423,712	613,369
Total liabilities	Before distribution	11,283,731	13,967,807	11,891,968	16,422,342	19,717,565
	After distribution	13,761,358	17,207,781	14,354,099	19,236,142	Note 2
Capital stock		1,905,867	1,905,867	1,905,867	1,905,867	1,905,867
Additional paid-in capital		373,561	368,144	377,460	378,352	378,709
Retained earnings	Before distribution	5,356,074	6,882,189	6,426,414	7,991,483	9,834,716
	After distribution	2,878,447	3,642,215	3,964,283	5,177,683	Note 2
Other equity		931,964	847,854	896,922	712,067	583,824
Treasury stock		0	0	0	(573,943)	(573,943)
Total equity	Before distribution	8,567,466	10,004,054	9,606,663	10,413,826	12,129,173
	After distribution	6,089,839	6,764,080	7,144,532	7,600,026	Note 2

Note 1: The Company did not arrange asset revaluation.

Note 2: The shareholders meeting has not been held as of the annual report printing date.

2. Condensed comprehensive income statement of subsidiary

Unit: NT$ thousand

Item \ Year	The financial data of the last five years				
	2019	2020	2021	2022	2023
Operating income	19,433,809	33,870,448	23,059,535	30,297,964	23,913,772
Gross profit	3,949,665	5,369,140	3,722,203	5,346,043	5,033,567
Operating profit and loss	3,107,684	4,394,746	2,905,531	4,303,824	3,974,195
Non-operating income and expense	387,316	571,529	498,622	756,244	1,852,732
Net income before tax	3,495,000	4,966,275	3,404,153	5,060,068	5,826,927
Net income of the continuing business unit	2,815,298	4,033,304	2,769,475	3,999,485	4,655,215
Loss of the discontinued business unit	–	–	–	–	–
Net income (loss)	2,815,298	4,033,304	2,769,475	3,999,485	4,655,215
Other comprehensive profit and loss of the current period (net amount after tax)	404,294	(113,672)	63,792	(157,140)	(126,424)
Total consolidated profit and loss of the current period	3,219,592	3,919,632	2,833,267	3,842,345	4,528,791
Earnings per share	14.77	21.16	14.53	21.25	24.82

(III) Name of the certified public accountants and the audit opinions in the last five years:

Year	Public auditor	Audit opinions
2019	Tsunglin Li and Tzuhui Li	Unqualified opinion plus the paragraph of additional comments or other matters
2020	Tsunglin Li and Tzuhui Li	Unqualified opinion plus the paragraph of additional comments or other matters
2021	Fu-jen Chen; Tsung-Lin Li	Unqualified opinion plus other matters paragraph
2022	Fu-jen Chen; Tsung-Lin Li	Unqualified opinion plus other matters paragraph
2023	Fu-jen Chen; Tsung-Lin Li	Unqualified opinion plus other matters paragraph

II. Analysis of financial data for the last five years

(I) Consolidated financial analysis

Analysis items	Year	2019	2020	2021	2022	2023	Current year up to March 31, 2024 (Note 1)
		Analysis of financial data for the last five years (Note 1)					
Financial structure	Ratio of liabilities to assets (%)	62.15	62.47	58.88	68.30	73.25	
	Ratio of long-term fund to property, plant, and equipment (%)	1122.92	1,382.15	793.93	823.40	978.37	
Solvency	Current ratio (%)	137.42	140.70	143.61	132.50	128.24	
	Quick ratio (%)	125.37	126.93	117.94	115.06	84.90	
	Times interest earned ratio (%)	521.28	669.66	301.74	207.86	35.45	
Operating ability	Accounts receivable turnover (times)	4.88	5.69	4.85	8.22	8.70	
	Days Sales in Account Receivable	74.79	64.14	75.24	44.40	41.95	
	Inventory turnover (times)	0.3069	0.36	0.22	0.34	0.36	
	Average days in sales	1177.41	1013.88	1644.28	1073.52	1013.88	
	Property, plant, and equipment turnover (times)	30.19	45.68	24.17	35.26	49.66	
	Total assets turnover (times)	1.04	1.32	1.08	1.44	1.48	
Profitability	Ratio of return on total assets (%)	13.21	16.35	11.14	14.41	12.50	
	Ratio of return on shareholders' equity (%)	35.67	43.32	28.32	40.26	42.08	
	Net profit before tax as a percentage of paid-in capital (%)	195.68	266.64	186.55	284.80	339.97	
	Profit ratio (%)	12.10	11.42	11.01	8.51	7.04	
	Earnings per share (NT$)	14.77	21.16	14.53	21.25	24.82	
Cash flow	Cash flow ratio (%)	29.29	23.13	15.85	30.22	13.28	
	Cash flow adequacy ratio (%)	147.57	155.07	129.59	145.97	154.87	
	Cash re-investment ratio (%)	18.31	14.97	-13.71	42.43	13.21	
Leverage	Operating leverage	1.02	1.03	1.03	1.03	1.05	
	Financial leverage	1.00	1.00	1.00	1.00	1.03	

Please explain the reasons for the changes in the financial ratios in the last two years.
1. Quick ratio: mainly due to the growth of 2023 current assets by 46% from the previous period, and the net construction in progress growth of 275% from the previous period.
2. Interest coverage ratio: due to the increase of 617% in interest expense in 2023 compared to the previous period.
3. The real estate, plant and equipment turnover rate: Due primarily to an increase in revenue in 2022 by 42.92% when compared to revenue in the previous period.
4. Cash flow ratio: Mainly due to the increase in net cash inflow from operating activities by 33.65%.
5. Cash reinvestment ratio: Mainly due to the increase in net cash inflow from operating activities by 33.65% , leading to an increase in operating revenue by 31.24% from the previous period.

Note 1: As of the publication date of the annual report, the 2024 Q1 financial data has not been reviewed by the certified public accountant and will not be listed.

(II) Subsidiary's financial analysis

Analysis items / Year		Analysis of financial data for the last five years				
		2019	2020	2021	2022	2023
Financial structure	Ratio of liabilities to assets (%)	56.84	58.27	55.32	61.19	61.91
	Ratio of long-term fund to property, plant, and equipment (%)	1549.10	1913.76	913.72	964.04	1149.53
Solvency	Current ratio (%)	136.00	138.18	121.15	119.45	124.25
	Quick ratio (%)	127.92	128.84	98.38	99.15	110.99
	Times interest earned ratio (%)	532.32	741.90	497.02	562.11	911.45
Operating ability	Accounts receivable turnover (times)	6.02	6.89	5.44	8.51	5.08
	Days Sales in Account Receivable	61	53	67	42.91	71.83
	Inventory turnover (times)	0.42	0.60	0.32	0.34	0.21
	Average days in sales	879.30	607.49	1137.23	1071.71	1733.39
	Property, plant, and equipment turnover (times)	34.91	61.58	28.16	27.36	21.42
	Total assets turnover (times)	0.98	1.41	1.07	1.13	0.75
Profitability	Ratio of return on total assets (%)	15.00	18.43	12.21	16.58	15.88
	Ratio of return on shareholders' equity (%)	35.59	43.44	28.24	39.95	41.30
	Net profit before tax as a percentage of paid-in capital (%)	183.38	260.57	178.61	265.50	305.74
	Profit ratio (%)	14.49	11.91	12.01	13.20	19.47
	Earnings per share (NT$)	14.77	21.16	14.53	21.25	24.82
Cash flow	Cash flow ratio (%)	26.37	25.24	25.05	24.08	43.21
	Cash flow adequacy ratio (%)	113.17	132.79	118.55	120.92	158.37
	Cash re-investment ratio (%)	8.35	11.22	-4.53	15.04	48.28
Leverage	Operating leverage	1.01	1.02	1.02	1.01	1.01
	Financial leverage	1	1	1	1	1

Please explain the reasons for the changes in the financial ratios in the last two years.

1. Interest coverage ratio: due to the decrease of 41.06% in interest expense in 2023 compared to the previous period.
2. The accounts receivable turnover ratio, and the property, plant and equipment turnover ratio: Due primarily to an decrease in revenue in 2023 by 21.07% when compared to revenue in the previous period.
3. Inventory turnover ratio: mainly due to the decrease of 24.33% in construction costs in 2023 compared to the previous period.
4. Total asset turnover ratio: mainly due to the decrease of 21.07% revenue from the previous period, and a 535.62% increase in total assets in 2023 from the previous period.
5. Cash flow ratio and cash flow adequacy ratio: Mainly due to the increase in net cash inflow from operating activities by 114.25%.
6. Cash reinvestment ratio: Mainly due to the increase in net cash inflow from operating activities by 114.25% , leading to an increase in operating revenue by 48.87% from the previous period.

(1) Financial analysis

1. Financial structure
   (1) Ratio of liabilities to assets ＝ Total liabilities / Total assets.
   (2) Ratio of long-term fund to property, plant, and equipment＝ (Total equity+ noncurrent liabilities) / Net property, plant, and equipment.
2. Solvency
   (1) Current ratio ＝ Current assets / Current liabilities.
   (2) Quick ratio ＝ (Current assets – inventory – prepaid expense) / current liabilities.
   (3) Times interest earned ratio ＝ Net income before income tax and interest expense / Current interest expense.
3. Operating ability
   (1) Accounts receivable (including accounts receivable and notes receivable resulting from business operations) turnover ＝ Net sales amount / average accounts receivable balance of each period (including accounts receivable and notes receivable resulting from business operations).
   (2) Days Sales in Account Receivable ＝ 365 / Accounts receivable turnover.
   (3) Inventory turnover ＝ Cost of goods sold / Average inventory balance amount.
   (4) Average days in sales ＝ 365 / Inventory turnover.
   (5) Property, plant, and equipment turnover ＝ Net sales amount / average property, plant, and equipment net amount.
   (6) Total assets turnover ＝ Net sales amount / Average total assets.
4. Profitability
   (1) Ratio of return on total assets＝ [Net income or loss + Interest expense x (1-tax rate)] / Average total assets.
   (2) Ratio of return on shareholders’ equity ＝ Net income or loss / Average equity.
   (3) Profit ratio ＝ Net income or loss / Net sales amount.
   (4) Earnings per share ＝ (Profit and loss attributable to the shareholders’ equity of the parent company – preferred stock dividend) / Weighted average outstanding shares.
5. Cash flow
   (1) Cash flow ratio ＝ Net cash flow from operating activities / Current liabilities.
   (2) Net cash flow adequacy ratio ＝ Net cash flow from operating activities in the last 5 years / In the last 5 years (Capital expenditure + increase in inventory + cash dividend).
   (3) Cash re-investment ratio ＝ (Net cash flow from operating activities – cash dividend) / (property, plant, and equipment gross amount + long-term investment + other noncurrent assets + operating fund).
6. Leverage:
   (1) Operating leverage ＝ (Net operating income – variable operating cost and expense) / Operating profit.
   (2) Financial leverage ＝ Operating profit / (Operating profit-interest expense).

III. The Audit Report of the Audit Committee on the most recent annual financial report

UNITED INTEGRATED SERVICES CO., LTD.

Audit Committee's audit report

Hereby approved

The 2023 parent company only financial statements and 2023 consolidated financial statements of the Company and its subsidiaries as submitted by the Board of Directors have been audited by Fu-Jen Chen, CPA and Tsung-Lin Li, CPA of KPMG Taiwan. The two sets of financial statements, together with the business report and earnings distribution proposal, were confirmed by the Audit Committee. Accordingly, the Audit Committee hereby produces said report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review them accordingly.

Sincerely yours,

2024 General Shareholders' Meeting

UNITED INTEGRATED SERVICES CO., LTD.

Convener of the Audit Committee: Kun-hsien Lin

March 14 , 2024

IV. Independent Auditor's Report and financial statements of the most recent year: please refer to Appendix A

V. Subsidiary's financial report that has been audited by a public certified accountant in the most recent year: please refer to Appendix B

VI. The financial difficulties faced by the Company and its affiliates in the most recent year and as of the annual report printing date: None

Seven. Review and analysis of financial status and operating results and risks

I. Financial status comparison analysis table

Unit: NT$ Thousands

Item \ Year	2022	2023	Variance	
			Amount	%
Current assets	29,016,228	42,413,003	13,396,775	46.17%
Financial assets measured at cost - noncurrent	-	-		
Financial assets measured at fair value through profit and loss - noncurrent	-	-		
Financial assets measured at fair value through other comprehensive profit and loss - noncurrent	1,630,910	1,559,028	(71,882)	-4.41%
Investment under the Equity Method	839,280	806,234	(33,046)	-3.94%
Property, plant, and equipment	1,405,613	1,368,849	(36,764)	-2.62%
Long-term receivables	0	0		
Right-of-use assets	376,598	174,185	(202,413)	-53.75%
Intangible assets	19,138	13,777	(5,361)	-28.01%
Deferred income tax assets	121,268	91,892	(29,376)	-24.22%
Other noncurrent assets	63,512	37,460	(26,052)	-41.02%
Total assets	33,472,547	46,464,428	12,991,881	38.81%
Current liabilities	21,898,666	33,072,057	11,173,391	51.02%
Noncurrent liabilities	963,533	963,671	138	0.01%
Total liabilities	22,862,199	34,035,728	11,173,529	48.87%
Attributable to the shareholders' equity of the parent company	10,413,826	12,129,173	1,715,347	16.47%
Capital stock	1,905,867	1,905,867		
Additional paid-in capital	378,352	378,709	357	0.09%
Retained earnings	7,991,483	9,834,716	1,843,233	23.06%
Other equity	712,067	583,824	(128,243)	-18.01%
Total equity	10,610,348	12,428,700	1,818,352	17.14%

Description of items with major changes:

1. Current assets: mainly due to the increase of 275.35% in contract assets from the previous period and the increase of 201.56% in other current assets in 2023.
2. The right-of-use assets: Mainly due to the decrease in right-of-use assets of buildings and structures by NT$150,897 thousand in 2023 from the previous period.
3. Intangible assets: mainly due to the disposal of computer software in 2023 decreased by NT$4,900 thousand from the previous period.
4. Deferred income tax assets: Mainly due to the decrease in the loss on doubtful accounts in excess of the loss limit by NT$12,914 thousand in 2022.
5. Other non-current assets: Due primarily to a decrease of NT$24,147 thousand in prepaid equipment payment in 2023 from the previous period.
6. Current liabilities: mainly due to an increase of 41.80% in 2023 contract liabilities-construction projects from the previous period, and accounts payable increased by 33.80% from the previous period.
7. Retained earnings: Mainly due to the increase in post-tax profit in 2023 by 18.18% from the previous period.

II. Financial performance analysis

1. Operating result comparison table

Unit: NT$ Thousands

Item \ Year	2022	2023	Increased (decreased) amount	Ratio of change (%)
Operating income	48,200,310	68,889,680	20,689,370	42.92%
Gross profit	6,718,724	7,531,191	812,467	12.09%
Operating profit and loss	5,430,364	6,061,509	631,145	11.62%
Non-operating income and expense	(2,465)	417,915	420,380	420.00%
Net income before tax	5,427,899	6,479,424	1,051,525	19.37%
Net income (loss)	4,101,845	4,847,498	745,653	18.18%
Other comprehensive profit and loss of the current period (net amount after tax)	(154,822)	(133,869)	20,953	-13.53%
Total consolidated profit and loss of the current period	3,947,023	4,713,629	766,606	19.42%
Net income attributable to parent company	3,999,485	4,655,215	655,730	16.40%
Total comprehensive profit and loss attributable to the parent company	3,842,345	4,528,791	686,446	17.87%
Description of items with major changes: 1. The non-operating revenues and expenditures Due primarily to the loss of NT$377,036 thousand from the financial assets at FVTPL in 2022 but a gain of NT$33,881 thousand in 2023; the interest from bank borrowings increased by NT$160,531 thousand from the previous period.				

2. Analysis of changes in operating gross profit: None.

III. Cash flow analysis

1. Liquidity analysis for the last two years

Item / Year	2022	2023	Increase (decrease) ratio (%)
Cash flow ratio (%)	30.22	13.28	(56.06) %
Cash flow adequacy ratio (%)	145.97	154.87	6.10%
Cash re-investment ratio (%)	42.43	13.21	(68.87) %
Description of increase (decrease) ratio: 1. Cash flow ratio: Mainly due to the increase in net cash inflow from operating activities by 33.65%. 2. Cash reinvestment ratio: Mainly due to the increase in net cash inflow from operating activities by 33.65% , leading to an increase in operating revenue by 31.24% from the previous period.			

2. Analysis of cash flow in the coming year Unit: NT$ Thousands

Cash balance - beginning (1)	Estimated annual net cash flow from operating activities (2)	Estimated annual cash outflow (3)	Estimated cash surplus (shortfalls) amount (1)+(2)-(3)	Remedial measures for expected cash shortfalls	
				Investment plan	Financial plan
9,385,681	5,000,000	4,000,000	10,385,681	-	-

IV. Impact of major capital expenditures on financial operations in the most recent year: None

V. Investment policy in the most recent year, the main reason for profit or loss, improvement plan, and investment plan for the next year

(I) Transfer investment policy: The Company will continue to invest in compliance with the business strategy of "enhancing professional technical capabilities and increasing business opportunities" in order to strengthen the competitiveness of the Company in the future. The focus of new investment projects in the future is on those that can help increase the technical ability for the system integration engineering service, and the newly added investment projects for increasing business opportunities are controlled as much as possible in order to avoid an excessive expansion of investment in this business category. In addition, the Company will strengthen the follow-up and supervision of the financial and business conditions of the invested company. If the invested company is not performing as well as when it was originally invested and there is no sign of improvement, the Company does not rule out the possibility of changing long-term investment policies and will choose to have the shares disposed. The investment projects that are carried out to increase business opportunities will be sold at an appropriate time to recover the funds for better overall use.

(II) Main reason of profit or loss: as of December 31, 2023 and 2022, investment accounted for using the equity method accounted for 1.74% and 2.51%, respectively, of total assets. The share of profit of loss in associates accounted for using the equity method accounted for 1.39% and 1.98% of pre-tax profit as of January 1 to December 31, 2023 and 2022, respectively.

(III) Future Investment Plan: The Company will continue to invest in compliance with the strategy of "enhancing professional technical capabilities and increasing business opportunities."

VI. Risk management analysis and evaluation

(I) The impact of interest rates, changes in exchange rate, and inflation on the Company's profit and loss in the most recent year and as of the annual report printing date, and the countermeasures in the future:

1. Due to stable growth in business performance and stable annual interest rate maintained, the Company has a high credit rating in the banking sector. Compared with other companies, the Company enjoys a better interest rate. Therefore, changes in interest rate have no significant impact on the Company.
2. The Company is mostly engaged in the system integration engineering projects of electronics factories. Some of the equipment is purchased and imported from abroad. In this regard, the countermeasures of the Finance Office are with the exchange rate trend considered, if necessary, the operating procedures for derivative financial products are applied to operate options or forward foreign exchange transactions for a fixed exchange rate in order to avoid risks.
3. Since most of the projects undertaken by the Company are done with the spare parts produced by electronics factory, which usually take 1-2 years, the risk of inflation has never occurred.

(II) The engagement in high-risk and high-leverage investment, loaning of funds, endorsements and guarantees, and derivative products policy in the most recent year and as of the annual report printing date, the main reason for the profit or loss, and future countermeasures:

1. The Company has always adhered to the principle of focusing on the main business operation and pragmatic practice. For the high-risk and high-leverage investment and derivative products transactions, such as, non-principal clearance, investment with bank loans, and other speculative businesses, it is not within the scope of the non-operating income of the Company. If there are idle funds, the Company will choose a more stable practice, such as, bank deposit or bond funds, so the above practice does not have a significant impact on the Company.
2. The Company's loaning of funds and making of endorsements/guarantees are mainly due to business transactions; also, it is handled in accordance with the Company's "Operating procedures for loaning of funds" and "Operating procedures for making of endorsements / guarantees."

(III) Research and development plans and estimated R&D expenses in the most recent year and as of the annual report printing date:

1. The research and development plans in the most recent year
   (1) Wireless smart home system R&D
   Radar detects an elderly in case of a fall.
   180-degree penetration and displacement detector
2. Estimated R&D expenses
   (1)Product innovation: NT$10 million

(IV) The impact of important domestic and international policies and legal changes on the Company's financial business and the countermeasures in the most recent year and as of the annual report printing date: None.

(V) The impact of technological changes (including information security risks) and industrial changes on the Company's financial business and the countermeasures in the most recent year and as of the annual report printing date: No significant operational risk.

(VI) The impact of changes in corporate image on corporate crisis management and the countermeasures in the most recent year and as of the annual report printing date: None.

(VII) Expected benefits, possible risks, and countermeasures for mergers and acquisitions in the most recent year and as of annual report printing date: None.

(VIII) Expected benefits, possible risks, and countermeasures for the expansion of the plant in the most recent year and as of the annual report printing date: None.

(IX) Risks of centralized sales or purchases of goods and the countermeasures in the most recent year and as of the annual report printing date: None.

(X) The impact of a large number of shares transferred or replaced by the directors, supervisors, or shareholders with more than 10% shareholding on the Company, the risks, and the countermeasures: None.

(XI) The impact of changes in management rights on the Company, the risks, and the countermeasures: None.

(XII) Litigation or non-litigation events: The sentenced or outstanding major litigation, non-litigation, or administrative dispute of the Company and the Company's directors, supervisors, president, substantive principal, major shareholders with more than 10% shareholding, and subsidiaries in the most recent year and as of the annual report printing date that may have a significant impact on shareholders' equity or securities prices:

(I) Some of the Company's directors are involved in the adjudication process for violating the Securities and Exchange Act regulations and the impact on the Company's operation; please refer to the following information:

1. Criminal Procedure

Former chairmen, Mr. Chen and Mr. Wang, and other involved parties were prosecuted for violating the Securities and Exchange Act by the Taipei District Prosecutors Office on June 5, 2013. During the period, the former chairman Mr. Wang passed away and was declared dismissed by the Taiwan High Court (2015 Jin Shang Zhong Su No.40), while the Taipei District Court, the Taiwan High Court (the High Court), and the first and second trials all found that there was no breach of trust, non arm's length transaction, and criminal conversion on the part of all the parties involved, and the verdict was not guilty (2013 Jin Zhong Su No.17, 2015 Jin Shang Zhong Su No.40, 2018 Jin Shang Zhong 1 No.8 and 2020 Jin Shang Zhong 2 No.13). The two other parties did not appeal after being granted probation by the High Court, while the former chairman, Mr. Chen, continued to appeal and was remanded for three times by the Supreme Court. On May 9, 2023, Mr. Chen was sentenced to two year imprisonment and given five years' probation by the High Court, with the remaining judgment being the same as the previous ruling (syllabus from 2022 Jin Shang Zhong 3 No.6). On June 9, 2023, Mr. Chen appealed against the judgment, which was overruled by the Supreme Court on February 27, 2024, with the final decision having been confirmed.

2. Civil Procedure

(1) On December 5, 2013, SFIPC filed a petition for dismissal of the three directors of the Company in connection with the criminal case in accordance with the aforementioned indictment, and due to the death of the former Chairman Mr. Wang, SFIPC withdrew the part of the lawsuit against him. The SFIPC lost both the first and second trials, however, on April 28, 2020, the High Court handed down the judgment of dismissal of the director in the first trial, in which Director Lee resigned on June 2, 2020, and withdrew the appeal on June 3, 2020, and the part of the main text of the High Court's ruling on the two other parties was confirmed on June 3, 2020. Mr. Chen was not elected as a new board member on shareholders' meetimg held on August 17, 2021, and therefore Mr. Chen's appeal was overruled by the Supreme Court on February 24, 2022, with the final decision having been confirmed.

(2) On January 27, 2014, SFIPC filed a class action lawsuit on behalf of the investors on the grounds that the Company's financial statements from the third quarter of 2009 to 2011 were inaccurate, requesting the Company, its directors, former supervisors to jointly compensate the investors for damages in excess of $243 million.

SFIPC filed an appeal with the Taipei District Court on September 16, 2022, which is currently on trial by the High Court (2023 Jin Shang No.1).

3. Impact on operation

The Company runs smoothly and has experienced continued growth in revenues. The business and financial structure are sound. The litigations do not have significant impact on the Company’s operation.

(II) The Company received the civil judgment from the Taiwan Taipei District Court on September 2, 2014 that the Company should pay the package fees of $104,559 thousand and the former Chairman Wang's salary from January 2001 to April 2012, as previously paid by Dentsu, amounting to $21,405 thousand. In the third quarter of 2014, in accordance with the judgment stated above, the Company assessed and took into accounts the package fees and salary paid by Dentsu, which have yet to be reimbursed by the Company (respectively logged as construction costs and management costs). The Company also estimated that the relevant interest payable as of December 31, 2023 amounted to $59,171 thousand (please refer to note 7).

As of the reporting date, the Company has yet to reimburse the abovementioned package fees, salary and related interests.

(XIII) Other important risks and countermeasures:

1. Assessment and analysis of information security risk: No significant risks.

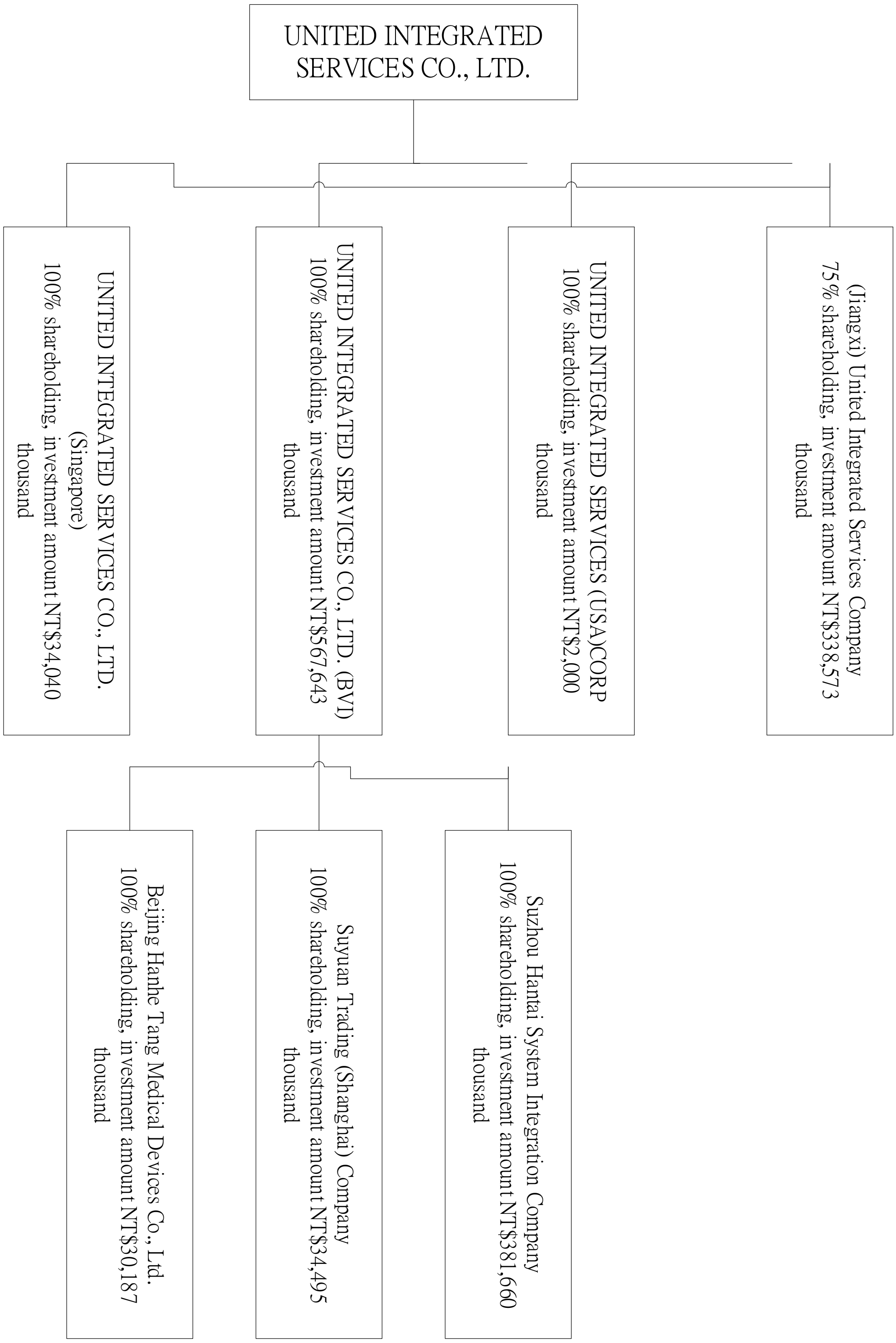
VII. Other important matters: None.

Eight. Special notes

I. Information of the affiliates

(I) Consolidated business report of the affiliates

1. Organizational chart of the affiliates



2. Basic profile of the affiliates

Unit: NT$ Thousands

Company name	Establishment date	Address	Paid-in capital	Actual investment amount	Main business or production project
UNITED INTEGRATED SERVICES CO., LTD. (BVI)	2000.12.19	Commence Chambers, Road Town Totola, British Virgin Islands.	567,643	567,643	Investment business
Suyuan Trading (Shanghai) Company	2001.7.2	Room 1102, No. 438, Pudian Road, Pudong New Area, Shanghai	34,495	34,495	Trades of semiconductors, cleanrooms, and electromechanical equipment
Suzhou Hantai System Integration Company	2006.4.29	No. 7, Chenghu East Road, Wuzhong Economic Development Zone, Suzhou	381,660	381,660	Production and sales of construction hardware and materials
Jiangxi United Integrated Services Company	2003.09.18	No. 176, Beijing West Road, Nanchang City, Jiangxi Province	446,702	338,573	Electromechanical business and pipeline equipment installation engineering
UNITED INTEGRATED SERVICES CO., LTD. (Singapore)	2011.01.25	30 MARSILING IND ESTATE ROAD 5#01-01 WIDEFIELD INDUSTRIAL BUILDING SINGAPORE	34,040	34,040	Cleanroom construction
Beijing Hanhe Tang Medical Devices Co., Ltd.	2012.06.19	Room 302, Ronghua Xintai Building, 3rd Floor, Building 3, Yard 10, Ronghua South Road, Daxing District, Beijing	30,187	30,187	Sales of Class III and Class II medical devices
UNITED INTEGRATED SERVICES(USA) CORP	2020.11.30	2435 E SOUTHERN AVE,STE 1,TEMPE,AZ,85282,USA	1,392,503	1,392,503	1. Transaction on mechanical and electrical, clean room installation engineering and equipment. 2. Planning and design related technical consulting services for various related projects.

3. The shareholders of the companies that are with a relationship of control and affiliation

Presumptive reasons	Title or name	Shareholdings		Establishment date	Address	Paid-in capital (NT$ Thousands)	Main business operations
		Shares	Shareholding ratio				
Related parties have a substantial control relationship	Dentsu Engineering Co., Ltd.	-	-	1981.06.19	1st Floor, No. 1, Lane 7, Baoqiao Road, Xindian District, New Taipei City	27,000	Design and installation of computerized central monitoring systems, traffic control, environmental monitoring, computers, cleanroom, etc.
Related parties have a substantial control relationship	Fu Kuo Engineering Co., Ltd.	-	-	1985.03.18	6F-2, No. 95, Fuguo Road, Taipei City	25,000	Design and installation of computer room; electronic communication control system engineering, and the related material trades of the projects in the preceding paragraph
Related parties have a substantial control relationship	Huayuan Engineering Company	-	-	2006.07.13	2F, No. 109-1, Baoqing Street, Taipei City	10,000	Electrical installation, piping engineering, fire safety automatic control equipment engineering, etc.

4. Information of directors, supervisors, and President of each affiliate

Unit : shares; %

Company name	Job title	Name or representative	Shareholdings	
			Shares	Shareholding ratio
UNITED INTEGRATED SERVICES CO., LTD. (BVI)	Chairperson	Belle Lee	17,697,630	100.
UNITED INTEGRATED SERVICES(USA) CORP	Director	Chih-Ming Lai	Note	0.
	Director	Belle Lee	Note	0
	Director	Joseph Lee	Note	0.
	Director	Kuo-Yu Wang	Note	0.
	Director	Hsiao-Pang Yang	Note	0.
Suyuan Trading (Shanghai) Company	Chairperson	Chun-Yuan Hsu (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
	Director	Benny Chen (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
	Director	Juichin Wu (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
Suzhou Hantai System Integration Company	Chairperson	Chun-Yuan Hsu (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
	Director	Juichin Wu (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
	Director	Benny Chen (Representative of UNITED INTEGRATED SERVICES CO., LTD.)		
	Supervisor	Yuanyi Wang (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
Jiangxi United Integrated Services Company	Chairperson	Chun-Yuan Hsu (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	75
	Director	Benny Chen (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	75
	Director	Joseph Lee (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	75
	Director	Juichin Wu (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	75
	Director	Liu, Hai-Yen (Representative of JXCG JIANGXI CONSTRUCTION ENGINEERING(GROUP) CO.,LTD.)	Note	25
	Director	Li, Jian-Jun (Representative of JXCG JIANGXI CONSTRUCTION ENGINEERING(GROUP) CO.,LTD.	Note	25
	Supervisor	Belle Lee (Representative of UNITED INTEGRATED SERVICES CO., LTD.)		
UNITED INTEGRATED SERVICES CO., LTD. (Singapore)	Chairperson	Belle Lee (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
	Director	ZHAO KE (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
Beijing Hanhe Tang Medical Devices Co., Ltd.	Director	Chunhsiung Wang (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.
	Supervisor	Tsuifen Hsu (Representative of UNITED INTEGRATED SERVICES CO., LTD.)	Note	100.

Note: It is registered with the capital contribution amount indicated.

5. Affiliate operation overview

Unit: NT$ Thousands   December 31, 2023

Company name	Capital amount	Total assets	Total liabilities	Net worth	Operating income	Operating profit	Current profit and loss (after tax)
UNITED INTEGRATED SERVICES CO., LTD. (BVI)	567,643	1,297,604	324,019	973,585	553,626	101,857	132,247
UNITED INTEGRATED SERVICES CO., LTD. (Singapore)	34,040	9,628	7,615	2,013	6,183	20,603	20,581
Jiangxi United Integrated Services Company	446,702	3,138,918	1,940,812	1,198,106	4,990,214	939,073	769,134
UNITED INTEGRATED SERVICES(USA) CORP	1,392,503	14,759,986	12,126,369	2,633,617	39,877,826	1,030,900	655,454

(II) Consolidated Statements of Affiliates: Please refer to Appendix **A** .

(III) Relationship Report: Not applicable

II. For the private placement of securities processed in the most recent year and as of the annual report printing date, it is necessary to disclose the date and amount resolved in the shareholders meeting or the board meeting, the basis and reasonableness of the price determination, the method of selecting the specific persons, the must reasons for the private placement, and from the stock proceeds collected to the fund implementation plan completed, the fund use of the private placement of securities, and plan implementation in the most recent year and as of the annual report printing date: None.

III. The Company's stock shares held or disposed by the subsidiary in the most recent year and as of the annual report printing date

The acquisition and disposal of the Company's stock shares by the subsidiaries

Unit: NT$ Thousands / Thousand shares / %

Name of subsidiary	Paid-in capital	Source of funds	The Company's shareholding ratio	Acquisition or disposal date	Number of shares acquired and amount	Number of shares disposed and amount	Investment gains and losses	Number of shares held and amount as of the annual report printing date	Pledge made	Making of endorsements/guarantees for the subsidiary by the Company	Loaning of funds to the subsidiary by the Company
UNITED INTEGRATED SERVICES CO., LTD. (BVI)	567,643	Shareholders' investment	100.00%	2023	-	-	-	-	-	-	-
				As of the current annual report printing date	-	-	-	-	-	-	-
Suyuan Trading (Shanghai) Company	34,495	Shareholders' investment	100.00%	2023	-	-	-	-	-	-	-
				As of the current annual report printing date	-	-	-	-	-	-	-
Jiangxi United Integrated Services Company	453,360	Shareholders' investment	75.00%	2023	-	-	-	-	-	-	-
				As of the current annual report printing date	-	-	-	-	-	-	-
UNITED INTEGRATED SERVICES(USA) CORP	1,392,503	Shareholders' investment	100.00%	2023	-	-	-	-	-	12,526,364	-
				As of the current annual report printing date	-	-	-	-	-	13,054,670	-
UNITED INTEGRATED SERVICES CO., LTD. (Singapore)	22,620	Shareholders' investment	100.00%	2023	-	-	-	-	-	-	-
				As of the current annual report printing date	-	-	-	-	-	-	-

IV. Other matters that require additional description: None.

Nine. The occurrence of the events that have significant impact on shareholders' equity or securities price as stipulated in Section 2, Paragraph 2, of Article 36 of the Act in the most recent year or as of the annual report printing date should be itemized for illustration:

Please refer to this annual report (Page 100 of the annual report) Seven: review and analysis of financial conditions and operating results and risk matters, Clause 12 of Paragraph 6 "Risk Management Analysis and Evaluation:" Litigation or non-litigation events: The sentenced or outstanding major litigation, non-litigation, or administrative dispute of the Company and the Company's directors, supervisors, president, substantive principal, major shareholders with more than 10% shareholding, and subsidiaries in the most recent year and as of the annual report printing date that may have a significant impact on shareholders' equity or securities prices.

Stock Code:2404

UNITED INTEGRATED SERVICES CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

Address: **13F., No.13, Qiaohe Rd., Zhonghe Dist., New Taipei City, Taiwan (R.O.C.)**

Telephone: **(02)2917-4060**

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Representation Letter

The entities that are required to be included in the combined financial statements of United Integrated Services Co., Ltd. as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements. " endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, United Integrated Services Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: United Integrated Services Co., Ltd.

Chairman: Belle, Lee

Date: March 14, 2024

Independent Auditors' Report

To the Board of Directors of United Integrated Services Co., Ltd.:

Opinion

We have audited the consolidated financial statements of United Integrated Services Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Matter

We did not audit the financial statements of investee companies under the equity method and certain information of Note 13 (b) "Information on investees of the consolidated financial statements". Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these investee companies, is based solely on the reports of other auditors. The investments in the investee companies constituted 1.74% and 2.51% of the consolidated total assets, as of December 31, 2023 and 2022, respectively. For the years then ended, the recognized shares of profit of associates accounted for using the equity method of these investee companies constituted 1.39% and 1.98% of the consolidated total profit before tax, respectively.

United Integrated Services Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion with the Other Matter paragraph.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters we communicated in the auditors' report were as follows:

1. Revenue recognition

   For the accounting policies related to revenue recognition, please refer to Note 4 (o) "Revenue recognition"; for uncertainty of accounting estimates and assumption for revenue recognition, please refer to Note 5 (b) "Revenue recognition"; for information of revenue recognition, please refer to Note 6 (v) "Revenue from contracts with customers" to the consolidated financial statements.

   Description of Key Audit Matter:

   The Group recognizes construction contract revenue by percentage of completion method. The percentage of completion is based on the contract costs incurred as of the financial statements reporting date, representing the percentage of the estimated total contract costs. Because construction contract accounting involves a high level of estimation and judgment, revenue recognition has been identified as one of the key audit matters for our audit.

   How the matter was addressed in our audit:

   In relation to the key audit matter above, our principal audit procedures included: (i) testing the effectiveness of the internal control related to the timing and precision of revenue recognition; (ii) selecting samples of new construction projects and inspecting the contracts, the dispatch lists as well as the estimated contract cost to assess whether the revenue was recognized at the appropriate timing. ; (iii) obtaining the annual construction revenue statistics of the Group and assessing whether the revenue recognition was appropriate.

2. Accounts receivable impairment assessment

   For the accounting policies related to the impairment assessment of accounts receivable, please refer to Note 4 (g) "Financial instruments"; for uncertainty of accounting estimates and assumption for the impairment assessment of accounts receivable, please refer to Note 5 (a) "Impairment assessment of accounts receivable"; for information of the impairment assessment of accounts receivable, please refer to Note 6 (c) "Notes and accounts receivable" to the consolidated financial statements.

   Description of Key Audit Matter:

   The Group recognized expected credit loss in accordance with the Group's policy of allowance for accounts receivable, and established its estimation based on its clients' credit risk, historical experiences of credit loss, and rational expectation of future economic conditions. Since the accounting of expected credit loss of accounts receivable involves a high level of estimation and judgment, the impairment assessment of accounts receivable has been identified as one of the key audit matters for our audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included: (i) understanding the accounting policies of the impairment assessment of notes and accounts receivables; (ii) implementing sampling procedures to examine the accuracy of accounts receivable aging report; (iii) analyzing the changes of the aging of accounts receivable in each period; (iv) examining historical collection records; (v) examining subsequent collection status to evaluate the reasonableness of the Group's recognition of allowance for impairment loss.

3. Financial instruments assessment

For the accounting policies related to the assessment of financial instruments, please refer to Note 4 (g) "Financial Instruments"; for uncertainty of accounting estimates and judgments for fair value of financial instruments, please refer to Note 5 (c) "Fair value of financial instruments"; for information of the fair value of financial instruments, please refer to Note 6 (y) "Fair value hierarchy information" to the consolidated financial statements.

Description of Key Audit Matter:

The accounting of the assessment of financial instruments involves a high level of estimation and judgment. Therefore, the assessment of financial instruments has been identified as one of the key audit matters for our audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included: (i) testing the investment cycle and financial reporting process of the Group and assessing the internal control of the disclosure of the financial statements; (ii) appointing our valuation specialists to assess the reasonableness of valuation techniques and to test the key parameters of financial assets without active market prices, wherein valuation models are used to check whether the applied valuation techniques are in accordance with IFRS 13 “Fair Value Measurement”.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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.

The engagement partners on the audit resulting in this independent auditors’ report are Chen, Fu-Jen and Lee, Jung-Lin.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2024

Notes to Readers

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

The independent auditors’ audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ audit report and consolidated financial statements, the Chinese version shall prevail.

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

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

		December 31, 2023		December 31, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 9,385,681	20	11,223,268	34
1110	Current financial assets measured at fair value through profit or loss (notes 6(b) and (y))	349,808	1	328,176	1
1140	Current contract assets (note 6(v))	14,334,373	31	3,818,977	11
1150	Notes receivable, net (note 6(c))	155,514	-	319	-
1170	Accounts receivable, net (notes 6(c), (v) and 12)	7,055,698	15	8,394,618	25
1220	Current tax assets	-	-	24	-
130X	Inventories (note 6(d))	24,372	-	52,136	-
1410	Prepayments (notes 6(e) and 7)	1,298,285	3	1,945,858	6
1470	Other current assets (notes 6(m), 7 and 8)	9,809,272	21	3,252,852	10
	Total current assets	42,413,003	91	29,016,228	87
	Non-current assets:				
1517	Non-current financial assets measured at fair value through other comprehensive income (notes 6(g) and (y))	1,559,028	3	1,630,910	5
1550	Investments accounted for using equity method (note 6(h))	806,234	3	839,280	3
1600	Property, plant and equipment (notes 6(j) and 7)	1,368,849	3	1,405,613	4
1755	Right-of-use assets (note 6(k))	174,185	-	376,598	1
1780	Intangible assets (note 6(l))	13,777	-	19,138	-
1840	Deferred tax assets (note 6(s))	91,892	-	121,268	-
1900	Other non-current assets (notes 6(m) and 8)	37,460	-	63,512	-
	Total non-current assets	4,051,425	9	4,456,319	13
	Total assets	$ 46,464,428	100	33,472,547	100

		December 31, 2023		December 31, 2022	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2102	Bank loans (notes (n) and (y))	$ 3,230,043	7	-	-
2130	Current contract liabilities (note 6(v))	$ 19,402,155	42	13,682,905	40
2150	Notes payable (note 6(y))	9,069	-	19,541	-
2170	Accounts payable (note 6(y))	8,312,201	18	6,212,542	19
2180	Accounts payable－related parties (notes 6(y) and 7)	15,725	-	37,702	-
2220	Other payables－related parties (notes 7 and 12)	185,135	-	178,992	1
2230	Current tax liabilities	667,891	1	673,039	2
2250	Current provisions (note 6(o))	8,177	-	19,926	-
2280	Current lease liabilities (notes 6(k), (q) and (y))	63,536	-	75,776	-
2300	Other current liabilities (notes 6(p), (r) and (y))	1,178,125	3	998,243	3
	Total current liabilities	33,072,057	71	21,898,666	65
	Non-Current liabilities:				
2550	Non-current provisions (note 6(r))	125,169	-	126,483	-

See accompanying notes to consolidated financial statements.

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

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

2570	Deferred tax liabilities (note 6(s))	465,894	1	259,007	1
2580	Non-current lease liabilities (notes 6(k), (q) and (y))	94,400	-	299,441	1
2600	Other non-current liabilities (notes (p) and (y))	278,208	1	278,602	1
	Total non-current liabilities	963,671	2	963,533	3
	Total liabilities	34,035,728	73	22,862,199	68
31XX	**Equity attributable to owners of parent** (note (t)):				
3100	Common stock	1,905,867	4	1,905,867	6
3200	Capital surplus	378,709	1	378,352	1
	Retained earnings:				
3310	Legal reserve	3,097,300	7	2,694,580	8
3350	Unappropriated earnings	6,737,416	14	5,296,903	16
		9,834,716	21	7,991,483	24
3400	Other equity	583,824	1	712,067	2
3500	Treasury stock	(573,943)	(1)	(573,943)	(2)
	Total equity attributable to owners of parent	12,129,173	26	10,413,826	31
36XX	Non-controlling interests	299,527	1	196,522	1
	Total equity	12,428,700	27	10,610,348	32
	Total liabilities and equity	**$ 46,464,428**	**100**	**33,472,547**	**100**

See accompanying notes to consolidated financial statements.

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

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar, Except Earnings Per Share)

		2023		2022	
		Amount	%	Amount	%
4000	**Operating Revenues (notes 6(v) and 7):**				
4520	Construction revenue	$ 68,718,426	100	47,964,996	100
4600	Service and design revenue etc.	171,254	-	235,314	-
	Operating revenues, net	68,889,680	100	48,200,310	100
5000	**Operating costs (notes 6(d), (l), (q), (r), 7 and 12):**				
5520	Construction cost	61,287,033	89	41,389,192	86
5600	Service and design cost etc.	71,456	-	92,394	-
	Total operating costs	61,358,489	89	41,481,586	86
	Gross profit from operations	7,531,191	11	6,718,724	14
	Operating expenses (notes 6(c), (l), (q), (r), (w), 7 and 12):				
6100	Selling expenses	42,237	-	39,507	-
6200	Administrative expenses	1,404,617	2	1,222,505	3
6300	Research and development expenses	25,425	-	27,165	-
6450	Reversal of expected credit losses	(2,597)	-	(817)	-
	Total operating expenses	1,469,682	2	1,288,360	3
	Net operating income	6,061,509	9	5,430,364	11
	Non-operating income and expenses:				
7010	Other income (notes 6(b), (x) and 7)	95,970	-	101,395	-
7020	Other gains and losses (note 6(x))	33,115	-	(348,650)	-
7100	Interest income (note 6(x))	386,723	-	163,398	-
7510	Interest expense (notes 6(q), (x) and 7)	(188,079)	-	(26,239)	-
7370	Share of profit of associations and joint ventures accounted for using equity method (note 6(h))	90,186	-	107,631	-
	Total non-operating income and expenses	417,915	-	(2,465)	-
7900	**Net income from continuing operations before tax**	6,479,424	9	5,427,899	11
7950	Less: Income tax expenses (note 6(s))	1,631,926	2	1,326,054	3
8200	**Net income**	4,847,498	7	4,101,845	8
8300	**Other comprehensive income (notes 6(g), (s) and (t)):**				
8310	**Items that will not be reclassified to profit or loss:**				
8311	Gains (losses) on remeasurements of defined benefit plans	1,916	-	33,355	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(71,882)	-	(395,226)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(14,584)	-	52,351	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	383	-	6,671	-
	Items that will not be reclassified to profit or loss	(84,933)	-	(316,191)	-
8360	**Items that will be reclassified to profit or loss:**				
8361	Exchange differences on translation of foreign operation	(55,637)	-	189,079	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(2,937)	-	9,643	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(9,638)	-	37,353	-
	Items that will be reclassified to profit or loss	(48,936)	-	161,369	-
8300	**Other comprehensive income**	(133,869)	-	(154,822)	-
8500	**Comprehensive income**	**$ 4,713,629**	**7**	**3,947,023**	**8**
	Profit attributable to:				
8610	Shareholders of the Company	$ 4,655,215	7	3,999,485	8
8620	Non-controlling interests	192,283	-	102,360	-
		$ 4,847,498	**7**	**4,101,845**	**8**
	Comprehensive income attributable to:				
8710	Shareholders of the Company	$ 4,528,791	7	3,842,345	8
8720	Non-controlling interests	184,838	-	104,678	-
		$ 4,713,629	**7**	**3,947,023**	**8**
9750	**Basic earnings per share (in dollars) (note 6(u))**	**$ 24.82**		**21.25**	
9850	**Diluted earnings per share (in dollars) (note 6(u))**	**$ 24.48**		**20.89**	

See accompanying notes to consolidated financial statements.

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

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

	Equity attributable to owners of parent											
	Share capital		Retained earnings			Other equity						
	Common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity	Treasury stock	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2021	$ 1,905,867	377,460	2,416,160	4,010,254	6,426,414	(121,002)	1,017,924	896,922	-	9,606,663	159,645	9,766,308
Net income	-	-	-	3,999,485	3,999,485	-	-	-	-	3,999,485	102,360	4,101,845
Other comprehensive income	-	-	-	27,715	27,715	159,051	(343,906)	(184,855)	-	(157,140)	2,318	(154,822)
Total comprehensive income	-	-	-	4,027,200	4,027,200	159,051	(343,906)	(184,855)	-	3,842,345	104,678	3,947,023
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	278,420	(278,420)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	(2,462,131)	(2,462,131)	-	-	-	-	(2,462,131)	-	(2,462,131)
Changes in equity of associates and joint ventures accounted for using equity method	-	518	-	-	-	-	-	-	-	518	-	518
Overdue unclaimed dividend transferred in	-	374	-	-	-	-	-	-	-	374	-	374
Purchase of treasury share	-	-	-	-	-	-	-	-	(573,943)	(573,943)	-	(573,943)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(67,801)	(67,801)
Balance on December 31, 2022	1,905,867	378,352	2,694,580	5,296,903	7,991,483	38,049	674,018	712,067	(573,943)	10,413,826	196,522	10,610,348
Net income	-	-	-	4,655,215	4,655,215	-	-	-	-	4,655,215	192,283	4,847,498
Other comprehensive income	-	-	-	1,819	1,819	(41,491)	(86,752)	(128,243)	-	(126,424)	(7,445)	(133,869)
Total comprehensive income	-	-	-	4,657,034	4,657,034	(41,491)	(86,752)	(128,243)	-	4,528,791	184,838	4,713,629
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	402,720	(402,720)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	(2,813,801)	(2,813,801)	-	-	-	-	(2,813,801)	-	(2,813,801)
Changes in equity of associates and joint ventures accounted for using equity method	-	82	-	-	-	-	-	-	-	82	-	82
Overdue unclaimed dividend transferred in	-	275	-	-	-	-	-	-	-	275	-	275
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(81,833)	(81,833)
Balance on December 31, 2023	$ 1,905,867	378,709	3,097,300	6,737,416	9,834,716	(3,442)	587,266	583,824	(573,943)	12,129,173	299,527	12,428,700

See accompanying notes to consolidated financial statements.

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

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

	2023	2022
Cash flows from (used in) operating activities:		
Income before income tax	$ 6,479,424	5,427,899
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	126,329	103,253
Amortization expense	12,169	6,713
Reversal of expected credit losses	(2,597)	(817)
Net (profit) loss on financial assets measured at fair value through profit or loss	(33,881)	377,036
Interest expense	188,079	26,239
Interest income	(386,723)	(163,398)
Dividend income	(9,118)	(22,642)
Share of profit of associates and joint ventures accounted for using equity method	(90,186)	(107,631)
Loss on disposal of property, plant and equipment	471	224
Gain on disposal of investments	(29,372)	(21,411)
Gain on reversal of impairment loss of property, plant and equipment	-	(1,402)
Other income	(31)	(66)
Total adjustments to reconcile loss	(224,860)	196,098
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in current contract assets	(10,515,396)	(429,482)
(Increase) decrease in notes receivable	(155,195)	697
Decrease (increase) in accounts receivable	1,350,507	(5,499,451)
Decrease in accounts receivable－ related parties	-	107
Decrease in other receivable due from related parties	125,969	-
Decrease in inventories	27,764	6,297
Decrease (increase) in prepayments	671,782	(593,157)
Increase in other current assets	(101,854)	(115,990)
Subtotal of changes in operating assets	(8,596,423)	(6,630,979)
Changes in operating liabilities:		
Increase in current contract liabilities	5,719,250	6,491,065
Decrease in notes payable	(10,472)	(44,553)
Increase in accounts payable	2,099,659	1,623,826
Decrease in accounts payable－related parties	(21,977)	(30,055)
(Decrease) increase in current provisions	(11,749)	8,114
Increase in other current liabilities	155,382	136,710
Increase (decrease) in net defined benefit liability	602	(16,907)
Increase in other non-current liabilities	-	3,702
Subtotal of changes in operating liabilities	7,930,695	8,171,902
Total changes in operating assets and liabilities	(665,728)	1,540,923
Total adjustments	(890,588)	1,737,021
Cash inflow generated from operations	5,588,836	7,164,920
Interest received	348,082	147,731
Interest paid	(157,436)	(20,027)
Income taxes paid	(1,388,761)	(675,146)
Net cash flows from operating activities	4,390,721	6,617,478
Cash flows from (used in) investing activities:		
Proceeds from capital reduction of financial assets at fair value through profit or loss	-	2,303
Proceeds from disposal of financial assets at fair value through profit or loss	2,991	3,854
Proceeds from disposal of investments accounted for using equity method	50,912	176,570
Acquisition of property, plant and equipment	(4,596)	(98,588)
Proceeds from disposal of property, plant and equipment	42	14
Decrease (increase) in guarantee deposits paid	9,982	(10,077)
Acquisition of intangible assets	(3,057)	(3,152)
(Increase) decrease in other financial assets	(6,561,168)	549,728
Increase in other non-current assets	(302)	(27,346)
Dividends received	81,584	76,334
Net cash flows from (used in) investing activities	(6,423,612)	669,640
Cash flows from (used in) financing activities:		
Increase in short-term loans	3,230,043	-
Increase (decrease) in guarantee deposits received	4,291	(7,650)
Payment of lease liabilities	(82,950)	(56,841)
Cash dividends paid	(2,813,801)	(2,462,131)
Payments to acquire treasury shares	-	(573,943)
Overdue unclaimed dividends transferred to capital surplus	275	374
Changes in non-controlling interests	(81,833)	(67,801)
Net cash flows from (used in) financing activities	256,025	(3,167,992)
Effect of exchange rate changes on cash and cash equivalents	(60,721)	181,262
Net increase (decrease) in cash and cash equivalents	(1,837,587)	4,300,388
Cash and cash equivalents at beginning of period	11,223,268	6,922,880
Cash and cash equivalents at end of period	$ 9,385,681	11,223,268

See accompanying notes to consolidated financial statements.

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

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar, Unless Otherwise Specified)

(1) Company history

United Integrated Services Co., Ltd. (hereinafter referred to as the "Company") was incorporated as a limited company under the provisions of the Ministry of Economic Affairs, R.O.C on September 13, 1982, as United Technology And Engineering Co., Ltd.. The Company reincorporated as United Linkfast Co., Ltd. on March 14, 1990. On October 30, 1990, the Company merged with Linkfast System Co., Ltd. The surviving company was United Linkfast Co., Ltd., and was renamed as United Integrated Services Co., Ltd. on May 29, 2002. On July 29, 2003, the Company merged with Taichun Technology Co., Ltd. through the cash consideration method. The surviving company was United Integrated Services Co., Ltd. The Company relocated during 2022 and changed the registered address to 13F., No.13, Qiaohe Rd., Zhonghe Dist., New Taipei City, Taiwan (R.O.C.)

The Company and its subsidiaries (collectively referred hereinafter as the "Group") are primarily engaged in: (1) Contracting various running water projects, instrumental control projects, refrigerating and air conditioning projects, installation of clean rooms and the related transactions and manufacturing of supplies. (2) Traffic surveillance & control system engineering building, factory computer control monitoring systems, engineering environment monitoring systems, the design and installation of engineering toll collection systems and related supply transactions. (3) Various electrical and mechanical engineering contracts for transmission and distribution of electric power. (4) The design, installation, maintenance and trading of related equipment of various computerized automatic engineering monitoring systems. (5) Contracting of various computer and communication system integration projects and the manufacturing and trading of related software and hardware. (6) Installation and design of controlling equipment in computer rooms. (7) Importing restrained telecom radio frequency equipment.

United Integrated Services (British Virgin Islands) Ltd. (UIS BVI), a holding company established in the third place in accordance to relevant laws of Republic of China, was established in accordance with the British Virgin Islands International Business Law on October 31, 2001. The company is engaged in investing in Su Yuan (Shanghai) Trading Ltd. and Suzhou Han Tai System Integrated Ltd., trading various engineering equipment and participating in installation projects. On August 2012, UIS BVI invested in Beijing Han He Tang Medical Instrument Ltd. and engaged in businesses such as distribution and agency services for medical devices.

On September 18, 2003, Jiangxi United Integrated Services Ltd. was incorporated as a limited company under the Ministry of Commerce of the People's Republic of China and the Jiangxi Provincial Administration of Industry and Commerce. The company mostly engages in is pipeline equipment installation projects.

On January 25, 2011, United Integrated Services Pte Ltd. was incorporated as a limited company under the Singapore Accounting & Corporate Regulatory Authority. The company mainly engages in the construction of clean rooms.

On June 3, 2020, Hanxuan Energy Co., Ltd. (Hanxuan Energy) was incorporated as a company limited by shares under the Taipei City Government. The major business activities of the company are the self-usage power generation equipment utilizing renewable energy, and energy technical services.

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UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

On September 1, 2020, Hunter Energy Co., Ltd. (Hunter Energy) was incorporated as a company limited by shares under the New Taipei City Government. The major business activities of the company are the self-usage power generation equipment utilizing renewable energy, and energy technical services.

On November 30, 2020, UNITED INTEGRATED SERVICES (USA) CORP. (UIS(USA)) was incorporated as a company limited by shares under the Arizona Corporation Commission. The major business activities of the company are: (1) the installation construction of electrical and clean room, as well as the related transactions of supplies. (2) technical advisory services for planning and designing of projects.

For the years ended December 31, 2023 and 2022, the composition of the consolidated financial statements includes the Company, its subsidiaries (the Group), and the affiliates of the Group in the associates. Please refer to note 4 (c) for the main operation items of the Group.

(2) Approval date and procedures of the consolidated financial statements

These consolidated financial statements were authorized for issuance by the Board of Directors on March 14, 2024.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The Group has initially adopted the new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform – Pillar Two Model Rules”

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(Continued)

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS21 "Lack of Exchangeability"

(4) Summary of material accounting policies

The material accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments measured at fair value through profit or loss are measured at fair value;

2) Financial assets measured at fair value through other comprehensive income are measured at fair value;

3) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NT$), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions, are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions.

(ii) List of the subsidiaries in the consolidated financial statements

			Shareholding		
Name of investor	**Name of subsidiary**	**Principal activity**	**December 31, 2023**	**December 31, 2022**	**Description**
The Company	United Integrated Services BVI	Investment Business	100%	100%	Subsidiary of the Company
The Company	Jiangxi United Integrated Services Ltd.	Electromechanical business and pipeline engineering business	75%	75%	Subsidiary of the Company
The Company	United Integrated Services Pte Ltd.	Clean room construction	100%	100%	Subsidiary of the Company
The Company	Hanxuan Energy Co., Ltd. (note)	Self-usage power generation equipment utilizing renewable energy and energy technical services	- %	100%	Subsidiary of the Company
The Company	Hunter Energy Co., Ltd. (note)	Self-usage power generation equipment utilizing renewable energy and energy technical services	- %	100%	Subsidiary of the Company
The Company	UNITED INTEGRATED SERVICES (USA) CORP.	Clean room construction	100%	100%	Subsidiary of the Company
United Integrated Services BVI	Su Yuan (Shanghai) Trading Ltd.	Selling semiconductors, clean rooms and electromechanical equipment	100%	100%	Subsidiary of United Integrated Services BVI
United Integrated Services BVI	Suzhou Han Tai System Integrated Ltd.	Construction hardware materials production and sales	100%	100%	Subsidiary of United Integrated Services BVI
United Integrated	Beijing Han He Tang Medical Instrument Ltd.	Distribution agency for medical equipment, import and	100%	100%	Subsidiary of United Integrated

(Continued)

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Services BVI	export of goods, after-sales service	Services BVI

Note: The subsidiaries were sold in May 2023.

All subsidiaries are included in the consolidated financial statements.

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

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

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

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

(Continued)

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

(i) An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

1) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

2) It is held primarily for the purpose of trading;

3) It is expected to be realized within twelve months after the reporting period; or

4) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(ii) A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

1) It is expected to be settled in the normal operating cycle;

2) It is held primarily for the purpose of trading;

3) It is due to be settled within twelve months after the reporting period; or

4) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(iii) Other

The Group is mainly engaged in the planning, designing and construction contracting of engineering projects with a operating cycle of approximately three to five years. The classification of current and non-current assets and liabilities related to the engineering business is based on the operating cycle.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in fair value. The definition of time deposit within 3 months is similar to that of cash equivalent; however, the purpose of holding time deposit is for short term cash commitment rather than investment.

(g) Financial instruments

(i) Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

5) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, guarantee deposit paid and other financial assets), and contract assets.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group considers a financial asset to be in default when the financial asset is more than a year past due, or the debtor is unlikely to pay its credit obligations to the Group in full.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than a year past due;
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

6) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Financial liabilities

1) Financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

2) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

The cost of inventories consists of all costs of purchase, conversion, and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories includes an appropriate share of fixed production overhead based on normal capacity and allocated variable production overhead based on actual output. However, unallocated fixed production overhead arising from lower or idle capacity is recognized in cost of goods sold during the period. If actual capacity is higher than normal capacity, fixed production overhead should be allocated based on actual capacity. The method of valuing inventories is the weighted average method.

Inventories are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses at the end of the period. When the cost of inventories is higher than the net realizable value, inventories are written down to net realizable value, and the write down amount is charged to current year's cost of goods sold. If net realizable value increases in the future, the cost of inventories is reversed within the original write down amount, and such reversal is treated as a reduction of cost of goods sold.

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

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UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group’s proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group’s ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

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

Buildings	5~50 years
Machinery	3~7 years
Plant equipment	3~50 years
Transportation equipment	3~5 years
Office equipment	3~10 years
Leasehold improvements	5 years

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

(k) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of buildings and office equipment that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) As a leasor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(l) Intangible assets

(i) Recognition and measurement

Other intangible assets, including computer software, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

Computer software	2~10 years

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

(m) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and assets arising from employee benefits) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

(Continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

(n) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the monetary market time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

The Group shall provide one-thousandth of the total contract amounts for the completed project within one year of the period-end settlement for the project warranty reserve. When the actual expenditure occurs, the provision is reversed, and if there is a deficiency, it is listed as the annual expense.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

(o) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

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(i) Sale of goods

The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer'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 customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(ii) Consulting Services

The Group is engaged in providing construction consulting and design services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the surveys of work performed.

(iii) Construction contracts

The Group enters into contracts to design and install constructions. Because its customer controls the asset as it is being constructed, the Group recognizes revenue over time basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. The consideration promised in the contract includes fixed and variable amounts. Considering the progress of a public construction is highly susceptible to factors outside the Group's control and, therefore, completion bonus is usually constrained, the Group recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

If the Group cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Group shall recognize revenue only to the extent of the costs expected to be recovered.

A provision for onerous contracts is recognized when the Group expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

(Continued)

For constructions, the Group offers a standard warranty to provide assurance that they comply with agreed-upon specifications and has recognized warranty provisions for this obligation.

(p) Contract costs

(i) Incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

(ii) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- The costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- The costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- The costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(q) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

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(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(r) Income tax

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

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

The surtax on undistributed earnings, computed according to the ROC Income Tax Act, is charged to current income expense in the year when stockholders decide not to distribute the earnings.

(Continued)

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(s) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

(Continued)

(t) Operating segments

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

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these consolidated financial statements, management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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

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

(a) Judgment regarding significant influence of investees

The Group has less than 20% of the voting or potential voting rights of Wholetech System Hitech Limited and JG Environmental Technology Co., Ltd. However, the Group has determined that it has significant influence because it has participation in the policy-making process of Wholetech System Hitech Limited and JG Environmental Technology Co., Ltd.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

(a) Impairment assessment of accounts receivable

The Group has estimated the allowance for loss on accounts receivable that is based on the risk of default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating impairments and the selected inputs. For relevant assumptions and input values, please refer to Note 6 (c).

(b) Revenue recognition

The Group recognizes contract revenues based on the degree of completion on construction contracts; degree of completion is calculated with contract costs incurred to date as a percentage of estimated total contract costs. The Group considers the nature of each project, the estimated construction period, the project item, the construction process, the construction method and the estimated amount of the subcontracts when estimating total contract costs. Any changes in the estimates above may result in a significant adjustment to the estimated amount. For details of revenue recognition, please refer to Note 6 (v).

(Continued)

(c) Fair value of financial instruments

The fair value of non-active market or non-quoted financial instruments is determined by the valuation model or counterparty quotes. When using the valuation model to determine fair value, the models use only observable data as input values, without artificial adjustment, as far as possible. To avoid differences in cross period financial reporting arose from changes in data source, the observable input shall be a stable, long-term available market practice parameter. Moreover, the model must be repeatedly verified and revised in order to ensure that the output is adequate to reflect the value of the asset.

For detailed information on the main assumptions used in determining the fair value of the financial instruments and detailed sensitivity analysis of these assumptions, please refer to Note 6 (y).

(d) Measurement of defined benefit obligations

Defined benefit costs and net defined benefit liabilities (assets) under defined benefit pension plans are calculated using the Projected Unit Credit Method. The appropriate actuarial assumptions include the discount rate, employee turnover rate, and future salary increase rate. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and liability. Please refer to Note 6 (r) for the material actuarial assumptions and sensitivity analysis for actuarial calculations.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	$ 5,637	5,234
Demand deposits	4,298,887	6,148,441
Check deposits	476,514	1,043,595
Time deposits	4,604,643	4,025,998
Cash and cash equivalents in the consolidated statement of cash flow	$ 9,385,681	11,223,268

Please refer to note 6 (y) for the disclosure of the sensitivity analysis and interest rate risk of the financial assets and liabilities of the Group.

(b) Current financial assets measured at fair value through profit or loss

	December 31, 2023	December 31, 2022
Financial assets measured at fair value through profit or loss:		
Domestic listed stocks	$ 237,024	249,273
Domestic unlisted stocks	68,687	68,687
Valuation adjustment	44,097	10,216
Total	$ 349,808	328,176

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For the years ended December 31, 2023 and 2022, the Group recognized dividend income from the above financial assets measured at fair value through profit or loss of $9,118 thousand and $22,642 thousand, respectively.

(c) Notes and accounts receivable, net

	December 31, 2023	December 31, 2022
Notes receivable－unrelated parties	$ 155,514	319
Accounts receivable－unrelated parties	7,103,189	8,574,362
Less: Loss allowance	47,491	179,744
Total	$ 7,211,212	8,394,937

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions in respect of all receivables were determined as follows:

	December 31, 2023		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	$ 7,086,334		-
1 to 60 days past due	8,848	1%	88
61 to 120 days past due	65,307	1%	653
121 to 365 days past due	51,984	1%	520
More than one year past due	46,230	100%	46,230
	$ 7,258,703		47,491

	December 31, 2022		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	$ 8,300,247		-
1 to 60 days past due	89,262	1%	892
61 to 120 days past due	1,807	1%	18
121 to 365 days past due	4,577	1%	46
More than one year past due	178,788	100%	178,788
	$ 8,574,681		179,744

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The changes in the allowance for notes and accounts receivable were as follows:

	2023	2022
Balance at beginning of the period	$ 179,744	248,569
Gain on reversal of impairment loss recognized	(10,623)	(817)
Amounts written off	(120,666)	(70,402)
Foreign exchange (gains) / losses	(964)	2,394
Balance at end of the period	$ 47,491	179,744

The Group recognized the allowance for notes and accounts receivable based on the nature of the industry, historical payment behavior and the credit rating of customers.

The Group did not provide any notes and accounts receivable as collaterals.

(d) Inventories

	December 31, 2023		
	Cost	Allowance for Impairment	Carrying Amount
Raw materials	$ 23,402	(5,770)	17,632
Work in progress	20,305	(19,335)	970
Finished goods	15,092	(9,778)	5,314
Merchandise	7,226	(6,770)	456
Total	$ 66,025	(41,653)	24,372

	December 31, 2022		
	Cost	Allowance for Impairment	Carrying Amount
Raw materials	$ 34,755	(5,623)	29,132
Work in progress	28,861	(18,769)	10,092
Finished goods	21,354	(9,450)	11,904
Merchandise	7,742	(6,734)	1,008
Total	$ 92,712	(40,576)	52,136

The (write-down of inventories) reversal of write-downs to net realizable value amounted to $(1,077) thousand and $3,443 thousand, respectively, for the years ended December 31, 2023 and 2022.

The Group did not provide any inventories as collaterals.

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(e) Prepayments

	December 31, 2023	December 31, 2022
Domestic purchase of materials	$ 327,950	486,530
Foreign purchase of materials	778,842	1,241,573
Prepaid project subcontractor cost	43,531	46,380
Prepaid insurance expense	66,755	85,595
Others	81,207	85,780
Total	**$ 1,298,285**	**1,945,858**

(f) Non-current financial assets measured at fair value through profit or loss

	December 31, 2023	December 31, 2022
Financial assets measured at fair value through profit or loss:		
Unlisted stocks	$ 25,639	25,639
Valuation adjustments	(25,639)	(25,639)
Total	**$ -**	**-**

(g) Non-current financial assets measured at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Equity instruments measured at fair value through other comprehensive income		
Unlisted stocks (overseas)	$ 1,008,212	1,008,212
Valuation adjustment	550,816	622,698
Total	**$ 1,559,028**	**1,630,910**

(i) The equity instrument investment of the Group is a long-term strategic investment and is not held for trading, which has been designated as measured at fair value through other comprehensive income.

(ii) The changes in valuation adjustment of financial assets measured at fair value through other comprehensive income were as follows:

	2023	2022
Balance on January 1	$ 622,698	1,017,924
Add: Changes for the period	(71,882)	(395,226)
Balance on December 31	**$ 550,816**	**622,698**

(Continued)

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(h) Investments accounted for using equity method

(i) Associates which were material to the Group consisted of the followings:

Name of Associates	Nature of Relationship with the Group	Main operating location/Registered Country of the Company	Proportion of shareholding and voting rights	
			December 31, 2023	December 31, 2022
Ablerex Electronics Co., Ltd.	Selling and Manufacturing of UPS	Taiwan	30.21%	31.57%

The fair values of material associates listed on the Stock Exchange (over the counter) were as follows:

	December 31, 2023	December 31, 2022
Ablerex Electronics Co., Ltd.	$ 590,088	605,282

A summary of the consolidated financial information of significant associates was as follows:

Ablerex Electronics Co., Ltd.

	December 31, 2023	December 31, 2022
Current assets	$ 2,235,641	2,540,220
Non-current assets	1,109,001	1,174,296
Current liabilities	(1,519,912)	(1,841,299)
Non-current liabilities	(125,015)	(124,820)
Net assets	$ 1,699,715	1,748,397
Net assets attributable to non-controlling interests	$ 14,500	12,194
Net assets attributable to investee	$ 1,685,215	1,736,203

	2023	2022
Operating revenue	$ 2,925,183	3,057,767
Net income from continuing operations	$ 90,591	115,658
Other comprehensive income	(49,187)	187,820
Total comprehensive income	$ 41,404	303,478
Total comprehensive income attributable to non-controlling interests	$ 2,656	(1,684)
Total comprehensive income attributable to investee	$ 38,748	305,162

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	2023	2022
Share of net assets of associates attributable to the Group as of January 1	$ 549,872	498,930
Total comprehensive income attributable to the Group	10,767	99,259
Changes in capital surplus of associates accounted for using equity method	82	486
Disposal of investments	(21,936)	(30,916)
Dividends from associates	(27,931)	(17,887)
Share of net assets of associates attributable to the Group as of December 31	510,854	549,872
Add: Goodwill	116	116
Ending balance of net assets of associates attributable to the Group	$ 510,970	549,988

(ii) Insignificant associates

The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	December 31, 2023	December 31, 2022
Carrying amount of individually insignificant associates' equity	$ 295,264	289,292

	2023	2022
Attributable to the Group:		
Net income from continuing operations	$ 62,967	68,991
Other comprehensive income	(1,069)	1,368
Total comprehensive income	$ 61,898	70,359

In 2023 and 2022, the preparation of the financial statements for the investee companies under the equity method was evaluated based on the independent auditors' reports of the investee companies. For the years ended December 31, 2023 and 2022, the share of profit of associations accounted for using equity method amounted to $90,186 thousand and $107,631 thousand, respectively.

(iii) Guarantee

The Group did not provide any investment accounted for using equity method as collaterals.

(i) Loss control of subsidiaries

The Group had sold all of its shares in Hanxuan Energy Co., Ltd. and Hunter Energy Co., Ltd. to a third party with a consideration of $22,226 thousand on May 31, 2023, wherein the Group derecongnized both companies as its subsidiaries (together with their assets, liabilities and the related equity components) from the date of disposal, resulting in a gain on disposal of $21,045 thousand to be recognized as gains on disposal of investment as follows:

(Continued)

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Cash and cash equivalents	$	156,860
Other receivables		779
Right-of-use assets		122,543
Lease liabilities		(143,588)
Other liabilities		(135,413)
Carrying value of net assets of the former subsidiaries	**$**	**1,181**

(j) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2023 and 2022, were as follows:

		Land	Buildings	Machinery	Plant equipment	Transportation Equipment	Office equipment	Leasehold Improvements	Total
Cost or deemed cost:									
Balance on January 1, 2023	$	783,572	598,675	69,084	184,570	21,060	89,747	27,438	1,774,146
Additions		-	620	-	463	1,643	1,870	-	4,596
Disposal		-	-	(598)	(4,970)	(1,607)	(9,091)	-	(16,266)
Reclassification		-	-	-	(22,198)	-	22,198	-	-
Effect of movements in exchange rates		(1)	(5,620)	(464)	317	(65)	(591)	(4)	(6,428)
Balance on December 31, 2023	$	783,571	593,675	68,022	158,182	21,031	104,133	27,434	1,756,048
Balance on January 1, 2022	$	782,737	562,141	68,968	162,689	15,075	72,798	2,076	1,666,484
Additions		-	28,654	-	21,270	4,811	19,200	24,653	98,588
Disposals		-	-	(258)	-	(633)	(2,678)	-	(3,569)
Reclassification		-	-	-	-	1,578	-	-	1,578
Effect of movements in exchange rates		835	7,880	374	611	229	427	709	11,065
Balance on December 31, 2022	$	783,572	598,675	69,084	184,570	21,060	89,747	27,438	1,774,146
Accumulated depreciation and impairment loss:									
Balance on January 1, 2023	$	-	168,285	65,559	58,258	10,590	62,827	3,014	368,533
Depreciation		-	20,668	675	4,733	2,779	7,197	1,608	37,660
Disposal		-	-	(598)	(4,641)	(1,607)	(8,907)	-	(15,753)
Reclassification		-	-	-	(3,405)	-	3,405	-	-
Effect of movements in exchange rates		-	(2,425)	(446)	36	(57)	(326)	(23)	(3,241)
Balance on December 31, 2023	$	-	186,528	65,190	54,981	11,705	64,196	4,599	387,199
Balance on January 1, 2022	$	1,160	148,353	64,669	51,754	8,839	61,416	2,076	338,267
Depreciation		-	18,496	774	6,436	2,318	3,641	912	32,577
Reversal of impairment		(1,160)	(242)	-	-	-	-	-	(1,402)
Disposal		-	-	(242)	-	(633)	(2,456)	-	(3,331)
Effect of movements in exchange rates		-	1,678	358	68	66	226	26	2,422
Balance on December 31, 2022	$	-	168,285	65,559	58,258	10,590	62,827	3,014	368,533
Carrying amounts:									
Balance on December 31, 2023	$	783,571	407,147	2,832	103,201	9,326	39,937	22,835	1,368,849
Balance on January 1, 2022	$	781,577	413,788	4,299	110,935	6,236	11,382	-	1,328,217
Balance on December 31, 2022	$	783,572	430,390	3,525	126,312	10,470	26,920	24,424	1,405,613

The property, plant and equipment of the Group had not been pledged as collaterals.

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

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(k) Right-of-use assets

The Group leases many assets including land, buildings and office equipment. Information about leases for which the Group as a lessee was presented below:

	Land	Buildings	Office equipment	Total
Cost:				
Balance on January 1, 2023	$ 172,647	319,709	793	493,149
Additions	-	10,045	84	10,129
Write-off	-	(20,116)	-	(20,116)
Disposal of subsidiaries	(139,830)	-	-	(139,830)
Effect of movements in exchange rates	(600)	(431)	(11)	(1,042)
Balance on December 31, 2023	$ 32,217	309,207	866	342,290
Balance on January 1, 2022	$ 173,684	181,318	563	355,565
Additions	-	160,942	465	161,407
Write-off	(1,513)	(36,815)	(239)	(38,567)
Effect of movements in exchange rates	476	14,264	4	14,744
Balance on December 31, 2022	$ 172,647	319,709	793	493,149
Accumulated depreciation:				
Balance on January 1, 2023	$ 18,153	97,954	444	116,551
Depreciation	3,200	85,164	304	88,668
Write-off	-	(18,519)	-	(18,519)
Disposal of subsidiaries	(17,287)	-	-	(17,287)
Effect of movements in exchange rates	(72)	(1,226)	(10)	(1,308)
Balance on December 31, 2023	$ 3,994	163,373	738	168,105
Balance on January 1, 2022	$ 11,171	58,854	441	70,466
Depreciation	6,951	63,487	238	70,676
Write-off	-	(27,074)	(239)	(27,313)
Effect of movements in exchange rates	31	2,687	4	2,722
Balance on December 31, 2022	$ 18,153	97,954	444	116,551
Carrying amount:				
Balance on December 31, 2023	$ 28,223	145,834	128	174,185
Balance on January 1, 2022	$ 162,513	122,464	122	285,099
Balance on December 31, 2022	$ 154,494	221,755	349	376,598

The Group and Mr. Larry entered into a warehouse lease agreement in September 2022, with a contract term of 5 years and a total rental price of US$5,495 thousand. According to the transaction, the Group initially recognized right-of-use assets and lease liabilities, both amounting to US$4,767 thousand (NT$142,306 thousand).

On September 9, 2020, the Group entered into a land lease for solar energy installment with Jindun Village Forestry Cooperative of Changhua County. The construction period (from the notarization date to finish the construction) is 18 months, with an annual rental of $400 thousand for the first year. The monthly rental was $80 thousand starting from the second year. An application for an 18-month extension shall be approved by the lessor when 18 months of construction is mature, and the monthly rental is $160 thousand starting from the 31st month. Furthermore, the annual rental was $8,400 thousand, as well as the land value tax born by the lessee for a period of 20 years from the date of completion of the construction. According to the above transactions, the Group initially recognized right-of-use assets and lease liabilities, both amounting to $141,343 thousand. In early 2022, the lessor has agreed to extend the construction period to August 2023. The lease modification led to the write-off of right-of-use assets and lease liabilities both amounting to $1,513 thousand in 2022. Since the Group disposed its entire shares in Hanxuan Energy Co., Ltd. and Hunter Energy Co., Ltd. on May 31, 2023, the lease contract had been derecognized.

(l) Intangible assets

The cost and amortization of the intangible assets of the Group for the years ended December 31, 2023 and 2022 were as follows:

	Computer software
Costs:	
Balance on January 1, 2023	$ 27,518
Additions	3,057
Disposals	(2,421)
Effect of movements in exchange rates	(36)
Balance on December 31, 2023	**$ 28,118**
Balance on January 1, 2022	$ 31,574
Additions	3,152
Disposals	(7,321)
Effect of movements in exchange rates	113
Balance on December 31, 2022	**$ 27,518**
Accumulated amortization:	
Balance on January 1, 2023	$ 8,380
Amortization	8,415
Disposals	(2,421)
Effect of movements in exchange rates	(33)
Balance on December 31, 2023	**$ 14,341**
Balance on January 1, 2022	$ 9,478
Amortization	6,185
Disposals	(7,321)
Effect of movements in exchange rates	38
Balance on December 31, 2022	**$ 8,380**

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Notes to the Consolidated Financial Statements

		Computer software
Carrying value:		
Balance on December 31, 2023	$	13,777
Balance on January 1, 2022	$	22,096
Balance on December 31, 2022	$	19,138

For the years ended December 31, 2023 and 2022, the amortization expense amounted to $8,415 thousand and $6,185 thousand, respectively. These expenses were included in operating costs and operating expenses in the consolidated statements of comprehensive income.

(m) Other current assets and non-current assets

(i) The other current assets of the Group were as follows:

		December 31, 2023	December 31, 2022
Other financial assets	$	9,485,287	2,925,204
Construction guarantee deposits paid		1,298	11,461
Temporary payment		2,031	987
Others		328,566	315,200
Less: loss allowance		(7,910)	-
Total	$	9,809,272	3,252,852

Other financial assets were time deposits with a maturity of three to twelve months.

(ii) The other non-current assets of the Group were as follows:

		December 31, 2023	December 31, 2022
Other financial assets	$	1,085	-
Guarantee deposits paid		30,792	30,611
Prepayments of equipment for construction project		69	24,216
Others		5,514	8,685
Total	$	37,460	63,512

Other financial assets were mainly time deposits with a maturity of more than twelve months and bank deposits with restricted pay holders.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(n) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2023	December 31, 2022
Unsecured bank loans	$ 3,230,043	-
Range of interest rates (%)	6.85~7.09	-
Unused short-term credit lines (thousands of NTD)	$ 5,991,218	7,044,251
Unused short-term credit lines (thousands of CNY)	$ 389,320	210,728
Unused short-term credit lines (thousands of USD)	$ 234,804	380,000

(o) Current provisions

	Warranty
Balance on January 1, 2023	$ 19,926
Provisions made during the year	9,619
Provisions used during the year	(21,368)
Balance on December 31, 2023	$ 8,177
Balance on January 1, 2022	$ 11,812
Provisions made during the year	12,505
Provisions used during the year	(4,391)
Balance on December 31, 2022	$ 19,926

The Group determined provisions for warranty based on 0.1% of the value of the construction contracts completed within one year. The provisions for warranty were deducted as incurred, otherwise, it was recognized as an expense for current period if there was a deficiency.

(p) Other current liabilities and other non-current liabilities

The other current liabilities of the Group were as follows:

	December 31, 2023	December 31, 2022
Receipts under custody	$ 5,302	1,870
Other payables	106,976	59,226
Accrued expenses	1,058,768	931,644
Other current liabilities	7,079	5,503
Total	$ 1,178,125	998,243

The other non-current liabilities of the Group were as follows:

	December 31, 2023	December 31, 2022
Guarantee deposit received	$ 27,916	23,625
Dividends payable	250,292	254,977
Total	$ 278,208	278,602

(Continued)

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Notes to the Consolidated Financial Statements

(q) Lease liabilities

The Group's lease liabilities were as follow:

	December 31, 2023	December 31, 2022
Current	$ 63,536	75,776
Non-current	$ 94,400	299,441

For the maturity analysis, please refer to note 6(y).

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest on lease liabilities	$ 12,378	11,000
Expenses relating to short-term leases	$ 160,267	51,281

The amounts recognized in the statement of cash flows for the Group was as follows:

	2023	2022
Total cash outflow for leases	$ 255,595	119,122

(i) Real estate leases

The Group leases land and buildings for its office space and plant. The leases of office space and plant typically run for a period of 1 to 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract-term.

Some leases provide for additional rent payments that are based on changes in local price indices. Some also require the Group to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

Some leases of office buildings contain extension or cancellation options. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. In which lease is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Group leases equipment, with lease terms of 1 to 3 years. In some cases, the Group has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

The Group also leases buildings and equipment. These leases are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(r) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value were as follows:

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$ (368,385)	(372,749)
Fair value of plan assets	243,216	246,266
Net defined benefit liabilities	**$ (125,169)**	**(126,483)**

The Group's employee benefit liabilities were as follows:

	December 31, 2023	December 31, 2022
Short-term compensated absence liabilities (Other current liabilities)	**$ 28,067**	**25,932**

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

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

The Group's Bank of Taiwan labor pension reserve account balance amounted to $243,216 thousand at the end of the reporting period. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations for the Group for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Defined benefit obligations at January 1	$ 372,749	420,853
Current service costs and interest cost	5,870	3,496
Remeasurements of the net defined benefit liabilities		
—Actuarial (gain) loss arising from changes in financial assumptions	3,296	(22,780)
—Actuarial (gain) loss arising from experience adjustments	(3,181)	5,408
Benefits paid	(10,349)	(34,228)
Defined benefit obligations at December 31	**$ 368,385**	**372,749**

3) Movements in defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the Group for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Fair value of plan assets at January 1	$ 246,266	244,108
Interest income	3,269	1,152
Remeasurements of the net defined benefit liabilities		
—Return on plan assets excluding interest income	2,031	15,983
Contributions	1,999	2,282
Benefits paid	(10,349)	(17,259)
Fair value of plan assets at December 31	**$ 243,216**	**246,266**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Current service costs	$ 945	1,522
Net interest of net liabilities for defined benefit obligations	1,656	822
	$ 2,601	**2,344**

		2023	2022
Operating costs	$	2,230	2,009
Operating expenses		371	335
	$	**2,601**	**2,344**

5) Remeasurement of the net defined benefit liability recognized in other comprehensive income

The Group's remeasurement of the net defined benefit liability recognized in other comprehensive income were as follows:

		2023	2022
Accumulated amount at January 1	$	90,805	124,160
Recognized during the period		(1,916)	(33,355)
Accumulated amount at December 31	**$**	**88,889**	**90,805**

6) Actuarial assumptions

The principal actuarial assumptions for the Group at the reporting date were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.18%	1.32%
Future salary increases rate	2.00%	2.00%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $2,040 thousand.

The weighted average lifetime of the defined benefit plans is 6.47 years.

7) Sensitivity analysis

As of December 31, 2023 and 2022, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligations shall be as follows:

		The impact of defined benefit obligations	
		Increase	Decrease
December 31, 2023			
Discount rate (0.50%)	$	(11,378)	11,992
Future salary increase rate (0.25%)		5,773	(5,652)
December 31, 2022			
Discount rate (0.50%)		(12,643)	13,355
Future salary increase rate (0.25%)		6,434	(6,292)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

(ii) Defined contribution plans

The Company, Hanxuan Energy Co., Ltd., and Hunter Energy Co., Ltd. allocate 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. The subsidiary in the United States, UNITED INTEGRATED SERVICES (USA) CORP., allocates a specific ratio of local employees' monthly wages to pension management institutions in accordance with the 401(k) plan. Under these defined contribution plans, the Company allocates a pension to the Bureau of Labor Insurance and related pension management institutions without additional legal or constructive obligation.

The cost of the pension contributions to the Bureau of Labor Insurance or related pension management institutions for the years ended December 31, 2023 and 2022 amounted to $38,682 thousand and $36,786 thousand, respectively.

(s) Income taxes

(i) Income tax expenses

The components of income tax of the Group in the years 2023 and 2022 were as follows:

	2023	2022
Current tax expense		
Current period	$ 1,382,746	1,159,854
Adjustment for prior periods	3,662	(1,671)
Deferred tax benefit		
Origination and reversal of temporary differences	245,518	167,871
Income tax expense	$ 1,631,926	1,326,054

There was no income tax expense recognized in equity for the years ended December 31, 2023 and 2022.

The amount of income tax expense (benefit) recognized directly in other comprehensive income for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plans	$ 383	6,671
Items that will be reclassified to profit or loss:		
Exchange differences on translation	(9,638)	37,353
	$ (9,255)	44,024

(Continued)

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

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Reconciliation of the Group's income tax expense and net income before tax for 2023 and 2022 was as follows:

	2023	2022
Net income before tax	$ 6,479,424	5,427,899
Income tax using the Company's domestic tax rate	$ 1,295,885	1,085,580
Effects of tax rates in foreign jurisdiction	99,938	66,271
Temporary differences	(21,996)	(36,550)
Tax- exempt income	(3,489)	(4,528)
Permanent differences	(28,126)	46,899
Deferred tax	245,518	167,871
5% income surtax on undistributed earnings	40,534	2,182
Income tax adjustments for prior periods	3,662	(1,671)
Total	$ 1,631,926	1,326,054

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2023	December 31, 2022
The court adjudged to pay the payment and related interest expenses	$ 37,027	35,798
Tax losses	-	4,321
	$ 37,027	40,119

Tax losses are applied to Income Tax Act that can be carried forward for ten years, after assessed by tax authority, to offset taxable income before applying to tax rate. Deferred income tax assets have not been recognized in respect of these items because the subsidiaries, Hanxuan Energy Co., Ltd. and Hunter Energy Co., Ltd. is not probable that the future taxable profit will be available, against which, the Group can utilize the benefits therefore.

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES
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2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

Deferred tax liabilities:

	Foreign investment profit	Cumulative translation adjustment	Total
Balance on January 1, 2023	$ 239,608	19,399	259,007
Recognized in profit or loss	216,525	-	216,525
Recognized in other comprehensive income	-	(9,638)	(9,638)
Balance on December 31, 2023	**$ 456,133**	**9,761**	**465,894**
Balance on January 1, 2022	$ 108,287	-	108,287
Recognized in profit or loss	131,321	-	131,321
Recognized in other comprehensive income	-	19,399	19,399
Balance on December 31, 2022	**$ 239,608**	**19,399**	**259,007**

Deferred Tax Assets:

	Defined benefit plans	Unrealized warranty	Loss allowance exceeded the limit	Allowance for inventory valuation	Foreign investment loss	Others	Total
Balance on January 1, 2023	$ 26,753	6,460	-	8,115	48,547	31,393	121,268
Recognized in profit or loss	-	(2,308)	-	215	(6,997)	(19,903)	(28,993)
Recognized in other comprehensive income	(383)	-	-	-	-	-	(383)
Balance on December 31, 2023	**$ 26,370**	**4,152**	**-**	**8,330**	**41,550**	**11,490**	**91,892**
Balance on January 1, 2022	$ 33,424	4,837	12,914	8,804	48,547	73,179	181,705
Recognized in profit or loss	-	1,623	(12,914)	(689)	-	(24,570)	(36,550)
Recognized in other comprehensive income	(6,671)	-	-	-	-	(17,954)	(24,625)
Effect of movements in exchange rates	-	-	-	-	-	738	738
Balance on December 31, 2022	**$ 26,753**	**6,460**	**-**	**8,115**	**48,547**	**31,393**	**121,268**

(iii) Assessment of tax

The Company's tax returns for the years through 2021 were assessed by the tax authorities.

(t) Capital and other equity

(i) Common Stock

As of December 31, 2023 and 2022, the Company's authorized capital both amounted to $3,000,000 thousand with par value of $10 per share. The Company's issued capital both amounted to $1,905,867 thousand at December 31, 2023 and 2022.

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

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(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2023	December 31, 2022
Capital surplus - premium from merger	$ 6,938	6,938
Share premium	49,987	49,987
Convertible bond premium	215,672	215,672
Treasury share transactions	77,158	77,158
Others	28,954	28,597
	$ 378,709	378,352

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

According to the Company's Article of Incorporation, if the Company has retained earnings according to its annual accounts, it may, after paying all taxes, and making up all past losses, set aside a 10% legal reserve, and a special reserve, if necessary, pursuant to laws, unless the reserve as allocated has equaled the Company's paid-in capital. The remainder, if any, shall be provided as or reversed from special reserve pursuant to laws. The balance, if any, shall be included into the unappropriated accumulated earnings for prior years and allocated as bonuses and dividends to shareholders based on the motion for allocation of earnings proposed by the Board of Directors, then resolved by a shareholders' meeting.

Where the earnings referred in the preceding paragraph are intended to be allocated in cash, the Board of Directors is authorized to allocate the same per special resolution and report it to the shareholders' meeting.

The Company's dividend policy is based on current and future development plans, considering the investment environment, capital needs, domestic and international competition, taking into account the interests of shareholders and other factors, in order to stabilize business development and protect investors' rights and interests. The dividends to shareholders can be in the form of cash dividend and/or stock dividend; also, the cash dividend is not less than 25% of the total dividend.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by the shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) Earnings distribution

Earnings distribution for 2022 and 2021 was decided by the resolution adopted, at the general meeting of shareholders held on May 30, 2023 and May 26, 2022, respectively. The relevant dividend distributions to shareholders were as follows:

Units: In NT dollars

		2022	2021
Dividends for ordinary shareholder:			
Cash	$	15	13

(iv) Treasury stock

In 2022, in accordance with the requirements under section 28(2) of the Securities and Exchange Act, the Company repurchased 3,000 shares as treasury stock for an aggregate amount of $573,943 thousand, in order to retain talent. As of December 31, 2023, the treasury stock have yet to transfer to employees.

In accordance with the requirements of Securities and Exchange Act, the treasury stock held by the Company should not be pledged, and do not hold any shareholder rights before their transfer.

(v) Other equity, net of tax

		Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2023	$	38,049	674,018	712,067
Exchange differences on foreign operations		(38,554)	-	(38,554)
Exchange differences on translation financial statements of the associates accounted for using equity method		(2,937)	-	(2,937)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		-	(71,882)	(71,882)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive of the associates accounted for using equity method		-	(14,870)	(14,870)
Balance on December 31, 2023	$	(3,442)	587,266	583,824
Balance on January 1, 2022	$	(121,002)	1,017,924	896,922
Exchange differences on foreign operations		149,408	-	149,408
Exchange differences on translation financial statements of the associates accounted for using equity method		9,643	-	9,643
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		-	(395,226)	(395,226)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, subsidiaries accounted for using equity method		-	51,320	51,320
Balance on December 31, 2022	$	38,049	674,018	712,067

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Notes to the Consolidated Financial Statements

(u) Earnings per share

The calculation of basic earnings per share and diluted earnings per share for the years ended December 31, 2023 and 2022 were as follows:

(i) Basic earnings per share

		2023	2022
Net income attributable to ordinary shareholders of the company	$	4,655,215	3,999,485
Weighted average number of ordinary shares	$	187,587	188,233
Basic earnings per share (in NT dollars)	$	24.82	21.25

ii) Diluted earnings per share

		2023	2022
Net income attributable to ordinary shareholders of the Company (diluted)	$	4,655,215	3,999,485
Weighted average number of ordinary shares (basic)		187,587	188,233
Effect of potentially dilutive ordinary shares:			
Effect of employee bonuses		2,553	3,253
Weighted average number of ordinary shares (diluted)	$	190,140	191,486
Diluted earnings per share (in NT dollars)	$	24.48	20.89

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

		2023	2022
Primary geographic markets:			
Taiwan	$	20,292,293	25,645,459
Mainland China		4,995,255	3,050,061
Singapore		6,183	7,499
USA		42,599,027	19,497,291
Japan		996,922	-
	$	68,889,680	48,200,310
Major products/services lines:			
Integrated engineering service	$	68,718,426	47,964,996
Service and design		57,824	93,914
Sales		113,430	141,400
	$	68,889,680	48,200,310
Type of contract:			
Fixed price contract	$	68,776,250	48,058,910
Material-based contract		113,430	141,400
	$	68,889,680	48,200,310

(Continued)

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable	$ 155,514	319	1,016
Accounts receivable	7,103,189	8,574,362	3,145,420
Less: loss allowance	(47,491)	(179,744)	(248,569)
Total	$ 7,211,212	8,394,937	2,897,867
Contract assets-Construction in Progress	$ 14,334,373	3,818,977	3,389,495
Contract liabilities-Construction in Progress	$ 19,401,543	13,682,291	7,190,568
Contract liabilities-Merchandise inventory	612	614	1,272
Total	$ 19,402,155	13,682,905	7,191,840

For details on accounts receivable and allowance for impairment, please refer to note 6(c).

The revenue recognized for the years ended December 31, 2023 and 2022 that were included in the contract liabilities balance of sale the merchandise at the beginning of the period were $110 thousand and $138 thousand, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. Other significant changes during the period were as follows:

	2023		2022	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Stage of completion measurement	$ -	-	-	-
Contract modification	$ (812,879)	2,065,938	553,009	653,310

(w) Employee compensation and directors' remuneration

In accordance with the articles of incorporation the Company should contribute 6% to 10% of the profit as employee compensation and less than 2% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's controlled or affiliated companies who meet certain conditions.

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

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For the years ended December 31, 2023 and 2022, the Company estimated its employee remuneration amounting to $640,000 thousand and $566,000 thousand, and directors' remuneration amounting to $48,600 thousand and $47,000 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under expenses during 2023 and 2022. Related information would be available at the Market Observation Post System website. The amounts, as stated in 2022 consolidated financial statements, are identical to those of the actual distributions in 2023 shareholders' meeting.

(x) Non-operating income and expenses

(i) Interest income

The details of the Group's interest income were as follows:

	2023	2022
Interest income from bank deposits	$ 386,723	163,398

(ii) Other income

The details of the Group's other income were as follows:

	2023	2022
Rental income	$ 38,746	37,424
Dividend income	9,118	22,642
Other income－other		
Revenue from sale of scraps	15,330	3,565
Other	32,776	37,764
Other income－other subtotal	48,106	41,329
Total	$ 95,970	101,395

iii) Other gains and losses

The details of the Group's other gains and losses were as follows:

	2023	2022
Gains (losses) on disposal of property, plant and equipment	$ (471)	(224)
Gain on disposal of investments	29,372	21,411
Foreign exchange gains (losses)	(26,106)	21,798
Gains (losses) on financial assets at fair value through profit or loss	33,881	(377,036)
Gains on reversal of impairment loss of property, plant and equipment	-	1,402
Other gains and (losses)	(3,561)	(16,001)
Total	$ 33,115	(348,650)

(Continued)

iv) Interest expense

The details of the Group's interest expense were as follows:

	2023	2022
Interest expense of－Dentsu Engineering	$ 6,143	6,212
Interest expenses of bank loan	169,558	9,027
Others	12,378	11,000
Total	$ 188,079	26,239

(y) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk. As of December 31, 2023 and 2022, the amounts of the maximum exposure to credit risk were $26,115,355 thousand and $22,585,481 thousand, respectively.

The Group assesses the financial condition of its customers continuously to reduce the credit risk of accounts receivable and requires its customers to provide guarantees and collateral if it is necessary. The Group monitors and reviews the recoverable amount of the accounts receivable to ensure the uncollectible amount are recognized appropriately as impairment loss. Therefore, the expected credit losses are in the expectation of the Group.

2) Concentration of credit risk

When the transaction of financial instruments is concentrated in a single industry or region, the ability to oblige the contract would be impacted by similar factors, thereby causing concentration of credit risk. As of December 31, 2023 and 2022, notes and accounts receivable concentrated on few counter-parties were as follows:

	December 31, 2023		
Name of client	**Carrying amount**	**the maximum exposure to credit risk**	**%**
Taiwan Semiconductor Manufacturing Co., Ltd.	$ 857,470	857,470	11.89
Micron Memory Taiwan Co., Ltd.	3,019,963	3,019,963	41.88
TSMC Arizona Corporation	2,263,053	2,263,053	31.38
Total	$ 6,140,486	6,140,486	85.15

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of client		December 31, 2022 Carrying amount	the maximum exposure to credit risk	%
Taiwan Semiconductor Manufacturing Co., Ltd.	$	2,265,473	2,265,473	26.99
Micron Memory Taiwan Co., Ltd.		1,278,952	1,278,952	15.24
TSMC Arizona Corporation		3,981,048	3,981,048	47.13
Total	$	7,525,473	7,525,473	89.36

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

		Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
December 31, 2023								
Non-derivative financial liabilities								
Bank loan	$	3,230,043	3,311,481	1,545,280	1,766,201	-	-	-
Notes payable		9,069	9,069	9,069	-	-	-	-
Accounts payable		8,327,926	8,327,926	3,876,220	97,932	2,180,138	2,098,062	75,574
Other payables and accrued expenses (Note1)		1,137,677	1,137,677	1,137,677	-	-	-	-
Divedends payable (Note2)		250,292	250,292	-	-	-	-	250,292
Other payables－related parties		185,135	185,135	-	-	-	-	185,135
Lease liabilities		157,936	172,127	43,178	27,035	36,737	65,177	-
Guarantee deposits received		27,916	27,916	7,021	-	1,285	19,610	-
	$	13,325,994	13,421,623	6,618,445	1,891,168	2,218,160	2,182,849	511,001
December 31, 2022								
Non-derivative financial liabilities								
Notes payable	$	19,541	19,541	19,541	-	-	-	-
Accounts payable		6,250,244	6,250,244	3,951,864	129,496	238,675	1,794,651	135,558
Other payables and accrued expenses (Note1)		964,939	964,939	964,939	-	-	-	-
Divedends payable (Note2)		254,977	254,977	-	-	-	-	254,977
Other payables－related parties		178,992	178,992	-	-	-	-	178,992
Lease liabilities		375,217	426,287	48,455	49,804	71,796	124,632	131,600
Guarantee deposits received		23,625	23,625	1,711	-	4,463	17,451	-
	$	8,067,535	8,118,605	4,986,510	179,300	314,934	1,936,734	701,127

Note1: Recognized in other current liabilities.

Note2: Dividends payable over 5 years were the controversial dividends payable from Jiangxi United Integrated Services Ltd.

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk were as follows:

	December 31, 2023			December 31, 2022		
	Foreign currency	Exchange rate (dollars)	TWD	Foreign currency	Exchange rate (dollars)	TWD
Financial assets						
Monetary items						
USD	$ 260,046	30.71	7,984,702	186,706	30.71	5,733,733
CNY	460,301	4.33	1,991,724	451,648	4.41	1,990,866
Non-monetary items						
Financial assets measured at fair value through other comprehensive income	360,302	4.33	1,559,028	369,989	4.41	1,630,910
Finance liabilities						
Monetary items						
USD	4,286	30.71	131,601	8,347	30.71	256,330
JPY	43,831	0.22	9,511	416	0.23	97

Note: Each balance listed is greater than 5% of total Monetary items.

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, financial assets at fair value through other comprehensive income, accounts payable and other payables that are denominated in foreign currency. A (weakening) strengthening of 1% of the NTD against the USD, CNY and others foreign currency, the Group's net income would have increased (decreased) by $78,661 thousand and $59,708 thousand, and other comprehensive income would have increased (decreased) by $12,472 thousand and $13,047 thousand, for the years ended December 31, 2023 and 2022, respectively. The analysis was performed on the same basis for both periods.

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2023 and 2022, foreign exchange gain (loss) (including realized and unrealized portions) amounted to $(26,106) thousand and $21,798 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

If the interest rate of the financila assets had increased or decreased by 0.25%, the Group's net income would have increased or decreased by $37,733 thousand and $28,286 thousand for the years ended December 31, 2023 and 2022, respectively, with all other variable factors remaining constant.

If the interest rate of the financial liabilities had increased or decreased by 0.25%, the Group's net income would have increased or decreased by $6,460 thousand and $0 thousand for the years ended December 31, 2023 and 2022,, respectively, with all other variable factors remaining constant.

(v) Fair value of financial instruments

1) Fair value hierarchy

To provide disclosure information, the Group classifies the measurement of fair value based on fair value hierarchy which reflects the significance of the inputs during the measurement. The Group categorizes fair value into the following levels:

a) Level 1

Level 1 inputs are quoted prices in active markets for identical financial instruments. An active market is a market in which all the following conditions exist:

i) The items traded within the market are homogeneous.

ii) Willing buyers and sellers can normally be found at any time.

iii) Prices are available to the public.

b) Level 2

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e. derived from prices).

c) Level 3

Level 3 inputs are valuation parameters which are not based on the information available in the market or the quoted price from the counter party. For example, historical volatility used in option pricing models is an unobservable input since it cannot represent the expected value of future volatility of the entire market participants.

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The fair value of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, disclosure of fair value information is not required:

	December 31, 2023				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	$ 349,809	304,278	45,530	-	349,808
Financial assets at fair value through other comprehensive income					
Unquoted equity instrument measured at fair value	1,559,028	-	-	1,559,028	1,559,028
Total	$ 1,908,837	304,278	45,530	1,559,028	1,908,836

	December 31, 2022				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	$ 328,176	281,130	47,046	-	328,176
Financial assets at fair value through other comprehensive income					
Unquoted equity instrument measured at fair value	1,630,910	-	-	1,630,910	1,630,910
Total	$ 1,959,086	281,130	47,046	1,630,910	1,959,086

2) Transfer between Level 1 and Level 2

There were no transfers between Level 1 and Level 2 for the years ended December 31, 2023 and 2022.

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UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Reconciliation of Level 3 fair values

	Fair value through profit or loss	Fair value through other comprehensive income	
	Designated at fair value through profit or loss	Unquoted equity instruments	Total
Balance on January 1, 2023	$ -	1,630,910	1,630,910
Total gains and losses			
In other comprehensive income	-	(71,882)	(71,882)
Balance on December 31, 2023	$ -	1,559,028	1,559,028
Balance on January 1, 2022	$ 3,529	2,026,136	2,029,665
Total gains and losses			
In profit or loss	(1,226)	-	(1,226)
In other comprehensive income	-	(395,226)	(395,226)
Distribution of residual property	(2,303)	-	(2,303)
Balance on December 31, 2022	$ -	1,630,910	1,630,910

Total gains and losses were recognized in "other gains and losses" and "unrealized gains and losses from financial assets at fair value through other comprehensive income".

4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss－equity investments" and "financial assets measured at fair value through other comprehensive income－equity investments".

The equity investments which are lack of active market and categorized into Level 3 have numerous significant unobservable inputs. The significant unobservable inputs of equity investments without active market are independent between each other. Hence, there is no correlation between each significant unobservable input.

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Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss－equity investments without an active market	Market approach－comparable company	• P/B Ratio (Note) • Discount for lack of marketability (Note)	• The higher the P/B ratio, the higher the fair value. • The higher the discount for lack marketability, the lower the fair value.
Financial assets at fair value through other comprehensive income－equity investments without an active market	Market approach－comparable company	• P/B Ratio (December 31, 2023 and 2022 were 0.66 and 0.69, respectively) • Discount for lack of marketability (December 31, 2023 and 2022 were both 30.73%)	• The higher the P/B ratio, the higher the fair value. • The higher the discount for lack marketability, the lower the fair value.

Note: As of December 31, 2023 and 2022, the investee had been dissolved. Therefore, the fair value, without the application of parameters, was based on the liquidation value.

5) Fair value measurement in Level 3－sensitivity analysis of reasonably possible alternative assumptions

While under different models or using different parameters may lead to different results, fair value measurement for financial instruments is reasonable.

The following tables shows the valuation impacts changes in input parameters on Level 3 financial instruments:

	Input	Assumptions	Fair Value through Profit and Loss		Fair value through other comprehensive income	
			Favourable	Unfavourable	Favourable	Unfavourable
December 31, 2023						
Financial assets at fair value through profit or loss						
Equity investments without an active market	Discount for lack of marketability	10%	(Note)	(Note)	-	-
Equity investments without an active market	P/B Ratio	10%	(Note)	(Note)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Discount for lack of marketability	10%	-	-	69,163	(69,163)
Equity investments without an active market	P/B Ratio	10%	-	-	155,903	(155,903)
December 31, 2022						
Financial assets at fair value through profit or loss						
Equity investments without an active market	Discount for lack of marketability	10%	(Note)	(Note)	-	-
Equity investments without an active market	P/B Ratio	10%	(Note)	(Note)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Discount for lack of marketability	10%	-	-	72,351	(72,351)
Equity investments without an active market	P/B Ratio	10%	-	-	163,091	(163,091)

Note: As of December 31, 2023 and 2022, the investee had been dissolved. Therefore, the fair value, without the application of parameters, was based on the liquidation value.

6) Financial instruments not measured at fair value

a) Fair value information

The Group's financial instruments not measured at fair value include cash and cash equivalents, notes and accounts receivable, other receivables, guarantee deposits paid, notes and accounts payable, other payables, guarantee deposits received and part of other financial assets, whose carrying amount is reasonably close to the fair value, disclosure of fair value information is not required.

b) Valuation techniques

The Group's valuation methods and assumptions used for financial instruments not measured at fair value are as follows:

Since the maturity date is close and the future receipt and reimbursement price is similar to the book value, the fair value of cash and cash equivalents, notes and accounts receivable, other receivables, notes and accounts payable and other payables were measured at book value at the reporting date.

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(z) Financial risk management

(i) Overview

The Group has exposures to the following risks arising from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the abovementioned risks.

(ii) Structure of risk management

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(iii) Credit risk

1) Notes and accounts receivable

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is required to conduct management and credit risk analysis for each of its new customers before the terms and conditions of the contract and delivery are set in accordance with the internal credit policy. The internal risk control system assesses the credit quality of customers by considering their financial status, past experiences and other factors. The main credit risk derives from cash and cash equivalents, deposits in banks and in financial institutions. Furthermore, credit risk may derive from customers, including unreceived receivables and committed transaction.

2) Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. As of December 31, 2023 and 2022, no other guarantees were outstanding.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

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UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

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The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

As of December 31, 2023 and 2022, the Group's unused credit line were amounted to $14,885,462 thousand and $19,642,940 thousand, respectively.

(v) Market risk

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

1) Currency risk

The Group is a multinational institution and therefore exposes to currency risk deriving from many different currencies, mainly from USD and CNY. The relevant currency risk stems from future commercial transactions, recognized assets and liabilities, and net investments in foreign operating agencies.

2) Interest rate risk

The short-term loans of the Group are debts with floating interest rates. Therefore, changes in market interest rates will lead to changes in the interest rate of short-term loans, resulting in fluctuations of future cash flows.

3) Other market price risk

The Group is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Group does not actively trade in these investments as the management of the Group minimizes the risk by holding different investment portfolios.

(aa) Capital management

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

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The Group's strategy for managing the capital structure is to lay out the plan of product development and expand the market share considering the growth and the magnitude of industry and further developing an integral plan founded on the required capacity, capital outlay, and magnitude of assets in long-term development. Ultimately, considering the risk factors such as the fluctuation of the industry cycle and the life cycle of products, the Group determines the optimal capital structure by estimating the profitability of products, operating profit ratio, and cash flow based on the competitiveness of products. The management of the Group periodically examines the capital structure and contemplates on the potential costs and risks involved while exerting different financial tools. In general, the Group implements prudent strategy of risk management.

	December 31, 2023	December 31, 2022
Total liabilities	$ 34,035,728	22,862,199
Less: cash and cash equivalents	9,385,681	11,223,268
Net debt	$ 24,650,047	11,638,931
Total equity	$ 12,428,700	10,610,348
Debt-to-capital ratio	198.33%	109.69%

(ab) Cash flows information on acquisition of property, plant and equipment

The supplementary information on acquisition of property, plant and equipment of the Group were as follows:

	2023	2022
Increase in property, plant and equipment	$ 4,596	98,588
Cash payments	$ 4,596	98,588

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Wholetech System Hitech Limited	Investee accounted for using equity method
Ablerex Electronics Co., Ltd.	Investee accounted for using equity method
JG Environmental Technology Co., Ltd.	Investee accounted for using equity method
ECO Energy Corporation (Note1)	Related party in substance
Open Sky Technology Corporation (Note1)	Related party in substance
FU-KUO ENGINEERING Co., Ltd.	Related party in substance
Huayuan Engineering Ltd.	Related party in substance
Dentsu Engineering Ltd.	Related party in substance
Yun Hao Motor Technician Office	Related party in substance

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Name of related party	Relationship with the Group
Sheng Yang Integration Co., Ltd. (Note2)	Related party in substance
All directors, supervisors, general managers and deputy general managers	Key management personnel
Wholetech System Hitech(s) Pte, Ltd.	An associate

Note1: Not related parties in substance from January 2023.

Note2: Not related parties in substance from October 2023.

(b) Significant transactions with related parties

(i) Operating revenue

The amounts of significant sales by the Group to related parties were as follows:

	2023	2022
Other related parties	$ 191	85

There is no significant difference between the credit terms of the Group and of the same businesses.

(ii) Construction cost

The amounts of purchases by the Group from related parties were as follows:

	2023	2022
Associates	$ 50,307	160,955
Other related parties	10,048	4,124
	$ 60,355	165,079

There is no significant difference between the payment terms of the Group and of the same businesses.

(iii) Receivable from related parties

The details of the Group' s receivable from related parties were as follows:

Account	Type of related parties	December 31, 2023	December 31, 2022
Other receivables	Other related parties	$ -	125,969

(iv) Payables to Related Parties

The payables to related parties were as follows:

Account	Type of related parties	December 31, 2023	December 31, 2022
Accounts payable	Associates	$ 4,389	26,366
Accounts payable	Other related parties	11,336	11,336
Other payables	Other related parties－Dentsu Engineering	185,135	178,992
		$ 200,860	216,694

Other payables mentioned above included package fee disbursements, salaries and interests, etc. Please refer note 12 (c) for further information.

(v) Leases

Name of related party	Object	Lease term	Rental income 2023	Rental income 2022
Associates	1F., No.1、3, Ln. 7, Baogao Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	2020.01.01~ 2024.05.31	$ 5,311	4,958
Associates	Parking Space	2020.01.01~ 2024.05.31	162	90
			$ 5,473	5,048

(vi) Finance costs

	2023	2022
Other related parties－Dentsu Engineering	$ 6,143	6,212

(vii) Property transactions

1) Purchases of property, plant and equipment

The purchases price of property, plant and equipment purchased from related parties were as follows:

	2023	2022
Associates	$ -	160

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) Disposals of financial assets

		2023				2022			
Relationship	**Account**	**Number of shares**	**Purpose**	**Disposal price**	**Gain (loss) on disposal**	**Number of shares**	**Purpose**	**Disposal price**	**Gain (loss) on disposal**
Other related parties	Investments accounted for using equity method	-		$ -	-	6,629,959	Eco Energy Corporation	125,969	13,175

(c) Key management personnel compensation

		2023	2022
Short-term employee benefits	$	190,207	215,500
Post-employment benefits		1,146	1,232
	$	**191,353**	**216,732**

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Object		December 31, 2023	December 31, 2022
Restricted assets (other non-current assets)	Migrant worker payroll account	$	1,085	-
Restricted assets (other current assets)	Banker's letter of guarantee		108,608	110,641
		$	**109,693**	**110,641**

(9) Commitments and contingencies

(a) As of December 31, 2023 and 2022, except for the disclosures of Note 7, the Group's commitments and contingencies were as follows:

(i) As of December 31, 2023 and 2022, guaranteed notes received from construction contractors for performance guarantees or maintenance guarantees amounted to $17,588,446 thousand and $17,079,490 thousand, respectively.

(ii) As of December 31, 2023 and 2022, guaranteed notes issued to construction contractors for performance guarantees or maintenance guarantees amounted to $58,738 thousand and $11,628 thousand, respectively.

(iii) As of December 31, 2023 and 2022, guaranteed notes issued for bank loans and letters of credits both amounted to $3,000,000 thousand.

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

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(iv) As of December 31, 2023 and 2022, guaranteed letters offered by banks for contract performance guarantees amounted to $2,021,866 thousand and $1,777,517 thousand, respectively.

(v) As of December 31, 2023 and 2022, the total contract price of contracted construction projects amounted to $229,097,032 thousand and $206,321,260 thousand, respectively, and the contract payments received by the Group amounted to $173,104,016 thousand and $125,990,390 thousand, respectively.

(vi) As of December 31, 2023 and 2022, the total subcontract price of subcontracted construction projects amounted to $78,454,311 thousand and $50,062,266 thousand, respectively, and the contract payment paid by the Group amounted to $61,681,823 thousand and $24,945,945 thousand, respectively.

(vii) As of December 31, 2023 and 2022, the outstanding letters of credits issued by the Group for purchasing equipment amounted to $366,772 thousand and $291,668 thousand, respectively.

(viii) As of December 31, 2023 and 2022, guaranteed notes received from lessees for rental of buildings amounted to $885 thousand, respectively.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other

(a) A summary of employee benefits, depreciation and amortization, by function, was as follows:

By function / By nature	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	1,170,713	1,042,464	2,213,177	927,339	885,322	1,812,661
Labor and health insurance	31,069	42,118	73,187	36,471	42,668	79,139
Pension	17,637	23,646	41,283	17,191	21,939	39,130
Remuneration of directors	-	55,580	55,580	-	52,317	52,317
Others	142,869	41,563	184,432	92,254	46,132	138,386
Depreciation	86,674	39,655	126,329	66,294	36,959	103,253
Amortization	6,378	5,791	12,169	2,201	4,512	6,713

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(b) Some of the Company’s directors are involved in the adjudication process for violating the Securities and Exchange Act regulations and the impact on the Company’s operation; please refer to the following information:

(i) Criminal Procedure

Former chairmen, Mr. Chen and Mr. Wang, and other involved parties were prosecuted for violating the Securities and Exchange Act by the Taipei District Prosecutors Office on June 5, 2013. During the period, the former chairman Mr. Wang passed away and was declared dismissed by the Taiwan High Court (2015 Jin Shang Zhong Su No.40), while the Taipei District Court, the Taiwan High Court (the High Court), and the first and second trials all found that there was no breach of trust, non-arm’s length transaction, and criminal conversion on the part of all the parties involved, and the verdict was not guilty (2013 Jin Zhong Su No.17, 2015 Jin Shang Zhong Su No.40, 2018 Jin Shang Zhong 1 No.8 and 2020 Jin Shang Zhong 2 No.13). The two other parties did not appeal after being granted probation by the High Court, while the former chairman, Mr. Chen, continued to appeal and was remanded for three times by the Supreme Court. On May 9, 2023, Mr. Chen was sentenced to two-year imprisonment and given five years' probation by the High Court, with the remaining judgment being the same as the previous ruling (syllabus from 2022 Jin Shang Zhong 3 No.6). On June 9, 2023, Mr. Chen appealed against the judgment, which was overruled by the Supreme Court on February 27, 2024, with the final decision having been confirmed.

(ii) Civil Procedure

1) On December 5, 2013, SFIPC filed a petition for dismissal of the three directors of the Company in connection with the criminal case in accordance with the aforementioned indictment, and due to the death of the former Chairman Mr. Wang, SFIPC withdrew the part of the lawsuit against him. The SFIPC lost both the first and second trials, however, on April 28, 2020, the High Court handed down the judgment of dismissal of the director in the first trial, in which Director Lee resigned on June 2, 2020, and withdrew the appeal on June 3, 2020, and the part of the main text of the High Court's ruling on the two other parties was confirmed on June 3, 2020. Mr. Chen was not elected as a new board member on shareholders' meetimg held on August 17, 2021, and therefore Mr. Chen's appeal was overruled by the Supreme Court on February 24, 2022, with the final decision having been confirmed.

2) On January 27, 2014, SFIPC filed a class action lawsuit on behalf of the investors on the grounds that the Company's financial statements from the third quarter of 2009 to 2011 were inaccurate, requesting the Company, its directors, former supervisors to jointly compensate the investors for damages in excess of $243 million.

SFIPC filed an appeal with the Taipei District Court on September 16, 2022, which is currently on trial by the High Court (2023 Jin Shang No.1).

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iii) Impact on operation

The Company runs smoothly and has experienced continued growth in revenues. The business and financial structure are sound. The litigations do not have significant impact on the Company's operation.

(c) The Company received the civil judgment from the Taiwan Taipei District Court on September 2, 2014 that the Company should pay the package fees of $104,559 thousand and the former Chairman Wang's salary from January 2001 to April 2012, as previously paid by Dentsu, amounting to $21,405 thousand.

In the third quarter of 2014, in accordance with the judgment stated above, the Company assessed and took into accounts the package fees and salary paid by Dentsu, which have yet to be reimbursed by the Company (respectively logged as construction costs and management costs). The Company also estimated that the relevant interest payable as of December 31, 2023 amounted to $59,171 thousand (please refer to note 7).

As of the reporting date, the Company has yet to reimburse the abovementioned package fees, salary and related interests.

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(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2023:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for one party (Note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsement / guarantees to third parties on behalf of subsidiary	Subsidiary endorsement / guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of company in Mainland China
		Name	Relationship with the Company (Note 2)										
0	The Company	UNITED INTEGRATED SERVICES (USA) CORP.	2	97,033,384	13,228,052	12,526,364	-	-	103.27%	121,291,730	Y	N	N

Note 1: The total amount of the Company's external endorsement /guarantee shall not exceed ten times of the net value of the Company. The maximum guarantee and endorsement for single enterprise cannot exceed 50% of net value except for the following subsidiaries. The net value is based on the latest financial statements audited or reviewed by the accountants.

1) The Company directly and indirectly holds 100% of the voting shares of a company shall not exceed eight times of the net value.

2) The Company directly and indirectly holds more than 50% of the voting shares of a company shall not be exceed 1.5 times of net value.

Note 2: There are seven conditions in which the Company may have guarantees or endorsements for other parties:

1) The Company has business relationship.

2) A company in which the Company directly or indirectly holds more than 50% voting right.

3) An investee in which the Company and subsidiary holds more than 50% of its voting rights.

4) Subsidiaries in which the Company holds more than 90% of voting rights.

5) Companies in accordance with contractual provisions established by mutual applicants or in need of project.

6) Companies that are endorsed and guaranteed by all capital shareholders based on their shareholding ratio due to a joint investment relationship.

7) The performance guarantees for pre-sale house sales contract between intra-industry companies in accordance with the Consumer Protection Law requires joint guarantee.

(iii) Securities held at the end of the period (excluding investment in subsidiaries, associates and joint ventures):

Units: In thousands of NTD/shares

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value		
The Company	Stock－Nanya Technology Corporation	-	Current financial assets at fair value through profit or loss	24,449	1,907	- %	1,907	-	
The Company	Stock－Taichung Commercial Bank Co., Ltd.	-	Current financial assets at fair value through profit or loss	130,903	2,081	- %	2,081	-	
The Company	Stock－Acer	-	Current financial assets at fair value through profit or loss	1,400,000	75,320	0.05 %	75,320	0.05	
The Company	Stock－Powerchip Semiconductor Manufacturing Corporation	-	Current financial assets at fair value through profit or loss	7,639,033	224,970	0.19 %	224,970	0.19	
The Company	Stock－Powerchip Technology Corporation	-	Current financial assets at fair value through profit or loss	4,552,858	45,530	0.33 %	45,530	0.33	
	Totals				349,808				
The Company	Stock－Taiwan Electronic Data Processing Corp.	-	Non-current financial assets at fair value through profit or loss	374,260	-	9.65 %	-	9.65	
The Company	Stock－Aetas Technology Inc.	-	Non-current financial assets at fair value through profit or loss	91,156	-	0.30 %	-	0.30	
The Company	Stock－Glandtex Corporation	-	Non-current financial assets at fair value through profit or loss	1,186	-	0.01 %	-	0.01	
The Company	Stock－Promos Technologies Inc.	-	Non-current financial assets at fair value through profit or loss	1,899	-	- %	-	-	
	Totals				-				
The Company	Stock－Jiangxi Construction	-	Non-current financial assets at fair value through other comprehensive income	Note 1	1,559,028	19.80 %	1,559,028	19.80	

Note 1: Registered with the amount of capital contribution.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES
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(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Related party	Nature of Relationship	Transaction details				Transactions with terms different from others		Notes / accounts receivable (payable)		Note
			Purchase / Sale	Amount	Percentage of total purchases / sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes / accounts receivable (payable)	
Su Yuan Trading (Shanghai) Ltd.	Jiangxi United Integrated Services Ltd.	Subsidiary	Sale	548,585	99.97 %	O/A 30 days	-	-	-	-%	Note
Jiangxi United Integrated Services Ltd.	Su Yuan Trading (Shanghai) Ltd.	Subsidiary	Purchase	548,585	14.06 %	O/A 30 days	-	-	-	-%	Note

Note: The transactions were eliminated in the preparation of consolidated financial statements.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: None.

(x) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	United Integrated Services Co., Ltd.	Beijing Han He Tang Medical Instrument Ltd.	1	Accounts Receivable - Related Parties	233	There is no different from general transaction.	-%
1	Beijing Han He Tang Medical Instrument Ltd.	United Integrated Services Co., Ltd.	2	Accounts Payable - Related Parties	233	There is no different from general transaction.	-%
0	United Integrated Services Co., Ltd.	United Integrated Services (BVI) Ltd.	1	Accounts Payable - Related Parties	27,168	There is no different from general transaction.	0.06%
6	United Integrated Services (BVI) Ltd.	United Integrated Services Co., Ltd.	2	Accounts Receivable - Related Parties	27,168	There is no different from general transaction.	0.06%
0	United Integrated Services Co., Ltd.	UNITED INTEGRATED SERVICES (USA) CORP.	1	Accounts Payable - Related Parties	53,249	There is no different from general transaction.	0.11%
9	UNITED INTEGRATED SERVICES (USA) CORP.	United Integrated Services Co., Ltd.	2	Accounts Receivable - Related Parties	53,249	There is no different from general transaction.	0.11%
0	United Integrated Services Co., Ltd.	Jiangxi United Integrated Services Ltd.	1	Construction Revenue	1,949	There is no different from general transaction.	-%
5	Jiangxi United Integrated Services Ltd.	United Integrated Services Co., Ltd.	2	Construction Cost	1,949	There is no different from general transaction.	-%
0	United Integrated Services Co., Ltd.	United Integrated Services Pte Ltd.	1	Construction Revenue	(14,430)	There is no different from general transaction.	(0.02)%
7	United Integrated Services Pte Ltd.	United Integrated Services Co., Ltd.	2	Construction Cost	(14,430)	There is no different from general transaction.	(0.02)%
0	United Integrated Services Co., Ltd.	Beijing Han He Tang Medical Instrument Ltd.	1	Sales Revenue	785	There is no different from general transaction.	-%

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UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1	Beijing Han He Tang Medical Instrument Ltd.	United Integrated Services Co., Ltd.	2	Cost of goods sold	785	There is no different from general transaction.	-%
0	United Integrated Services Co., Ltd.	Hanxuan Energy Co., Ltd	1	Rental Income	10	There is no different from general transaction.	-%
2	Hanxuan Energy Co., Ltd	United Integrated Services Co., Ltd.	2	Rental Expense	10	There is no different from general transaction.	-%
0	United Integrated Services Co., Ltd.	Hunter Energy Co., Ltd	1	Rental Income	10	There is no different from general transaction.	-%

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
3	Hunter Energy Co., Ltd	United Integrated Services Co., Ltd.	2	Rental Expense	10	There is no different from general transaction.	-%
4	Su Yuan Trading (Shanghai) Ltd.	Jiangxi United Integrated Services Ltd.	3	Construction Revenue	548,585	There is no different from general transaction.	0.80%
5	Jiangxi United Integrated Services Ltd.	Su Yuan Trading (Shanghai) Ltd.	3	Construction Cost	548,585	There is no different from general transaction.	0.80%
8	Suzhou Han Tai System Integration Ltd.	Jiangxi United Integrated Services Ltd.	3	Rental Income	4,404	There is no different from general transaction.	0.01%
5	Jiangxi United Integrated Services Ltd.	Suzhou Han Tai System Integration Ltd.	3	Rental Expense	4,404	There is no different from general transaction.	0.01%
8	Suzhou Han Tai System Integration Ltd.	Su Yuan Trading (Shanghai) Ltd.	3	Rental Income	487	There is no different from general transaction.	-%
4	Su Yuan Trading (Shanghai) Ltd.	Suzhou Han Tai System Integration Ltd.	3	Rental Expense	487	There is no different from general transaction.	-%

Note 1: The numbering is as follows:
1. "0" represents the parent company
2. Subsidiaries are sequentially numbered from 1 by company

Note 2: Relation between related parties are as follows:
1. Parent company and its subsidiaries
2. Subsidiaries and its parent company
3. Subsidiaries and its subsidiaries

Note 3: The transactions were eliminated in the preparation of consolidated financial statements.

(b) Information on investees:

The following is the information on investees for the year ended December 31, 2023 (excluding information on investees in Mainland China):

Units: In thousands of NTD/shares

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Highest Percentage of ownership	Net income (losses) of investee	Share of profits /losses of investee (Note 1)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of ownership	Carrying value				
The Company	ABLEREX ELECTRONICS CO., LTD.	Taiwan	Sale and purchase of UPS	172,243	179,996	13,596,502	30.21%	510,970	31.57%	87,686	27,219	
The Company	WHOLETECH SYSTEM HITECH LIMITED	Taiwan	Gas pipeline engineering	61,367	61,367	9,946,080	13.61%	256,877	13.61%	399,033	54,332	
The Company	JG ENVIRONMENTAL TECHNOLOGY CO., LTD	Taiwan	Machinery and Equipment Manufacturing	30,442	39,542	2,217,989	9.84%	38,387	12.78%	72,047	8,635	
The Company	United Integrated Services (BVI) Ltd.	BVI	Investment activities	567,643	567,643	17,697,630	100.00%	964,330	100.00%	132,247	132,247	Note 2
The Company	Hanxuan Energy Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy	-	500,000	-	- %	-	100.00%	(6,899)	(6,899)	Note 2
The Company	United Integrated Services Pte Ltd.	Singapore	Clean room system construction	34,040	34,040	-	100.00%	2,013	100.00%	20,581	20,581	Note 2
The Company	Hunter Energy Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy	-	90,000	-	- %	-	100.00%	(3,916)	(3,916)	Note 2
The Company	UNITED INTEGRATED SERVICES (USA) CORP.	USA	Clean room system construction	1,392,503	1,392,503	50,000,000	100.00%	2,633,617	100.00%	655,454	655,454	Note 2
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEM HITECH (BVI) LIMITED	BVI	Investment activities	170,884	170,884	5,400,000	100.00%	316,045	100.00%	66,305	66,305	
WHOLETECH SYSTEM HITECH (BVI) LIMITED	WHOLETECH SYSTEM HITECH (SHANHAI) LIMITED	China	Electromechanical, Circuit, and Pipeline Engineering Businesses	169,127	169,127	-	100.00%	316,023	100.00%	66,305	66,305	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEM HITECH INC.	Mauritius	Investment activities	110,559	110,559	3,500,000	100.00%	258,027	100.00%	37,391	37,391	
WHOLETECH SYSTEM HITECH INC.	WHOLETECH GROUP INTERNATIONAL TRADING LIMITED	Mauritius	Investment activities	110,559	110,559	3,500,000	100.00%	258,027	100.00%	37,391	37,391	
WHOLETECH GROUP INTERNATIONAL TRADING LIMITED	WHOLETECH GROUP (Shanghai) TRADING LIMITED	China	Import and Export Trading Business of Electronics, Machineries, Chemical Equipment, Pipe Fitting Hardware, etc.	110,559	110,559	-	100.00%	258,027	100.00%	37,391	37,391	

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No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets

WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEM HITECH (S) PTE. LTD.	Singapore	Construction of water, gas pipelines and sewage systems, gas production, distribution of fuel gas main systems, etc.	30,865	30,865	1,000,000	100.00%	116,148	100.00%	37,732	37,732	
WHOLETECH SYSTEM HITECH (S) PTE. LTD.	WHOLETECH SYSTEM HITECH (M) SDN. BHD.	Malaysia	Construction of water, gas pipelines and sewage systems, gas production, distribution of fuel gas main systems, etc.	-	855	-	- %	-	- %	-	-	

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: December 31, 2023	Original investment amount: December 31, 2022	Ending balance: Shares	Ending balance: Percentage of ownership	Ending balance: Carrying value	Highest Percentage of ownership	Net income (losses) of investee	Share of profits /losses of investee (Note 1)	Note
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH HOLDINGS, LLC	USA	Assets management business	36,849	-	-	100.00%	36,888	100.00%	46	46	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEM HITECH JAPAN, INC.	Japan	Sales and installation of eqiupment	13,539	-	6,000	100.00%	12,930	100.00%	(102)	(102)	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEM HITECH USA, INC.	USA	Sales and installation of eqiupment	15,354	-	1,000	100.00%	12,815	100.00%	(2,597)	(2,597)	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-Samoa	Samoa	Holding company	217,445	217,445	6,635,000	100.00%	475,913	100.00%	16,233	16,691	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-USA	USA	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	8,303	8,303	250,000	100.00%	90,973	100.00%	16,243	16,243	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-HK	Hong Kong	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	43	43	10,000	100.00%	33,388	100.00%	395	395	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-SG	Singapore	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	48,008	48,008	2,140,763	100.00%	116,674	100.00%	1,905	1,214	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-UK	UK	Holding company	4,674	4,674	100,000	100.00%	14,092	100.00%	1,239	(1,136)	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-JP	Japan	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	9,159	9,159	2,970	99.00%	16,194	99.00%	11,741	11,606	
Ablerex-Samoa	Ablerex -Overseas	Hong Kong	Holding company	217,445	217,445	6,635,000	100.00%	479,136	100.00%	16,276	-	
Ablerex-UK	Ablerex-IT	Italy	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	4,674	4,674	100,000	100.00%	14,092	100.00%	1,239	-	
Ablerex-SG	Ablerex-TH	Thailand	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	1,795	1,687	20,000	100.00%	306	100.00%	(7,200)	-	
Ablerex-USA	Ablerex-LATAM	USA	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	15,358	15,358	3,650	86.00%	10,612	86.00%	10,098	-	
JG ENVIRONMENTAL TECHNOLOGY CO., LTD	ASIA INTELLIGENCE INVESTMENTS LIMITED	BVI	Investment activities	30,280	30,280	-	100.00%	39,100	100.00%	1,856	1,856	
JG ENVIRONMENTAL TECHNOLOGY CO., LTD	Taiwan Sustainable Environmental and Energy Co., Ltd.	Taiwan	Sales of pollution control equipment and manufacturing	100	100	10,000	14.29%	61	- %	(72)	(13)	
JG ENVIRONMENTAL TECHNOLOGY CO., LTD	Hua Zhi system Engineering Co., Ltd.	Taiwan	Sales of pollution control equipment and manufacturing	2,205	2,205	220,500	21.00%	5,060	- %	(836)	(176)	
JG ENVIRONMENTAL TECHNOLOGY CO., LTD	JG ENVIRONMENTAL TECHNOLOGY (JP), LTD	Japan	Sales of pollution control equipment and manufacturing	2,219	-	999	100.00%	1,750	- %	(429)	(429)	
ASIA INTELLIGENCE INVESTMENTS LIMITED	JG ENVIRONMENTAL TECHNOLOGY (SHANGHAI) LTD.	China	Sales of pollution control equipment and manufacturing	30,280	30,280	-	100.00%	39,233	- %	1,856	1,856	

Note 1: The profits/losses of the investee for current period were recognized by the investment company.

Note 2: The transactions were eliminated in the preparation of consolidated financial statements.

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of capital surplus	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows: Outflow	Investment flows: Inflow	Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value as of December 31, 2023	Accumulated remittance of earnings in current period
Su Yuan (Shanghai) Trading Ltd.	Semiconductor, clean room and electromechanical	NT$ 34,495 USD 1,000	(2)	NT$ 34,495 USD 1,000	-	-	NT$ 34,495 USD 1,000	114,522	100.00%	100.00%	NT$ 114,522	NT$ 489,214	-
Jiangxi United Integrated Services Ltd.	Electromechanical business and pipeline engineering business	NT$ 453,360 RMB 100,000	(1)	NT$ 338,573 RMB 75,000	-	-	NT$ 338,573 RMB 75,000	769,134	75.00%	75.00%	NT$ 576,850	NT$ 898,580	NT$ 1,951,610 RMB 423,707
Suzhou Han Tai System Integrated Ltd.	Construction hardware, materials production and sales	NT$ 381,660 USD 12,000	(2)	NT$ 381,660 USD 12,000	-	-	NT$ 381,660 USD 12,000	15,147	100.00%	100.00%	NT$ 15,147	NT$ 361,783	-
Jiangxi Construction Engineering (Group) Co., Ltd.	Various types of building construction	NT$ 5,113,150 RMB 1,043,500	(1)	NT$ 1,008,212 RMB 206,600	-	-	NT$ 1,008,212 RMB 206,600	-	19.80%	19.80%	NT$ -	NT$ 1,559,028	NT$ 1,560,313 RMB 334,616
Beijing Han he Tang Medical Instrument Ltd.	Distribution agency for medical equipment, import and export of goods, after-sales service	NT$ 30,187 USD 1,000	(2)	NT$ 30,187 USD 1,000	-	-	NT$ 30,187 USD 1,000	1,133	100.00%	100.00%	NT$ 1,133	NT$ 13,645	-

Note 1: Investment method

(1) Investing in the mainland through companies in another country

(2) Establishing a company through the investment in the third region to reinvest in the mainland.

Note 2: Except for Jiangxi Construction Engineering Group Co., Ltd., the transactions were eliminated in the preparation of consolidated financial statements.

(ii) Limitation on investment in Mainland China:

Accumulated investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
1,798,283 (USD59,165)	1,825,134 (USD59,165)	7,277,503

(iii) Significant transactions with investees in Mainland China:

The significant inter－company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(d) Major shareholders:

Units: In shares

Shareholding / Shareholder's Name	Shares	Percentage
Capital Tip Customized Taiwan Select High Dividend Exchange Traded Fund	11,166,000	5.85%
Mrs. Lee	11,023,896	5.78%

Note: (i) The information of major shareholders who hold 5 percent or more of the issuer's common stocks and preferred stocks, including treasury stocks, is provided by Taiwan Depository and Clearing Corp. for every quarter. The share capital disclosed on financial report and the actual numbers of dematerialized securities may be different due to their discrepancies calculation basis.

(ii) If the shareholder entrusts the shares to the trust, the shareholding will be disclosed by the trustee's account individually. As for those shareholders who are responsible for the declaration of insiders' shareholding with more than 10 percent in accordance with the Securities and Exchange Act, their shareholdings shall include their own shares and the trust in which they have the authority to decide the allocation of their trust assets. Please refer to the Market Observation Post System for information on the insiders' shareholding.

(14) Segment information

(a) General information

The Group's reportable segments are as follows:

(i) Engineering and Integration department：It is engaged in various equipment engineering, control of instrument engineering, clean room system construction and other services.

(ii) Maintenance and Design department： It provides various computerized automatic monitoring system, engineering design, maintenance contracting services and other businesses.

(iii) Other: Department of photoelectric, renewable energy and others.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(b) Information about reportable segments and their measurement and reconciliations:

The reportable segments of the Group are strategic business entities providing different product and services. Since each strategic business entities need different technology and marketing strategy, they are managed separately. Most of the business entities were acquired separately and the original management teams when acquired stay the same.

The Group does not allocate tax expenses to its reporting segments. The reportable amount is similar to that in the report used by the chief operating decision maker.

The operating segment accounting policies are similar to those described in note 2 "Significant Accounting Policies". The income of the operating segments is measured based on the income before tax, which also serves as the basis for performance measurement. The Group considers the sales and transfer between departments as a sales or transfer with a third person, measured at the current market price.

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

	2023				
	Engineering and Integration department	**Maintenance and Design department**	**Other**	**Reconciliation and elimination**	**Total**
Revenue:					
Revenue from external customers	$ 68,718,426	57,824	113,430	-	68,889,680
Intersegment revenues	536,104	-	785	(536,889)	-
Interest income	386,723	-	-	-	386,723
Total revenue	$ 69,641,253	57,824	114,215	(536,889)	69,276,403
Interest expenses	$ 188,079	-	-	-	188,079
Depreciation and amortization	$ 136,634	651	1,213	-	138,498
Reportable segment profit or loss	$ 5,976,922	27,891	1,848,928	(1,374,317)	6,479,424

	2022				
	Engineering and Integration department	**Maintenance and Design department**	**Other**	**Reconciliation and elimination**	**Total**
Revenue:					
Revenue from external customers	$ 47,964,996	93,914	141,400	-	48,200,310
Intersegment revenues	71,619	-	1,742	(73,361)	-
Interest income	165,608	-	-	(2,210)	163,398
Total revenue	$ 48,202,223	93,914	143,142	(75,571)	48,363,708
Interest expenses	$ 28,449	-	-	(2,210)	26,239
Depreciation and amortization	$ 107,616	979	1,371	-	109,966
Reportable segment profit or loss	$ 5,557,208	48,302	673,982	(851,593)	5,427,899

Note: As the information on segment assets and liabilities was not provided to the chief operating decision maker, the information on segment assets and liabilities is not disclosed.

(c) Product and service information

Revenue from the external customers of the Group was as follows:

Products and services	2023	2022
Construction revenue	$ 68,718,426	47,964,996
Service and design revenue	57,824	93,914
Sales revenue	113,430	141,400
Total	$ 68,889,680	48,200,310

(d) Geographic information

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

Geographical information	2023	2022
Revenue:		
Taiwan	$ 20,292,293	25,645,459
Mainland China	4,995,255	3,050,061
Singapore	6,183	7,499
United States	42,599,027	19,497,291
Japan	996,922	-
Total	$ 68,889,680	48,200,310

Geographical information	December 31, 2023	December 31, 2022
Non-current assets:		
Taiwan	$ 1,137,533	1,297,912
Mainland China	206,689	225,452
United States	218,172	310,886
Total	$ 1,562,394	1,834,250

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets, and other assets, not including financial instruments and deferred tax assets (non-current).

(e) Major customers

For the years ended December 31, 2023 and 2022, the sales to customers exceeded 10% of the total revenue were as follows:

	2023		2022	
Name of customer	Amount	%	Amount	%
A customer	$ 42,599,027	61.84	19,494,958	40.45
B customer	9,898,521	14.37	6,320,885	13.11
C customer	9,441,299	13.70	18,370,552	38.11
Total	$ 61,938,847	89.91	44,186,395	91.67

Stock Code:2404

UNITED INTEGRATED SERVICES CO., LTD.

Parent Company Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

Address: **13F., No.13, Qiaohe Rd., Zhonghe Dist., New Taipei City, Taiwan (R.O.C.)**

Telephone: (02)2917-4060

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Independent Auditors' Report

To the Board of Directors of United Integrated Services Co., Ltd.:

Opinion

We have audited the financial statements of United Integrated Services Co., Ltd.(“the Company”), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter section), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its 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 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. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Matter

We did not audit the financial statements of certain investee companies under the equity method and Note 13 (b) "Information on investees of the financial statements". Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these investee companies, is based solely on the reports of other auditors. The investments in the investee companies constituted 2.53% and 3.13% of the total assets, as of December 31, 2023 and 2022, respectively. For the years then ended, the recognized shares of profit of associates accounted for using the equity method of these investee companies constituted 1.55% and 2.13% of the total profit before tax, respectively.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, the key audit matters we communicated in the auditors' report were as follows:

1. Revenue recognition

   For the accounting policies related to revenue recognition, please refer to Note 4 (o) "Revenue recognition"; for uncertainty of accounting estimates and assumption for revenue recognition, please refer to Note 5 (b) "Revenue recognition"; for information of revenue recognition, please refer to Note 6(t) "Revenue from contracts with customers" to the financial statements.

   Description of Key Audit Matter:

   The Company recognizes construction contract revenue by percentage of completion method. The percentage of completion is based on the contract costs incurred as of the financial statements reporting date, representing the percentage of the estimated total contract costs. Because construction contract accounting involves a high level of estimation and judgment, revenue recognition has been identified as one of the key audit matters for our audit.

   How the matter was addressed in our audit:

   In relation to the key audit matter above, our principal audit procedures included: (i) testing the effectiveness of the internal control related to the timing and precision of revenue recognition; (ii) selecting samples of new construction projects and inspecting the contracts, the dispatch lists as well as the estimated contract cost to assess whether the revenue was recognized at the appropriate timing. ; (iii) obtaining the annual construction revenue statistics of the Company and assessing whether the revenue recognition was appropriate.

2. Accounts receivable impairment assessment

   For the accounting policies related to the impairment assessment of accounts receivable, please refer to Note 4 (f) "Financial instruments"; for uncertainty of accounting estimates and assumption for the impairment assessment of accounts receivable, please refer to Note 5 (a) "Impairment assessment of accounts receivable"; for information of the impairment assessment of accounts receivable, please refer to Note 6(c) "Notes and accounts receivable" to the financial statements.

   Description of Key Audit Matter:

   The Company recognized expected credit loss in accordance with the Company's policy of allowance for accounts receivable, and established its estimation based on its clients' credit risk, historical experiences of credit loss, and rational expectation of future economic conditions. Since the accounting of expected credit loss of accounts receivable involves a high level of estimation and judgment, the impairment assessment of accounts receivable has been identified as one of the key audit matters for our audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included: (i) understanding the accounting policies of the impairment assessment of notes and accounts receivables; (ii) implementing sampling procedures to examine the accuracy of accounts receivable aging report; (iii) analyzing the changes of the aging of accounts receivable in each period; (iv) examining historical collection records; (v) examining subsequent collection status to evaluate the reasonableness of the Company's recognition of allowance for impairment loss.

3. Financial instruments assessment

For the accounting policies related to the assessment of financial instruments, please refer to Note 4(f) "Financial Instruments"; for uncertainty of accounting estimates and judgments for fair value of financial instruments, please refer to Note 5(c) "Fair value of financial instruments"; for information of the fair value of financial instruments, please refer to Note 6(w) "Fair value hierarchy information" to the financial statements.

Description of Key Audit Matter:

The accounting of the assessment of financial instruments involves a high level of estimation and judgment. Therefore, the assessment of financial instruments has been identified as one of the key audit matters for our audit.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included: (i) testing the investment cycle and financial reporting process of the Company and assessing the internal control of the disclosure of the financial statements; (ii) appointing our valuation specialists to assess the reasonableness of valuation techniques and to test the key parameters of financial assets without active market prices, wherein valuation models are used to check whether the applied valuation techniques are in accordance with IFRS 13 “Fair Value Measurement”.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 the management.

4. Conclude on the appropriateness of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this 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 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.

The engagement partners on the audit resulting in this independent auditors’ report are Chen, Fu-Jen and Lee, Jung-Lin.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2024

Notes to Readers

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

The independent auditors’ audit report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ audit report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

UNITED INTEGRATED SERVICES CO., LTD.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

		December 31, 2023		December 31, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 6,549,722	21	6,286,617	24
1110	Current financial assets measured at fair value through profit or loss (notes 6(b) and (w))	349,808	1	328,176	1
1140	Current contract assets (note 6(t))	2,533,844	8	3,248,921	12
1150	Notes receivable, net (note 6(c))	1,745	-	99	-
1170	Accounts receivable, net (notes 6(c) and (t))	4,457,915	14	4,919,258	18
1180	Accounts receivable－related parties (notes 6(c), (t) and 7)	233	-	271	-
130X	Inventories (note 6(d))	33,172	-	60,420	-
1410	Prepayments (notes 6(e) and 7)	841,679	3	1,321,026	5
1470	Other current assets (notes 6(m) and 7)	8,969,707	28	2,946,322	11
	Total current assets	23,737,825	75	19,111,110	71
	Non-current assets:				
1517	Non-current financial assets measured at fair value through other comprehensive income (notes 6(g) and (w))	1,559,028	5	1,630,910	6
1550	Investments accounted for using equity method (notes 6(h) and 7)	5,304,773	17	4,783,529	18
1600	Property, plant and equipment (notes 6(j) and 7)	1,108,497	3	1,124,182	4
1755	Right-of-use assets (note 6(k))	10,740	-	21,760	-
1780	Intangible assets (note 6(l))	12,782	-	18,353	-
1840	Deferred tax assets (note 6(q))	91,892	-	121,268	1
1900	Other non-current assets (note 6(m))	21,201	-	25,056	-
	Total non-current assets	8,108,913	25	7,725,058	29
	Total assets	$ 31,846,738	100	26,836,168	100

		December 31, 2023		December 31, 2022	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2130	Current contract liabilities (notes 6(t) and 7)	$ 13,056,491	41	9,626,786	36
2150	Notes payable (note 6(w))	9,069	-	19,541	-
2170	Accounts payable (note 6(w))	4,313,823	14	4,598,132	17
2180	Accounts payable－related parties (notes 6(w) and 7)	96,142	-	64,673	-
2220	Other payables－related parties (note 7)	185,135	1	178,992	1
2230	Current tax liabilities	417,549	1	563,629	2
2250	Current provisions (note 6(n))	8,387	-	19,926	-
2280	Current lease liabilities (notes 6(o) and (w))	8,160	-	19,474	-
2300	Other current liabilities (notes 6(p) and (w))	1,009,440	3	907,477	4

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

UNITED INTEGRATED SERVICES CO., LTD.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

	Total current liabilities	19,104,196	60	15,998,630	60
	Non-Current liabilities:				
2550	Non-current provisions (note 6(p))	125,169	-	126,483	-
2570	Deferred tax liabilities (note 6(q))	465,894	1	259,007	1
2580	Non-current lease liabilities (notes 6(o) and (w))	2,696	-	2,454	-
2645	Guarantee deposits received (note 6(w))	19,610	-	17,451	-
2650	Credit balance of investments accounted for using equity method (note 6(h))	-	-	18,317	-
	Total non-current liabilities	613,369	1	423,712	1
	Total liabilities	19,717,565	61	16,422,342	61
31XX	**Equity (notes 6(g) and (r)):**				
3100	Common stock	1,905,867	6	1,905,867	7
3200	Capital surplus	378,709	1	378,352	1
	Retained earnings:				
3310	Legal reserve	3,097,300	10	2,694,580	10
3350	Unappropriated earnings	6,737,416	22	5,296,903	20
		9,834,716	32	7,991,483	30
3400	Other equity	583,824	2	712,067	3
3500	Treasury stock	(573,943)	(2)	(573,943)	(2)
	Total equity	12,129,173	39	10,413,826	39
	Total liabilities and equity	**$ 31,846,738**	**100**	**26,836,168**	**100**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

UNITED INTEGRATED SERVICES CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar, Except Earnings Per Share)

		2023		2022	
		Amount	%	Amount	%
4000	**Operating Revenues (notes 6(t) and 7):**				
4520	Construction revenue	$ 23,746,630	99	30,067,100	99
4600	Service and design revenue etc.	167,142	1	230,864	1
	Operating revenues, net	23,913,772	100	30,297,964	100
5000	**Operating costs (notes 6(d), (l), (o), (p), 7 and 12):**				
5520	Construction cost	18,809,603	79	24,863,360	82
5600	Service and design cost etc.	70,602	-	88,561	-
	Total operating costs	18,880,205	79	24,951,921	82
	Gross profit from operations	5,033,567	21	5,346,043	18
5920	Add: Realized gain from sale	49,561	-	-	-
	Gross profit from operations, net	5,083,128	21	5,346,043	18
	Operating expenses (notes 6(c), (l), (o), (p), (u), 7 and 12):				
6100	Selling expenses	42,237	-	39,507	-
6200	Administrative expenses	1,041,513	4	974,301	3
6300	Research and development expenses	25,425	-	27,818	-
6450	Expected credit loss (reversal of impairment loss)	(242)	-	593	-
	Total operating expenses	1,108,933	4	1,042,219	3
	Net operating income	3,974,195	17	4,303,824	15
	Non-operating income and expenses:				
7010	Other income (notes 6(b), (g), (v) and 7)	24,721	-	48,088	-
7020	Other gains and losses (notes 6(v) and 7)	36,590	-	(345,893)	(1)
7100	Interest income (notes 6(v) and 7)	333,311	1	103,843	-
7510	Interest expense (notes 6(o), (v) and 7)	(6,393)	-	(9,018)	-
7375	Share of profit of subsidiaries, associations and joint ventures accounted for using equity method (note 6(h))	1,464,503	6	959,224	3
	Total non-operating income and expenses	1,852,732	7	756,244	2
7900	**Net income from continuing operations before tax**	5,826,927	24	5,060,068	17
7950	Less: Income tax expenses (note 6(q))	1,171,712	5	1,060,583	4
8200	**Net income**	4,655,215	19	3,999,485	13
8300	**Other comprehensive income (notes 6(g), (p) and (q)):**				
8310	**Items that will not be reclassified to profit or loss:**				
8311	Gains (losses) on remeasurements of defined benefit plans	1,916	-	33,355	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(71,882)	-	(395,226)	(1)
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(14,584)	-	52,351	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	383	-	6,671	-
	Items that will not be reclassified to profit or loss	(84,933)	-	(316,191)	(1)
8360	**Items that will be reclassified to profit or loss:**				
8361	Exchange differences on translation of foreign operation	(48,192)	-	186,761	1
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(2,937)	-	9,643	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(9,638)	-	37,353	-
	Items that will be reclassified to profit or loss	(41,491)	-	159,051	1
8300	**Other comprehensive income**	(126,424)	-	(157,140)	-
8500	**Comprehensive income**	$ 4,528,791	19	3,842,345	13
9750	**Basic earnings per share (in dollars) (note 6(s))**	$	24.82		21.25
9850	**Diluted earnings per share (in dollars) (note 6(s))**	$	24.48		20.89

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

UNITED INTEGRATED SERVICES CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

	Share capital		Retained earnings			Other equity				
	Common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity	Treasury stock	Total equity
Balance on January 1, 2022	$ 1,905,867	377,460	2,416,160	4,010,254	6,426,414	(121,002)	1,017,924	896,922	-	9,606,663
Net income	-	-	-	3,999,485	3,999,485	-	-	-	-	3,999,485
Other comprehensive income	-	-	-	27,715	27,715	159,051	(343,906)	(184,855)	-	(157,140)
Total comprehensive income	-	-	-	4,027,200	4,027,200	159,051	(343,906)	(184,855)	-	3,842,345
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	278,420	(278,420)	-	-	-	-	-	-
Cash dividends	-	-	-	(2,462,131)	(2,462,131)	-	-	-	-	(2,462,131)
Changes in equity of associates and joint ventures accounted for using equity method	-	518	-	-	-	-	-	-	-	518
Overdue unclaimed dividend transferred in	-	374	-	-	-	-	-	-	-	374
Purchase of treasury share	-	-	-	-	-	-	-	-	(573,943)	(573,943)
Balance on December 31, 2022	1,905,867	378,352	2,694,580	5,296,903	7,991,483	38,049	674,018	712,067	(573,943)	10,413,826
Net income	-	-	-	4,655,215	4,655,215	-	-	-	-	4,655,215
Other comprehensive income	-	-	-	1,819	1,819	(41,491)	(86,752)	(128,243)	-	(126,424)
Total comprehensive income	-	-	-	4,657,034	4,657,034	(41,491)	(86,752)	(128,243)	-	4,528,791
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	402,720	(402,720)	-	-	-	-	-	-
Cash dividends	-	-	-	(2,813,801)	(2,813,801)	-	-	-	-	(2,813,801)
Changes in equity of associates and joint ventures accounted for using equity method	-	82	-	-	-	-	-	-	-	82
Overdue unclaimed dividend transferred in	-	275	-	-	-	-	-	-	-	275
Balance on December 31, 2023	$ 1,905,867	378,709	3,097,300	6,737,416	9,834,716	(3,442)	587,266	583,824	(573,943)	12,129,173

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

UNITED INTEGRATED SERVICES CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

		2023	2022
Cash flows from (used in) operating activities:			
Income before income tax	$	5,826,927	5,060,068
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		31,906	33,573
Amortization expense		9,623	5,221
(Reversal gain of impairment loss) expected credit loss		(242)	593
Net (loss) profit on financial assets measured at fair value through profit or loss		(33,881)	377,036
Interest expense		6,393	9,018
Interest income		(333,311)	(103,843)
Dividend income		(9,118)	(22,642)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		(1,464,503)	(959,224)
Loss (gains) from disposal of property, plant and equipment		305	(14)
Gains on disposal of investments		(29,372)	(21,411)
Reversal of impairment loss on non-financial assets		-	(1,402)
Other income		(31)	(59)
Realized gain from sale		(49,561)	-
Total adjustments to reconcile loss		(1,871,792)	(683,154)
Changes in operating assets and liabilities:			
Changes in operating assets:			
Decrease (increase) in current contract assets		715,077	(622,600)
(Increase) decrease in notes receivable		(1,646)	771
Decrease (increase) in accounts receivable		461,585	(2,820,354)
Decrease in accounts receivable－related parties		38	1,215
Decrease in inventories		27,248	5,207
Decrease (increase) in prepayments		479,347	(599,985)
Decrease (increase) in other current assets		129,154	(120,146)
Subtotal of changes in operating assets		1,810,803	(4,155,892)
Changes in operating liabilities:			
Increase in current contract liabilities		3,429,705	3,173,674
Decrease in notes payable		(10,472)	(44,553)
(Decrease) increase in accounts payable		(284,309)	757,180
Increase (decrease) in accounts payable－related parties		31,469	(27,194)
(Decrease) increase in current provisions		(11,539)	8,114
Increase in other current liabilities		101,963	175,111
Increase (decrease) in net defined benefit liability		602	(16,907)
Subtotal of changes in operating liabilities		3,257,419	4,025,425
Total changes in operating assets and liabilities		5,068,222	(130,467)
Total adjustments		3,196,430	(813,621)
Cash inflow generated from operations		9,023,357	4,246,447
Interest received		304,337	93,041
Interest paid		(250)	(2,806)
Income taxes paid		(1,072,274)	(483,685)
Net cash flows from operating activities		8,255,170	3,852,997
Cash flows from (used in) investing activities:			
Proceeds from capital reduction of financial assets at fair value through profit or loss		-	2,303
Proceeds from disposal of financial assets at fair value through profit or loss		2,991	3,854
Proceeds from disposal of investments accounted for using equity method		50,912	176,570
Proceeds from disposal of subsidiaries		22,226	-
Proceeds from capital reduction of investments accounted for using equity method		556,400	-
Acquisition of property, plant and equipment		(1,295)	(45,960)
Proceeds from disposal of property, plant and equipment		28	14
Decrease (increase) in refundable deposits		684	(6,491)
Acquisition of intangible assets		(579)	(1,907)
Decrease in long-term other receivables－related parties		-	165,127
(Increase) decrease in other financial assets		(6,123,565)	630,165
Increase in other non-current assets		(302)	(6,961)
Dividends received		327,082	279,737
Net cash flows from (used in) investing activities		(5,165,418)	1,196,451
Cash flows from (used in) financing activities:			
Increase (decrease) in guarantee deposits received		2,159	(8,616)
Payment of lease liabilities		(15,280)	(19,770)
Cash dividends paid		(2,813,801)	(2,462,131)
Payments to acquire treasury shares		-	(573,943)
Overdue unclaimed dividends transferred to capital surplus		275	374
Net cash flows used in financing activities		(2,826,647)	(3,064,086)
Net increase in cash and cash equivalents		263,105	1,985,362
Cash and cash equivalents at beginning of period		6,286,617	4,301,255
Cash and cash equivalents at end of period	$	6,549,722	6,286,617

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar, Unless Otherwise Specified)

(1) Company history

United Integrated Services Co., Ltd. (hereinafter referred to as the "Company") was incorporated as a limited company under the provisions of the Ministry of Economic Affairs, R.O.C on September 13, 1982, as United Technology And Engineering Co., Ltd.. The Company reincorporated as United Linkfast Co., Ltd. on March 14, 1990. On October 30, 1990, the Company merged with Linkfast System Co., Ltd. The surviving company was United Linkfast Co., Ltd., and renamed as United Integrated Services Co., Ltd. on May 29, 2002. The registered address of the Company was 6F., No.297 Sec.6, Roosevelt Rd., Wenshan Dist., Taipei City, Taiwan(R.O.C). On July 29, 2003, the Company merged was Taichun Technology Co., Ltd. through the cash consideration method. The surviving company was United Integrated Services Co., Ltd. The Company relocated during 2022 and changed the registered address to 13F., No.13, Qiaohe Rd., Zhonghe Dist., New Taipei City, Taiwan (R.O.C.).

The Company and its subsidiaries (collectively referred hereinafter as the "Group") are primarily engaged in: (1) Contracting various running water projects, instrumental control projects, refrigerating and air conditioning projects, installation of clean rooms and the related transactions and manufacturing of supplies. (2) Traffic surveillance & control system engineering building, factory computer control monitoring systems, engineering environment monitoring systems, the design and installation of engineering toll collection systems and related supply transactions. (3) Various electrical and mechanical engineering contracts for transmission and distribution of electric power. (4) The design, installation, maintenance and trading of related equipment of various computerized automatic engineering monitoring systems. (5) Contracting of various computer and communication system integration projects and the manufacturing and trading of related software and hardware. (6) Installation and design of controlling equipment in computer rooms. (7) Importing restrained telecom radio frequency equipment.

(2) Approval date and procedures of the financial statements

These parent company only financial statements were authorized for issuance by the Board of Directors on March 14, 2024.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies

The material accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations").

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis:

1) Financial instruments measured at fair value through profit or loss are measured at fair value;

2) Financial assets measured at fair value through other comprehensive income are measured at fair value;

3) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of each entity is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollar (NT$), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

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

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

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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

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

(i) An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

1) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

2) It is held primarily for the purpose of trading;

3) It is expected to be realized within twelve months after the reporting period; or

4) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(ii) A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

1) It is expected to be settled in the normal operating cycle;

2) It is held primarily for the purpose of trading;

3) It is due to be settled within twelve months after the reporting period; or

4) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(iii) Other

The Company is mainly engaged in the planning, designation and construction contracting of engineering projects with a operating cycle of approximately three to five years. The classification of current and non-current assets and liabilities related to the engineering business is based on the operating cycle.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in fair value. The definition of time deposit within 3 months is similar to that of cash equivalent; however, the purpose of holding time deposit is for short term cash commitment rather than investment.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

(f) Financial instruments

(i) Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(Continued)

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

5) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, guarantee deposit paid and other financial assets), and contract assets.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company considers a financial asset to be in default when the financial asset is more than 12 months past due, or the debtor is unlikely to pay its credit obligations to the Company in full.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 12 months past due;
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

6) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities

1) Financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

2) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

The cost of inventories consists of all costs of purchase, conversion, and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories includes an appropriate share of fixed production overhead based on normal capacity and allocated variable production overhead based on actual output. However, unallocated fixed production overhead arising from lower or idle capacity is recognized in cost of goods sold during the period. If actual capacity is higher than normal capacity, fixed production overhead should be allocated based on actual capacity. The method of valuing inventories is the weighted average method.

Inventories are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses at the end of the period. When the cost of inventories is higher than the net realizable value, inventories are written down to net realizable value, and the write down amount is charged to current year's cost of goods sold. If net realizable value increases in the future, the cost of inventories is reversed within the original write down amount, and such reversal is treated as a reduction of cost of goods sold.

(Continued)

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group’s proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Company’s ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(i) Subsidiaries

The Company accounts the investee companies that it possesses control using the equity. Net income, other comprehensive income, and shareholder's equity in the financial reports of the Company and the net income, other comprehensive income, and shareholder's equity that belongs to the owners of parent in the consolidated financial reports should be the same.

The Company accounts the changes in equity, under the condition that control is still present, as equity transactions between the proprietors.

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UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

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

1)	Buildings	5~50 years
2)	Machinery	3~7 years
3)	Plant equipment	3~50 years
4)	Transportation equipment	3~5 years
5)	Office equipment	3~10 years
6)	Leasehold improvements	5 years

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

(k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- there is any lease modifications

(Continued)

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of buildings and office equipment that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a leasor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(l) Intangible assets

(i) Recognition and measurement

Other intangible assets, including computer software, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

(Continued)

The estimated useful lives for current and comparative periods are as follows:

Computer software	2~10 years

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

(m) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and assets arising from employee benefits) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

(n) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the monetary market time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

The Company shall provide one-thousandth of the total contract amounts for the completed project within one year of the period-end settlement for the project warranty reserve. When the actual expenditure occurs, the provision is reversed, and if there is a deficiency, it is listed as the annual expense.

(Continued)

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

(o) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

(i) Sale of goods

The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer'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 customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

(ii) Consulting Services

The Company is engaged in providing construction consulting and design services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the surveys of work performed.

(iii) Construction contracts

The Company enters into contracts to design and install constructions. Because its customer controls the asset as it is being constructed, the Company recognizes revenue over time basis of the construction costs incurred to date as a proportion of the total estimated costs of the contract. The consideration promised in the contract includes fixed and variable amounts. Considering the progress of a public construction is highly susceptible to factors outside the Company's control and, therefore, completion bonus is usually constrained, the Company recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Company has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

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If the Company cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Company shall recognize revenue only to the extent of the costs expected to be recovered.

A provision for onerous contracts is recognized when the Company expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For constructions, the Company offers a standard warranty to provide assurance that they comply with agreed-upon specifications and has recognized warranty provisions for this obligation.

(p) Contract costs

(i) Incremental costs of obtaining a contract

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Company applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred, if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

(ii) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- The costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;
- The costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- The costs are expected to be recovered.

(Continued)

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Company cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Company recognizes these costs as expenses when incurred.

(q) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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(iii) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(r) Income tax

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

The surtax on undistributed earnings, computed according to the ROC Income Tax Art, is charged to current income expence in the year when stockholders decide not to distribute the earnings.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

(Continued)

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(s) Earnings per share

The Company discloses its basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

(t) Operating segments

The Company has disclosed segment information in the consolidated financial statements, so it is not necessary to disclose such information in the parent company only financial statements.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of parent company only financial statements requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimations.

The management continues to monitor the accounting assumptions, estimates and judgments. The management recognizes the changes in the accounting estimates during the period and the impact of the changes in the accounting estimates in the next period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the parent company only financial statements is as follows:

(a) Judgment of whether the Company has substantive control over its investees, please refer to the consolidated financial statement for the year ended December 31, 2023.

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(b) Judgment regarding significant influence of investees

The Company has less than 20% of the voting or potential voting rights of Wholetech System Hitech Limited and JG Environmental Technology Co., Ltd. However, the Company has determined that it has significant influence because it has participation in the policy-making process of Wholetech System Hitech Limited and JG Environmental Technology Co., Ltd.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows.

(a) Impairment assessment of accounts receivable

The Company has estimated the allowance for loss on accounts receivable that is based on the risk of default occurring and the rate of expected credit loss. The Company has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating impairments and the selected inputs. For relevant assumptions and input values, please refer to Note 6(c).

(b) Revenue recognition

The Company recognizes contract revenues based on the degree of completion on construction contracts; degree of completion is calculated with contract costs incurred to date as a percentage of estimated total contract costs. The Company considers the nature of each project, the estimated construction period, the project item, the construction process, the construction method and the estimated amount of the subcontracts when estimating total contract costs. Any changes in the estimates above may result in a significant adjustment to the estimated amount. For details of revenue recognition please refer to Note 6(t).

(c) Fair value of financial instruments

The fair value of non-active market or non-quoted financial instruments is determined by the valuation model or counterparty quotes. When using the valuation model to determine fair value, the models use only observable data as input values, without artificial adjustment, as far as possible. To avoid differences in cross period financial reporting arose from changes in data source, the observable input shall be a stable, long-term available market practice parameter. Moreover, the model must be repeatedly verified and revised in order to ensure that the output is adequate to reflect the value of the asset.

For detailed information on the main assumptions used in determining the fair value of the financial instruments and detailed sensitivity analysis of these assumptions, please refer to Note 6(w).

(d) Measurement of defined benefit obligations

Defined benefit costs and net defined benefit liabilities (assets) under defined benefit pension plans are calculated using the Projected Unit Credit Method. The appropriate actuarial assumptions include the discount rate, employee turnover rate, and future salary increase rate. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and liability. Please refer to Note 6(p) for the material actuarial assumptions and sensitivity analysis for actuarial calculations.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

(6) Explanation of significant accounts

(a) Cash and cash equivalents

		December 31, 2023	December 31, 2022
Cash on hand and petty cash	$	1,892	1,769
Demand deposits		2,383,989	4,160,281
Check deposits		5,615	5,577
Time deposits		4,158,226	2,118,990
Cash and cash equivalents in the statement of cash flow	$	6,549,722	6,286,617

Please refer to note 6(w) for the disclosure of the sensitivity analysis and interest rate risk of the financial assets and liabilities of the Company.

(b) Current financial assets measured at fair value through profit or loss

		December 31, 2023	December 31, 2022
Financial asset measured at fair value through profit or loss:			
Domestic listed stocks	$	237,024	249,273
Domestic unlisted stocks		68,687	68,687
Valuation adjustment		44,097	10,216
Total	$	349,808	328,176

For the years ended December 31, 2023 and 2022, the Company recognized dividend income from the above financial assets measured at fair value through profit or loss of $9,118 thousand and $22,642 thousand, respectively.

(c) Notes and accounts receivable, net

		December 31, 2023	December 31, 2022
Notes receivable－unrelated parties	$	1,745	99
Accounts receivable－unrelated parties		4,474,316	4,935,901
Accounts receivable－related parties		233	271
Less: Loss allowance		16,401	16,643
Total	$	4,459,893	4,919,628

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The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions were determined as follows:

	December 31, 2023		
	Gross carrying amount	**Weighted-average expected credit loss rate**	**Loss allowance provision**
Current	$ 4,424,637		-
1 to 60 days past due	8,000	1%	80
121 to 365 days past due	27,377	1%	274
More than one year past due	16,047	100%	16,047
	$ 4,476,061		16,401

	December 31, 2022		
	Gross carrying amount	**Weighted-average expected credit loss rate**	**Loss allowance provision**
Current	$ 4,860,398		-
1 to 60 days past due	59,555	1%	596
More than one year past due	16,047	100%	16,047
	$ 4,936,000		16,643

The movement in the allowance for notes and accounts receivable were as follows:

	2023	2022
Balance on January 1	$ 16,643	86,452
Impairment loss (gain on reversal of impairment loss)	(242)	593
Amounts written off	-	(70,402)
Balance on December 31	$ 16,401	16,643

The Company recognized the allowance for notes and accounts receivable based on the nature of the industry, historical payment behavior and the credit rating of customers.

The Company did not provide any notes and accounts receivable as collaterals.

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(d) Inventories

	December 31, 2023			
		Cost	Allowance for Impairment	Carrying Amount
Raw materials	$	32,658	(5,770)	26,888
Work in progress		20,305	(19,335)	970
Finished goods		15,092	(9,778)	5,314
Merchandise		6,770	(6,770)	-
Total	$	74,825	(41,653)	33,172

	December 31, 2022			
		Cost	Allowance for Impairment	Carrying Amount
Raw materials	$	44,011	(5,623)	38,388
Work in progress		28,861	(18,769)	10,092
Finished goods		21,354	(9,450)	11,904
Merchandise		6,770	(6,734)	36
Total	$	100,996	(40,576)	60,420

The (write-down of inventories) reversal of write-downs to net realizable value amounted to $(1,077) thousand and $3,443 thousand, respectively, for the years ended December 31, 2023 and 2022. These changes are recognized as adding or subtracting the cost of goods sold.

The Company did not provide any inventories as collaterals.

(e) Prepayments

		December 31, 2023	December 31, 2022
Domestic purchase of materials	$	327,950	486,530
Foreign purchases of materials		416,062	733,207
Clean and safety reserve		63,064	63,360
Prepaid insurance expense		29,484	29,176
Others		5,119	8,753
Total	$	841,679	1,321,026

(f) Non-current financial assets measured at fair value through profit or loss

		December 31, 2023	December 31, 2022
Financial assets measured at fair value through profit or loss:			
Unlisted stocks	$	25,639	25,639
Valuation adjustments		(25,639)	(25,639)
Total	$	-	-

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

(g) Non-current financial assets measured at fair value through other comprehensive income

		December 31, 2023	December 31, 2022
Equity instruments measured at fair value through other comprehensive income			
Unlisted stocks (overseas)	$	1,008,212	1,008,212
Valuation adjustment		550,816	622,698
Total	$	1,559,028	1,630,910

(i) The equity instrument investment of the Company is a long-term strategic investment and is not held for trading, which has been designated as measured at fair value through other comprehensive income.

(ii) The changes in valuation adjustment of financial assets measured at fair value through other comprehensive income were as follows:

		2023	2022
Balance on January 1	$	622,698	1,017,924
Add: Changes for the period		(71,882)	(395,226)
Balance on December 3l	$	550,816	622,698

(h) Investments accounted for using equity method

A summary of the consolidated financial information of significant was as follows:

		December 31, 2023	December 31, 2022
Subsidiaries	$	4,498,539	3,944,249
Associates		806,234	839,280
Total	$	5,304,773	4,783,529

A summary of the Company's financial information for credit balance on investments accounted for using the equity method at the reporting date was as follows:

		December 31, 2023	December 31, 2022
Subsidiaries	$	-	18,317

(i) Subsidiaries

Please refer to the consolidated financial statement for the year ended December 31, 2023.

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(ii) Associates

1) Associates which was material to the Company consisted of the followings:

Name of Associates	Nature of Relationship with the Group	Main operating location/ Registered Country of the Company	Proportion of shareholding and voting rights December 31, 2023	Proportion of shareholding and voting rights December 31, 2022
Ablerex Electronics Co., Ltd.	Selling and Manufacturing of UPS	Taiwan	30.21%	31.57%

The fair value of the investment in associates which are publicly traded was as follows:

	December 31, 2023	December 31, 2022
Ablerex Electronics Co., Ltd.	$ 590,088	605,282

A summary of the financial information of significant associates was as follows:

Ablerex Electronics Co., Ltd.

	December 31, 2023	December 31, 2022
Current assets	$ 2,235,641	2,540,220
Non-current assets	1,109,001	1,174,296
Current liabilities	(1,519,912)	(1,841,299)
Non-current liabilities	(125,015)	(124,820)
Net assets	$ 1,699,715	1,748,397
Net assets attributable to non-controlling interests	$ 14,500	12,194
Net assets attributable to investee	$ 1,685,215	1,736,203

	2023	2022
Operating revenue	$ 2,925,183	3,057,767
Net income from continuing operations	$ 90,591	115,658
Other comprehensive income	(49,187)	187,820
Total comprehensive income	$ 41,404	303,478
Total comprehensive income attributable to non-controlling interests	$ 2,656	(1,684)
Total comprehensive income attributable to investee	$ 38,748	305,162

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		2023	2022
Share of net assets of associates attributable to the Company as of January 1	$	549,872	498,930
Total comprehensive income attributable to the Company		10,767	99,259
Changes in capital surplus of associates accounted for using equity method		82	486
Disposal of investments		(21,936)	(30,916)
Dividends from associates		(27,931)	(17,887)
Share of net assets of associates attributable to the Company as of December 31		510,854	549,872
Add: Goodwill		116	116
Ending balance of net assets of associates attributable to the Company	$	510,970	549,988

2) Insignificant associates

The Company's financial information for investments accounted for using the equity method that are individually insignificant were as follows:

		December 31, 2023	December 31, 2022
Carrying amount of individually insignificant associate's equity	$	295,264	289,292

		2023	2022
Attributable to the Company:			
Net income from continuing operations	$	62,967	68,991
Other comprehensive income		(1,069)	1,368
Total comprehensive income	$	61,898	70,359

In 2023 and 2022, the preparation of the financial statements for the investee companies under the equity method was evaluated based on the independen auditors' reports of the investee companies. For the years ended December 31, 2023 and 2022, the share of profit of associations accounted for using equity method amounted to $90,186 thousand and $107,631 thousand, respectively.

(iii) Guarantee

The Company did not provide any investment accounted for using equity method as collaterals.

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Notes to the Financial Statements

(i) Loss control of subsidiaries

The Company had sold all of its shares in Hanxuan Energy Co., Ltd. and Hunter Energy Co., Ltd. to a third party with a consideration of $22,226 thousand on May 31, 2023, wherein the Company derecongnized both companies as its subsidiaries (together with their assets, liabilities and the related equity components) from the date of disposal, resulting in a gain on disposal of $21,045 thousand to be recognized as gains on disposal of investment as follows:

Cash and cash equivalents	$ 156,860
Other receivables	779
Right-of-use assets	122,543
Lease liabilities	(143,588)
Other liabilities	(135,413)
Carrying value of net assets of the former subsidiaries	**$ 1,181**

(j) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2023 and 2022, were as follows:

	Land	Buildings	Machinery	Plant equipment	Transportation Equipment	Office equipment	Leasehold Improvements	Total
Cost or deemed cost:								
Balance on January 1, 2023	$ 775,107	256,754	43,799	162,689	11,311	72,013	2,076	1,323,749
Additions	-	620	-	463	-	212	-	1,295
Disposal	-	-	(598)	(4,970)	(351)	(7,278)	-	(13,197)
Balance on December 31, 2023	**$ 775,107**	**257,374**	**43,201**	**158,182**	**10,960**	**64,947**	**2,076**	**1,311,847**
Balance on January 1, 2022	$ 775,107	228,100	43,932	162,689	11,944	55,105	2,076	1,278,953
Additions	-	28,654	-	-	-	17,306	-	45,960
Disposal	-	-	(133)	-	(633)	(398)	-	(1,164)
Balance on December 31, 2022	**$ 775,107**	**256,754**	**43,799**	**162,689**	**11,311**	**72,013**	**2,076**	**1,323,749**
Accumulated depreciation and impairment loss:								
Balance on January 1, 2023	$ -	44,590	41,280	55,822	6,661	49,138	2,076	199,567
Depreciation	-	7,490	675	3,800	1,530	3,152	-	16,647
Disposal	-	-	(598)	(4,641)	(350)	(7,275)	-	(12,864)
Balance on December 31, 2023	**$ -**	**52,080**	**41,357**	**54,981**	**7,841**	**45,015**	**2,076**	**203,350**
Balance on January 1, 2022	$ 1,160	39,698	40,646	51,754	5,708	47,390	2,076	188,432
Depreciation	-	5,134	767	4,068	1,586	2,146	-	13,701
Reversal of impairment	(1,160)	(242)	-	-	-	-	-	(1,402)
Disposal	-	-	(133)	-	(633)	(398)	-	(1,164)
Balance on December 31, 2022	**$ -**	**44,590**	**41,280**	**55,822**	**6,661**	**49,138**	**2,076**	**199,567**
Carrying amounts:								
Balance on December 31, 2023	**$ 775,107**	**205,294**	**1,844**	**103,201**	**3,119**	**19,932**	**-**	**1,108,497**
Balance on January 1, 2022	**$ 773,947**	**188,402**	**3,286**	**110,935**	**6,236**	**7,715**	**-**	**1,090,521**
Balance on December 31, 2022	**$ 775,107**	**212,164**	**2,519**	**106,867**	**4,650**	**22,875**	**-**	**1,124,182**

The property, plant and equipment of the Company had not been pledged as collaterals.

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

(k) Right-of-use assets

The Company leases many assets including buildings and office equipment. Information about leases for which the Company as a lessee was presented below:

	Buildings	Office Equipment	Total
Cost:			
Balance on January 1, 2023	$ 51,156	239	51,395
Additions	5,836	-	5,836
Write-off	(14,754)	-	(14,754)
Balance on December 31, 2023	$ 42,238	239	42,477
Balance on January 1, 2022	$ 73,590	239	73,829
Additions	10,876	239	11,115
Write-off	(33,310)	(239)	(33,549)
Balance on December 31, 2022	$ 51,156	239	51,395
Accumulated depreciation:			
Balance on January 1, 2023	$ 29,555	80	29,635
Depreciation	15,140	119	15,259
Write-off	(13,157)	-	(13,157)
Balance on December 31, 2023	$ 31,538	199	31,737
Balance on January 1, 2022	$ 33,650	199	33,849
Depreciation	19,752	120	19,872
Write-off	(23,847)	(239)	(24,086)
Balance on December 31, 2022	$ 29,555	80	29,635
Carrying amount:			
Balance on December 31, 2023	$ 10,700	40	10,740
Balance on January 1, 2022	$ 39,940	40	39,980
Balance on December 31, 2022	$ 21,601	159	21,760

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Notes to the Financial Statements

(l) Intangible assets

The cost and amortization of the intangible assets of the Company for the years ended December 31, 2023 and 2022, were as follows:

	Computer software
Costs:	
Balance on January 1, 2023	$ 25,455
Additions	579
Disposal	(2,422)
Balance on December 31, 2023	$ 23,612
Balance on January 1, 2022	$ 30,869
Additions	1,907
Disposal	(7,321)
Balance on December 31, 2022	$ 25,455
Accumulated amortization:	
Balance on January 1, 2023	$ 7,102
Amortization	6,150
Disposal	(2,422)
Balance on December 31, 2023	$ 10,830
Balance on January 1, 2022	$ 9,447
Amortization	4,976
Disposal	(7,321)
Balance on December 31, 2022	$ 7,102
Carrying value:	
Balance on December 31, 2023	$ 12,782
Balance on January 1, 2022	$ 21,422
Balance on December 31, 2022	$ 18,353

For the years ended December 31, 2023 and 2022, the amortization expense amounted to $6,150 thousand and $4,976 thousand, respectively. These expenses were included in operating costs and operating expenses in the statements of comprehensive income.

(m) Other current assets and non-current assets

(i) The other current assets of the Company were as follows:

	December 31, 2023	December 31, 2022
Other financial assets	$ 8,925,413	2,801,848
Others	44,294	144,474
Total	$ 8,969,707	2,946,322

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

Other financial assets were time deposits with a maturity of three to twelve months.

(ii) The other non-current assets of the Company were as follows:

	December 31, 2023	December 31, 2022
Guarantee deposits paid	$ 15,687	16,371
Others	5,514	8,685
Total	$ 21,201	25,056

Other financial assets were mainly time deposits with a maturity of more than twelve months.

(n) Current provisions

	Warranty
Balance on January 1, 2023	$ 19,926
Provisions made during the year	9,580
Provisions used during the year	(21,119)
Balance on December 31, 2023	$ 8,387
Balance on January 1, 2022	$ 11,812
Provisions made during the year	12,505
Provisions used during the year	(4,391)
Balance on December 31, 2022	$ 19,926

The Company determined provisions for warranty based on 0.1% of the value of the construction contracts completed within one year. The provisions for warranty were deducted as incurred, otherwise, it was recognized as an expense for current period if there was a deficiency.

(o) Lease liabilities

The Company's lease liabilities were as follow:

	December 31, 2023	December 31, 2022
Current	$ 8,160	19,474
Non-current	$ 2,696	2,454

For the maturity analysis, please refer to note 6(w).

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest on lease liabilities	$ 250	444
Expenses relating to short-term leases	$ 4,869	3,808

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Notes to the Financial Statements

The amounts recognized in the statement of cash flows for the Company was as follows:

		2023	2022
Total cash outflow for leases	$	20,399	24,022

(i) Real estate leases

The Company leases buildings for its office space. The leases of office space typically run for a period of 2 to 4 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract-term.

Some leases provide for additional rent payments that are based on changes in local price indices. Some also require the Company to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

Some leases of office buildings contain extension or cancellation options. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Company and not by the lessors. In which lease is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Company leases office equipment, with lease terms of 2 to 4 years. In some cases, the Company has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

The Company also leases buildings and office equipment. These leases are short-term or of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(p) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value were as follows:

		December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$	(368,385)	(372,749)
Fair value of plan assets		243,216	246,266
Net defined benefit liabilities	$	(125,169)	(126,483)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

The Company's employee benefit liabilities were as follows:

	December 31, 2023	December 31, 2022
Short-term compensated absence liabilities (Other current liabilities)	$ 28,067	25,932

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitled a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

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

The Company's Bank of Taiwan labor pension reserve account balance amounted to $243,216 thousand at the end of the reporting period. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations for the Company for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Defined benefit obligations at January 1	$ 372,749	420,853
Current service costs and interest cost	5,870	3,496
Remeasurements of the net defined benefit liabilities		
－Actuarial loss (gain) arising from changes in financial assumptions	3,296	(22,780)
－Actuarial (gain) loss arising from experience adjustments	(3,181)	5,408
Benefits paid	(10,349)	(34,228)
Defined benefit obligations at December 31	$ 368,385	372,749

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

3) Movements in defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the Company for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Fair value of plan assets at January 1	$ 246,266	244,108
Interest income	3,269	1,152
Remeasurements of the net defined benefit liabilities		
－Return on plan assets excluding interest income	2,031	15,983
Contributions	1,999	2,282
Benefits paid	(10,349)	(17,259)
Fair value of plan assets at December 31	$ 243,216	246,266

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Current service costs	$ 945	1,522
Net interest of net liabilities for defined benefit obligations	1,656	822
	$ 2,601	2,344

	2023	2022
Operating cost	$ 2,230	2,009
Operating expenses	371	335
	$ 2,601	2,344

5) Remeasurement of the net defined benefit liability recognized in other comprehensive income

The Company's remeasurement of the net defined benefit liability recognized in other comprehensive income:

	2023	2022
Accumulated amount at January 1	$ 90,805	124,160
Recognized during the period	(1,916)	(33,355)
Accumulated amount at December 31	$ 88,889	90,805

6) Actuarial assumptions

The principal actuarial assumptions for the Company at the reporting date were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.18%	1.32%
Future salary increases rate	2.00%	2.00%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $2,040 thousand.

The weighted average lifetime of the defined benefit plans is 6.47 years.

7) Sensitivity analysis

As of December 31, 2023 and 2022, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligations shall be as follows:

	The impact of defined benefit obligations	
	Increase	Decrease
December 31, 2023		
Discount rate (0.50%)	$ (11,378)	11,992
Future salary increase rate (0.25%)	5,773	(5,652)
December 31, 2022		
Discount rate (0.50%)	(12,643)	13,355
Future salary increase rate (0.25%)	6,434	(6,292)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of Labor Insurance amounted to $35,503 thousand and $34,959 thousand for the years ended December 31, 2023 and 2022, respectively.

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

(q) Income taxes

(i) Income tax expenses

The components of income tax of the Company in the years 2023 and 2022 were as follows:

		2023	2022
Current tax expense			
Current period	$	922,532	904,509
Adjustment for prior periods		3,662	(1,673)
		926,194	902,836
Deferred tax expense			
Origination and reversal of temporary differences		245,518	157,747
Income tax expense	$	1,171,712	1,060,583

There was no income tax expense recognized in equity for the years ended December 31, 2023 and 2022.

The amount of income tax expense (benefit) recognized directly in other comprehensive incomefor the years ended December 31, 2023 and 2022 were as follows:

		2023	2022
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plans	$	383	6,671
Items that will be reclassified to profit or loss:			
Exchange differences on translation		(9,638)	37,353
	$	(9,255)	44,024

Reconciliation of the Company's income tax expense and net income before tax for 2023 and 2022 was as follows:

		2023	2022
Net income before tax	$	5,826,927	5,060,068
Income tax using the Company's domestic tax rate	$	1,165,385	1,012,014
Tax- exempt income		(3,489)	(4,528)
Permanent differences		(34,380)	52,588
5% income surtax on undistributed earnings		40,534	2,182
Income tax adjustments for prior periods		3,662	(1,673)
Total	$	1,171,712	1,060,583

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Notes to the Financial Statements

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2023	December 31, 2022
The court adjudged to pay the payment and related interest expenses	$ 37,027	35,798

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

Deferred tax liabilities:

	Foreign investment profit	Cumulative translation adjustment	Total
Balance on January 1, 2023	$ 239,608	19,399	259,007
Recognized in profit or loss	216,525	-	216,525
Recognized in other comprehensive income	-	(9,638)	(9,638)
Balance on December 31, 2023	**$ 456,133**	**9,761**	**465,894**
Balance on January 1, 2022	$ 108,287	-	108,287
Recognized in profit or loss	131,321	-	131,321
Recognized in other comprehensive income	-	19,399	19,399
Balance on December 31, 2022	**$ 239,608**	**19,399**	**259,007**

Deferred Tax Assets:

	Defined benefit plans	Unrealized warranty	Loss allowance exceeded the limit	Allowance for inventory valuation	Foreign investment loss	Others	Total
Balance on January 1, 2023	$ 26,753	6,460	-	8,115	48,547	31,393	121,268
Recognized in profit or loss	-	(2,308)	-	215	(6,997)	(19,903)	(28,993)
Recognized in other comprehensive income	(383)	-	-	-	-	-	(383)
Balance on December 31, 2023	**$ 26,370**	**4,152**	**-**	**8,330**	**41,550**	**11,490**	**91,892**
Balance on January 1, 2022	$ 33,424	4,837	12,914	8,804	48,547	63,793	172,319
Recognized in profit or loss	-	1,623	(12,914)	(689)	-	(14,446)	(26,426)
Recognized in other comprehensive income	(6,671)	-	-	-	-	(17,954)	(24,625)
Balance on December 31, 2022	**$ 26,753**	**6,460**	**-**	**8,115**	**48,547**	**31,393**	**121,268**

(iii) Assessment of tax

The Company's tax returns for the years through 2021 were assessed by the tax authorities.

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

(r) Capital and other equity

(i) Common Stock

As of December 31, 2023 and 2022, the Company's authorized capital both amounted to $3,000,000 thousand with par value of $10 per share. The Company's issued capital both amounted to $1,905,867 thousand at December 31, 2023 and 2022.

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2023	December 31, 2022
Capital surplus - premium from merger	$ 6,938	6,938
Share premium	49,987	49,987
Convertible bond premium	215,672	215,672
Treasury share transactions	77,158	77,158
Others	28,954	28,597
	$ 378,709	378,352

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

According to the Company's Article of Incorporation, if the Company has retained earnings according to its annual accounts, it may, after paying all taxes, and making up all past losses, set aside a 10% legal reserve, and a special reserve, if necessary, pursuant to laws, unless the reserve as allocated has equaled the Company's paid-in capital. The remainder, if any, shall be provided as or reversed from special reserve pursuant to laws. The balance, if any, shall be included into the unappropriated accumulated earnings for prior years and allocated as bonuses and dividends to shareholders based on the motion for allocation of earnings proposed by the Board of Directors, then resolved by a shareholders' meeting.

Where the earnings referred in the preceding paragraph are intended to be allocated in cash, the Board of Directors is authorized to allocate the same per special resolution and report it to the shareholders' meeting.

(Continued)

The Company's dividend policy is based on current and future development plans, considering the investment environment, capital needs, domestic and international competition, taking into account the interests of shareholders and other factors, in order to stabilize business development and protect investors' rights and interests. The dividends to shareholders can be in the form of cash dividend and/or stock dividend; also, the cash dividend is not less than 25% of the total dividend.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution to a resolution by the shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Earnings distribution

Earnings distribution for 2022 and 2021 was decided by the resolution adopted, at the general meeting of shareholders held on May 30, 2023 and May 26, 2022, respectively. The relevant dividend distributions to shareholders were as follows:

Unit: In NT dollars

	2022	**2021**
Appropriations dividend to ordinary shareholder:		
Cash	$ 15	13

(iv) Treasury stock

In 2022, in accordance with the requirements under section 28(2) of the Securities and Exchange Act, the Company repurchased 3,000 shares as treasury stock for an aggregate amount of $573,943 thousand in order to retain talent. As of December 31, 2023, the treasury stock have yet to transfer to employees.

In accordance with the requirements of Securities and Exchange Act, the treasury stock held by the Company should not be pledged, and do not hold any shareholder rights before their transfer.

(v) Other equity, net of tax

	Exchange differences on translation of foreign operations	**Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income**	**Total**
Balance on January 1, 2023	$ 38,049	674,018	712,067
Exchange differences on foreign operations	(38,554)	-	(38,554)
Exchange differences on foreign operations	(2,937)	-	(2,937)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(71,882)	(71,882)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of the subsidiaries accounted for using equity method	-	(14,870)	(14,870)
Balance on December 31, 2023	$ (3,442)	587,266	583,824

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

		Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2023	$	(121,002)	1,017,924	896,922
Exchange differences on foreign operations		149,408	-	149,408
Exchange differences on translation financial statements of foreign subsidiaries accounted for using equity method		9,643	-	9,643
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		-	(395,226)	(395,226)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of the subsidiaries accounted for using equity method		-	51,320	51,320
Balance on December 31, 2023	$	38,049	674,018	712,067

(s) Earnings per share

The calculation of basic earnings per share and diluted earnings per share for the years ended December 31, 2023 and 2022 were as follows:

(i) Basic earnings per share

		2023	2022
Net income attributable to ordinary shareholders of the Company	$	4,655,215	3,999,485
Weighted average number of ordinary shares		187,587	188,233
Basic earnings per share (in NT dollars)	$	24.82	21.25

ii) Diluted earnings per share

		2023	2022
Net income attributable to ordinary shareholders of the Company (diluted)	$	4,655,215	3,999,485
Weighted average number of ordinary shares (basic)		187,587	188,233
Effect of potentially dilutive ordinary shares:			
Effect of employee bonuses		2,553	3,253
Weighted average number of ordinary shares (diluted)		190,140	191,486
Diluted earnings per share (in NT dollars)	$	24.48	20.89

(t) Revenue from contracts with customers

(i) Disaggregation of revenue

		2023	2022
Major products/services lines:			
Integrated engineering service	$	23,746,630	30,067,100
Service and design		57,825	91,581
Sales		109,317	139,283
	$	23,913,772	30,297,964

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

		2023	2022
Type of contract:			
Fixed price contract	$	23,804,455	30,158,681
Material-based contract		109,317	139,283
	$	23,913,772	30,297,964

(ii) Contract balances

		December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable	$	1,745	99	870
Accounts receivable		4,474,549	4,936,172	2,187,435
Less: loss allowance		(16,401)	(16,643)	(86,452)
Total	$	4,459,893	4,919,628	2,101,853
Contract assets-Construction in Progress	$	2,533,843	3,248,921	2,626,321
Contract liabilities-Construction in Progress	$	13,056,052	9,626,233	6,452,433
Contract liabilities-Merchandise Inventory		439	553	679
Total	$	13,056,491	9,626,786	6,453,112

For details on accounts receivable and loss allowance, please refer to note 6(c).

The revenue recognized for the years ended December 31, 2023 and 2022 that were included in the contract liabilities balance of sale the merchandise at the beginning of the period were $94 thousand and $127 thousand, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. Other significant changes during the period were as follows:

		2023		2022	
		Contract assets	Contract liabilities	Contract assets	Contract liabilities
Stage of completion measurement	$	-	-	-	-
Contract modification	$	(100,113)	1,775,065	437,728	1,431,398

(u) Employee compensation and directors' remuneration

In accordance with the articles of incorporation the Company should contribute 6% to 10% of the profit as employee compensation and less than 2% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's controlled or affiliated companies who meet certain conditions.

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Notes to the Financial Statements

For the years ended December 31, 2023 and 2022, the Company estimated its employee remuneration amounting to $640,000 thousand and $566,000 thousand, and directors' remuneration amounting to $48,600 thousand and $47,000 thousand, respectively. The estimated amounts mentioned above are based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under expenses during 2023 and 2022. Related information would be available at the Market Observation Post System website. The amounts, as stated in 2022 financial statements, are identical to those of the actual distributions in 2023 shareholders' meeting.

(v) Non-operating income and expenses

(i) Interest income

The details of the Company's interest income were as follows:

	2023	2022
Interest income from bank deposits	$ 333,311	101,633
Other interest income	-	2,210
Total	**$ 333,311**	**103,843**

(ii) Other income

The details of the Company's other income were as follows:

	2023	2022
Rental income	$ 5,732	5,329
Dividend income	9,118	22,642
Other income－other		
Revenue from sale of scraps	7,008	3,565
Insurance claim	621	13,286
Others	2,242	3,266
Subtotal	9,871	20,117
Total	**$ 24,721**	**48,088**

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Notes to the Financial Statements

iii) Other gains and losses

The details of the Company's other gains and losses were as follows:

	2023	2022
Gains (losses) on disposal of property, plant and equipment	$ (305)	14
Gain on disposal of investments	29,372	21,411
Foreign exchange gains (losses)	(26,339)	20,447
Gains (losses) on financial assets at fair value through profit or loss	33,881	(377,036)
Gains on reversal of impairment loss of property, plant and equipment	-	1,402
Other gains and losses	(19)	(12,131)
Total	$ 36,590	(345,893)

iv) Interest expense

The details of the Company's interest expense were as follows:

	2023	2022
Interest expense - Denstsu Engineering	$ 6,143	6,212
Others	250	2,806
Total	$ 6,393	9,018

(w) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk. As of December 31, 2023 and 2022, the amounts of the maximum exposure to credit risk were $19,950,715 thousand and $14,024,464 thousand, respectively.

The Company assesses the financial condition of its customers continuously to reduce the credit risk of accounts receivable and requires its customers to provide guarantees and collateral if it is necessary. The Company monitors and reviews the recoverable amount of the accounts receivable to ensure the uncollectible amount are recognized appropriately as impairment loss. Therefore, the expected credit losses are in the expectation of the Company.

UNITED INTEGRATED SERVICES CO., LTD.

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2) Concentration of credit risk

When the transaction of financial instruments is concentrated in a single industry or region, the ability to oblige the contract would be impacted by similar factors, thereby causing concentration of credit risk. As of December 31, 2023 and 2022, notes and accounts receivable concentrated on few counter-parties were as follows:

	December 31, 2023		
Name of client	**Carrying amount**	**the maximum exposure to credit risk**	**%**
Taiwan Semiconductor Manufacturing Co., Ltd.	$ 857,470	857,470	19.23
Micron Memory Taiwan Co., Ltd.	3,019,963	3,019,963	67.71
TSMC Arizona Corporation	385,868	385,868	8.65
Total	$ 4,263,301	4,263,301	95.59

	December 31, 2022		
Name of client	**Carrying amount**	**the maximum exposure to credit risk**	**%**
Taiwan Semiconductor Manufacturing Co., Ltd.	$ 2,265,473	2,265,473	46.05
Micron Memory Taiwan Co., Ltd.	1,278,952	1,278,952	26.00
TSMC Arizona Corporation	905,408	905,408	18.40
Total	$ 4,449,833	4,449,833	90.45

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
December 31, 2023							
Non-derivative financial liabilities							
Notes payable	$ 9,069	9,069	9,069	-	-	-	-
Accounts payable	4,409,965	4,409,965	2,451,276	60,255	48,633	1,804,839	44,962
Other payables and accrued expenses (Note)	975,208	975,208	975,208	-	-	-	-
Other payables－related parties	185,135	185,135	185,135	-	-	-	-
Lease liabilities	10,856	10,970	4,647	3,617	2,706	-	-
Guarantee deposits received	19,610	19,610	-	-	-	19,610	-
	$ 5,609,843	5,609,957	3,625,335	63,872	51,339	1,824,449	44,962

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UNITED INTEGRATED SERVICES CO., LTD.
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	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
December 31, 2022							
Non-derivative financial liabilities							
Notes payable	$ 19,541	19,541	19,541	-	-	-	-
Accounts payable	4,662,805	4,662,805	2,854,035	80,796	42,008	1,640,940	45,026
Other payables and accrued expenses (Note)	876,419	876,419	876,419	-	-	-	-
Other payable－related parties	178,992	178,992	178,992	-	-	-	-
Lease liabilities	21,928	22,134	10,644	9,020	2,264	206	-
Guarantee deposits received	17,451	17,451	-	-	-	17,451	-
	$ 5,777,136	5,777,342	3,939,631	89,816	44,272	1,658,597	45,026

Note: Other current liabilities

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk were as follows:

	December 31, 2023			December 31, 2022		
	Foreign currency	Exchange rate (dollars)	TWD	Foreign currency	Exchange rate (dollars)	TWD
Financial assets						
Monetary items						
USD	$ 259,419	30.71	7,965,452	186,084	30.71	5,714,633
CNY	460,355	4.33	1,991,958	451,710	4.41	1,991,136
Non-monetary items						
Financial assets measured at fair value through other comprehensive income	360,302	4.33	1,559,028	369,989	4.41	1,630,910
Finance liabilities						
Monetary items						
USD	6,729	30.71	206,615	9,056	30.71	278,098
JPY	43,831	0.22	9,511	416	0.23	97

Note: Each balance listed is greater than 5% of total Monetary items.

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2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, financial assets at fair value through other comprehensive income, accounts payable and other payables that are denominated in foreign currency. A (weakening) strengthening of 1% of the NTD against the USD, CNY and others foreign currency, the Company's net income would have increased (decreased) by $77,866 thousand and $59,341 thousand, and other comprehensive income would have increased (decreased) by $12,472 thousand and $13,047 thousand, for the years ended December 31, 2023 and 2022, respectively. The analysis was performed on the same basis for both periods.

3) Foreign exchange gain and loss on monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2023 and 2022, foreign exchange loss (including realized and unrealized portions) amounted to $(26,339) thousand and $20,447 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

If the interest rate had increased or decreased by 0.25%, the Company's net income would have increased or decreased by $30,946 thousand and $18,173 thousand for the years ended December 31, 2023 and 2022, respectively, with all other variable factors remaining constant.

(v) Fair value of financial instruments

1) Fair value hierarchy

To provide disclosure information, the Company classifies the measurement of fair value based on fair value hierarchy which reflects the significance of the inputs during the measurement. The Company categorizes fair value into the following levels:

a) Level 1

Level 1 inputs are quoted prices in active markets for identical financial instruments. An active market is a market in which all the following conditions exist:

i) The items traded within the market are homogeneous.

ii) Willing buyers and sellers can normally be found at any time.

iii) Prices are available to the public.

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b) Level 2

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e. derived from prices).

c) Level 3

Level 3 inputs are valuation parameters which are not based on the information available in the market or the quoted price from the counter party. For example, historical volatility used in option pricing models is an unobservable input since it cannot represent the expected value of future volatility of the entire market participants.

The fair value of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, disclosure of fair value information is not required:

	December 31, 2023				
	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	$ 349,808	304,278	45,530	-	349,808
Financial assets at fair value through other comprehensive income					
Unquoted equity instrument measured at fair value	1,559,028	-	-	1,559,028	1,559,028
Total	$ 1,908,836	304,278	45,530	1,559,028	1,908,836

	December 31, 2022				
	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	$ 328,176	281,130	47,046	-	328,176
Financial assets at fair value through other comprehensive income					
Unquoted equity instrument measured at fair value	1,630,910	-	-	1,630,910	1,630,910
Total	$ 1,959,086	281,130	47,046	1,630,910	1,959,086

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2) Transfer between Level 1 and Level 2

There were no transfers from Level 1 to Level 2 for the years ended December 31, 2023 and 2022.

3) Reconciliation of Level 3 fair values

	Fair value through profit or loss	Fair value through other comprehensive income	
	Designated at fair value through profit or loss	Unquoted equity instruments	Total
Balance on January 1, 2023	$ -	1,630,910	1,630,910
Total gains and losses			
In other comprehensive income	-	(71,882)	(71,882)
Balance on December 31, 2023	$ -	1,559,028	1,559,028
Balance on January 1, 2022	$ 3,529	2,026,136	2,029,665
Total gains and losses			
In profit or loss	(1,226)	-	(1,226)
In other comprehensive income	-	(395,226)	(395,226)
Distribution of residual property	(2,303)	-	(2,303)
Balance on December 31, 2022	$ -	1,630,910	1,630,910

Total gains and losses were recognized in "other gains and losses" and "unrealized gains and losses from financial assets at fair value through other comprehensive income".

4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss－equity investments" and "financial assets measured at fair value through other comprehensive income－equity investments".

The equity investments which are lack of active market and categorized into Level 3 have numerous significant unobservable inputs. The significant unobservable inputs of equity investments without active market are independent between each other. Hence, there is no correlation between each significant unobservable input.

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Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss－equity investments without an active market	Market approach－comparable company	• P/B Ratio (Note) • Discount for lack of marketability (Note)	• The higher the P/B ratio, the higher the fair value. • The higher the discount for lack marketability, the lower the fair value.
Financial assets at fair value through other comprehensive income－equity investments without an active market	Market approach－comparable company	• P/B Ratio (December 31, 2023 and 2022 were 0.66 and 0.69, respectively) • Discount for lack of marketability (December 31, 2023 and 2022 were both 30.73%)	• The higher the P/B ratio, the higher the fair value • The higher the discount for lack marketability, the lower the fair value.

Note: As of December 31, 2023 and 2022, the investee had been dissolved. Therefore, the fair value, without the application of parameters, was based on the liquidation value.

5) Fair value measurement in Level 3－sensitivity analysis of reasonably possible alternative assumptions

While under different models or using different parameters may lead to different results, fair value measurement for financial instruments is reasonable.

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The following tables shows the valuation impacts changes in input parameters on Level 3 financial instruments:

	Input	Assumptions	Fair Value through Profit and Loss		Fair value through other comprehensive income	
			Favourable	Unfavourable	Favourable	Unfavourable
December 31, 2023						
Financial assets at fair value through profit or loss						
Equity investments without an active market	Discount for lack of marketability	10%	(Note)	(Note)	-	-
Equity investments without an active market	P/B Ratio	10%	(Note)	(Note)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Discount for lack of marketability	10%	-	-	69,163	(69,163)
Equity investments without an active market	P/B Ratio	10%	-	-	155,903	(155,903)
December 31, 2022						
Financial assets at fair value through profit or loss						
Equity investments without an active market	Discount for lack of marketability	10%	(Note)	(Note)	-	-
Equity investments without an active market	P/B Ratio	10%	(Note)	(Note)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Discount for lack of marketability	10%	-	-	72,351	(72,351)
Equity investments without an active market	P/B Ratio	10%	-	-	163,091	(163,091)

Note: As of December 31, 2023 and 2022, the investee had been dissolved. Therefore, the fair value, without the application of parameters, was based on the liquidation value.

6) Financial instruments not measured at fair value

a) Fair value information

The Company's financial instruments not measured at fair value include cash and cash equivalents, notes and accounts receivable, other receivables, guarantee deposits paid, notes and accounts payable, other payables, guarantee deposits received and part of other financial assets, whose carrying amount is reasonably close to the fair value, disclosure of fair value information is not required.

b) Valuation techniques

The Company's valuation methods and assumptions used for financial instruments not measured at fair value are as follows:

Since the maturity date is close and the future receipt and reimbursement price is similar to the book value, the fair value of cash and cash equivalents, notes and accounts receivable, other receivables, notes and accounts payable and other payables were measured at book value at the reporting date.

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(x) Financial risk management

(i) Overview

The Company has exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks.

(ii) Structure of risk management

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(iii) Credit risk

1) Notes and accounts receivable

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is required to conduct management and credit risk analysis for each of its new customers before the terms and conditions of the contract and delivery are set in accordance with the internal credit policy. The internal risk control system assesses the credit quality of customers by considering their financial status, past experiences and other factors. The main credit risk derives from cash and cash equivalents, deposits in banks and in financial institutions. Furthermore, credit risk may derive from customers, including unreceived receivables and committed transaction.

2) Guarantees

As of December 31, 2023 and 2022, the Company provided guarantees for contractual obligations to UNITED INTEGRATED SERVICES (USA) CORP. that amounted to 12,526,364 thousand and 12,528,403 thousand.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company's management supervises the banking facilities and ensures compliance with the terms of loan agreements.

As of December 31, 2023 and 2022, the Company's unused credit line were amounted to $5,991,218 thousand and $7,044,251 thousand, respectively.

(v) Market risk

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

1) Currency risk

The Company is a multinational institution and therefore exposes to currency risk deriving from many different currencies, mainly from USD and CNY. The relevant currency risk stems from future commercial transactions, recognized assets and liabilities, and net investments in foreign operating agencies.

2) Interest rate risk

The short-term loans of the Company are debts with floating interest rates. Therefore, changes in market interest rates will lead to changes in the interest rate of short-term loans, resulting in fluctuations of future cash flows.

3) Other market price risk

The Company is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Company does not actively trade in these investments as the management of the Company minimizes the risk by holding different investment portfolios.

(y) Capital management

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

The Company's strategy for managing the capital structure is to lay out the plan of product development and expand the market share considering the growth and the magnitude of industry and further developing an integral plan founded on the required capacity, capital outlay, and magnitude of assets in long-term development. Ultimately, considering the risk factors such as the fluctuation of the industry cycle and the life cycle of products, the Company determines the optimal capital structure by estimating the profitability of products, operating profit ratio, and cash flow based on the competitiveness of products. The management of the Company periodically examines the capital structure and contemplates on the potential costs and risks involved while exerting different financial tools. In general, the Company implements prudent strategy of risk management.

	December 31, 2023	December 31, 2022
Total liabilities	$ 19,717,565	16,422,342
Less: cash and cash equivalents	6,549,722	6,286,617
Net debt	$ 13,167,843	10,135,725
Total equity	$ 12,129,173	10,413,826
Debt-to-capital ratio	108.56%	97.33%

(z) Cash flows information on acquisition of property, plant and equipment

The supplementary information on acquisition of property, plant and equipment of the Company were as follows:

	2023	2022
Increase in property, plant and equipment	$ 1,295	45,960
Cash payments	$ 1,295	45,960

(7) Related-party transactions

(a) Parent company and ultimate controlling company

United Integrated Services Co., Ltd. is both the Company and the ultimate controlling party of its subsidiaries.

(b) Names and relationship with related parties

The followings are entities that have had transactions with related party and the Company's subsidiaries during the periods covered in the financial statements.

Name of related party	Relationship with the Company
Hanxuan Energy Co.,Ltd (Note 1)	Subsidiary
Hunter Energy Co.,Ltd. (Note 1)	Subsidiary
UNITED INTEGRATED SERVICES (USA) CORP.	Subsidiary
United Integrated Services BVI	Subsidiary
Jiangxi United Integrated Services Ltd.	Subsidiary
United Integrated Services Pte Ltd.	Subsidiary
Su Yuan (Shanghai) Trading Ltd.	Subsidiary

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Name of related party	Relationship with the Company
Suzhou Han Tai System Integrated Ltd.	Subsidiary
Beijing Han He Tang Medical Instrument Ltd.	Subsidiary
Wholetech System Hitech Limited	Investee accounted for using equity method
Ablerex Electronics Co., Ltd.	Investee accounted for using equity method
JG Environmental Technology Co., Ltd.	Investee accounted for using equity method
Eco Energy Corporation (Note 2)	Related party in substance
Open Sky Technology Corporation (Note 2)	Related party in substance
FU-KUO ENGINEERING Co., Ltd.	Related party in substance
Huayuan Engineering Ltd.	Related party in substance
Dentsu Engineering Ltd.	Related party in substance
Yun Hao Motor Technician Office	Related party in substance
Sheng Yang Integration Co., Ltd. (Note 3)	Related party in substance
All directors, supervisors, general managers and deputy general managers	Key management personnel

Note 1: The company was sold in May 2023, and therefore was not a subsidiary from then on.

Note 2: Not related parties in substance from January 2023.

Note 3: Not related parties in substance from October 2023.

(c) Significant transactions with related parties

(i) Operating revenue

The amounts of significant sales by the Company to related parties were as follows:

	2023	2022
Subsidiaries	$ (12,481)	56,090

There is no significant difference between the credit terms of the Company and of the same businesses.

(ii) Construction cost

The amounts of purchases by the Company from related parties were as follows:

	2023	2022
Associates	$ 50,307	160,955
Other related parties	10,048	4,124
	$ 60,355	165,079

There is no significant difference between the payment terms of the Company and of the same businesses.

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(iii) Receivables from Related Parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2023	December 31, 2022
Accounts receivable	Subsidiaries	$ 233	271
Others receivable	Subsidiaries	-	8
Others receivable	Other related parties	-	125,969
		$ 233	126,248

(iv) Payables to Related Parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2023	December 31, 2022
Accounts payable	Subsidiaries	$ 80,417	26,971
Accounts payable	Associates	4,389	26,366
Accounts payable	Other related parties	11,336	11,336
Others payable	Other related parties -Dentsu Engineering	185,135	178,992
		$ 281,277	243,665

Other payables mentioned above included package fee disbursements, salaries and interests, etc. Please refer note 12 (c) for further information.

(v) Prepayments

The prepayments to related parties were as follows:

	December 31, 2023	December 31, 2022
Associates	$ -	2,309

(vi) Unearned Receipts

The unearned receipts due from related parties were as follows:

	December 31, 2023	December 31, 2022
Subsidiaries	$ -	401,600

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UNITED INTEGRATED SERVICES CO., LTD.

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(vii) Leases

Name of related party	Object	Lease term	Rental income 2023	Rental income 2022
Subsidiaries	5F, No. 3, Ln. 7, Baogao Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	2020.09.01~ 2023.05.31	$ 10	23
Subsidiaries	6F, No. 297, Sec. 6, Roosevelt Rd., Wenshan Dist., Taipei City 116052, Taiwan (R.O.C.)	2020.06.01~ 2023.05.31	-	9
Subsidiaries	1F., No.1, Ln. 7, Baogao Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	2022.09.01~ 2023.05.31	10	8
Associates	1F., No.1、3, Ln. 7, Baogao Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.)	2020.01.01~ 2024.05.31	5,311	4,958
Associates	Parking Space	2020.01.01~ 2024.05.31	162	90
			$ 5,493	5,088

(viii) Interest income

	2023	2022
Subsidiaries	$ -	2,210

(ix) Finance costs

	2023	2022
Other related party－Dentsu Engineering	$ 6,143	6,212

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(x) Property transactions

1) Purchases of property, plant and equipment

The purchases price of property, plant and equipment purchased from related parties were as follows:

		2023	2022
Associates	$	-	160

2) Disposals of financial assets

		2023				2022			
Relationship	Account	Number of shares	Purpose	Disposal price	Gain (loss) on disposal	Number of shares	Purpose	Disposal price	Gain (loss) on disposal
Other related parties	Investments accounted for using equity method	-		$ -	-	6,629,959	Eco Energy Corporation	125,969	13,175

(xi) Guarantees

As of December 31, 2023 and 2022, the Company provided guarantees for contractual obligations to UNITED INTEGRATED SERVICES (USA) CORP. that amounted to $12,526,364 thousand and $12,528,403 thousand.

(d) Key management personnel compensation

		2023	2022
Short-term employee benefits	$	182,824	208,427
Post-employment benefits		1,146	1,232
	$	183,970	209,659

(8) Pledged assets: None.

(9) Commitments and contingencies

As of December 31, 2023 and 2022, except for the disclosures of Note 7, the Company's commitments and contingencies were as follows:

(a) As of December 31, 2023 and 2022, guaranteed notes received from construction contractors for performance guarantees or maintenance guarantees amounted to $17,539,420 thousand and $17,070,681 thousand, respectively.

(b) As of December 31, 2023 and 2022, guaranteed notes issued to construction contractors for performance guarantees or maintenance guarantees amounted to $57,440 thousand and $401,767 thousand, respectively.

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(c) As of December 31, 2023 and 2022, guaranteed notes issued for bank loans and letters of credits both amounted to $3,000,000 thousand.

(d) As of December 31, 2023 and 2022, guaranteed letters offered by banks for contract performance guarantees amounted to $1,316,702 thousand and $744,405 thousand, respectively.

(e) As of December 31, 2023 and 2022, the total contract price of contracted construction projects amounted to $151,091,725 thousand and $141,261,334 thousand, respectively, and the contract payments received by the Company amounted to $109,963,503 thousand and $86,029,455 thousand, respectively.

(f) As of December 31, 2023 and 2022, the total subcontract price of subcontracted construction projects amounted to $5,464,515 thousand and $7,481,865 thousand, respectively, and the contract payment paid by the Company amounted to $3,750,443 thousand and $5,235,174 thousand, respectively.

(g) As of December 31, 2023 and 2022, the outstanding letters of credits issued by the Company for purchasing equipment amounted to $366,772 thousand and $291,668 thousand, respectively.

(h) As of December 31, 2023 and 2022, guaranteed notes received from lessees for rental of buildings both amounted to $885 thousand.

(i) As of December 31, 2023 and 2022, the Company provided guarantees for entities in the same industry amounted to $12,526,364 thousand and $12,528,403 thousand, respectively.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other

(a) A summary of employee benefits, depreciation and amortization, by function, was as follows:

By function	2023			2022		
By nature	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	619,362	839,618	1,458,980	653,863	764,966	1,418,829
Labor and health insurance	31,069	42,118	73,187	36,471	42,668	79,139
Pension	16,176	21,928	38,104	17,191	20,112	37,303
Remuneration of directors	-	53,532	53,532	-	52,137	52,137
Others	13,758	17,518	31,276	16,179	17,885	34,064
Depreciation	16,482	15,424	31,906	20,722	12,851	33,573
Amortization	4,171	5,452	9,623	992	4,229	5,221

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For the years ended December 31, 2023 and 2022, the additional information on number of employees and employee benefits was as follows:

	2023	2022
Number of employees	846	916
Non-employee directors	5	5
Average employee benefits	$ 1,904	1,723
Average employee salary	$ 1,735	1,557
Adjustments of average employee salary	11.43%	
Remuneration of supervisors	$ -	-

The Company's compensation policies, including directors, managers and employees, were as follow:

(i) Employee compensation:

In accordance with the Article of Incorporation.

(ii) Directors' remuneration:

The independent directors of the Company are entitled a monthly business execution fee since the following month of the inauguration date. The other directors of the Company are only entitled to the remuneration in accordance with the Article of Incorporation when there is a surplus generated at the end of the Company's fiscal year. The annual remuneration amount to each independent director shall exclude the monthly business execution fee collected.

The annual remuneration of directors is determined according to the Company's Article of Incorporation, and the Remuneration Committee suggests an amount for the Board of Directors to resolve, then the Board of Directors proposes in the shareholders meeting for approval. The appropriation of remuneration to the directors is reviewed by the Remuneration Committee and is approved by the Board of Directors before distribution.

(iii) Remuneration of president and vice president:

The Company's managers receive bonuses based on the annual performance evaluation. If there is surplus generated, the surplus should be distributed to employees based on the performance evaluation performed by the Company.

The salary proposal is drafted up according to the Rules Governing Employee Salaries and then presented to the Remuneration Committee for review and to the Board of Directors for approval. The annual performance bonus and employee remuneration should be proposed to the Remuneration Committee for review, and to the Board of Directors for approval in accordance with the annual performance evaluation results and related payment methods.

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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

Salary is determined and paid according to the Company's Rules Governing Salary Determination; also, by referring to the business performance and profitability of each business unit. The Remuneration Committee regularly reviews the reasonableness of the salary.

(b) Some of the Company’s directors are involved in the adjudication process for violating the Securities and Exchange Act regulations and the impact on the Company’s operation; please refer to the following information:

(i) Criminal Procedure

Former chairmen, Mr. Chen and Mr. Wang, and other involved parties were prosecuted for violating the Securities and Exchange Act by the Taipei District Prosecutors Office on June 5, 2013. During the period, the former chairman Mr. Wang passed away and was declared dismissed by the Taiwan High Court (2015 Jin Shang Zhong Su No.40), while the Taipei District Court, the Taiwan High Court (the High Court), and the first and second trials all found that there was no breach of trust, non-arm’s length transaction, and criminal conversion on the part of all the parties involved, and the verdict was not guilty (2013 Jin Zhong Su No.17, 2015 Jin Shang Zhong Su No.40, 2018 Jin Shang Zhong 1 No.8 and 2020 Jin Shang Zhong 2 No.13). The two other parties did not appeal after being granted probation by the High Court, while the former chairman, Mr. Chen, continued to appeal and was remanded for three times by the Supreme Court. On May 9, 2023, Mr. Chen was sentenced to two-year imprisonment and given five years' probation by the High Court, with the remaining judgment being the same as the previous ruling (syllabus from 2022 Jin Shang Zhong 3 No.6). On June 9, 2023, Mr. Chen appealed against the judgment, which was overruled by the Supreme Court on February 27, 2024, with the final decision having been confirmed.

(ii) Civil Procedure

1) On December 5, 2013, SFIPC filed a petition for dismissal of the three directors of the Company in connection with the criminal case in accordance with the aforementioned indictment, and due to the death of the former Chairman Mr. Wang, SFIPC withdrew the part of the lawsuit against him. The SFIPC lost both the first and second trials, however, on April 28, 2020, the High Court handed down the judgment of dismissal of the director in the first trial, in which Director Lee resigned on June 2, 2020, and withdrew the appeal on June 3, 2020, and the part of the main text of the High Court's ruling on the two other parties was confirmed on June 3, 2020. Mr. Chen was not elected as a new board member on shareholders' meetimg held on August 17, 2021, and therefore Mr. Chen's appeal was overruled by the Supreme Court on February 24, 2022, with the final decision having been confirmed.

2) On January 27, 2014, SFIPC filed a class action lawsuit on behalf of the investors on the grounds that the Company's financial statements from the third quarter of 2009 to 2011 were inaccurate, requesting the Company, its directors, former supervisors to jointly compensate the investors for damages in excess of $243 million.

SFIPC filed an appeal with the Taipei District Court on September 16, 2022, which is currently on trial by the High Court (2023 Jin Shang No.1).

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

(iii) Impact on operation

The Company runs smoothly and has experienced continued growth in revenues. The business and financial structure are sound. The litigations do not have significant impact on the Company's operation.

(c) The Company received the civil judgment from the Taiwan Taipei District Court on September 2, 2014 that the Company should pay the package fees of $104,559 thousand and the former Chairman Wang's salary from January 2001 to April 2012, as previously paid by Dentsu, amounting to $21,405 thousand.

In the third quarter of 2014, in accordance with the judgment stated above, the Company assessed and took into accounts the package fees and salary paid by Dentsu, which have yet to be reimbursed by the Company (respectively logged as construction costs and management costs). The Company also estimated that the relevant interest payable as of December 31, 2023 amounted to $59,171 thousand (please refer to note 7).

As of the reporting date, the Company has yet to reimburse the abovementioned package fees, salary and related interests.

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company for the year ended December 31, 2023:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties:

Units: In thousands of NTD

No.	Name of guarantor	Counterparty of guarantee and endorsement		Limitation on amount of guanrantees and endorsements for one party (Note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the periiod	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsement / guarantees to third parties on behalf of subsidiary	Subsidiary endorsement / guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 2)										
0	The Company	UNITED INTEGRATED SERVICES (USA) CORP.	2	97,033,384	13,228,052	12,526,364	-	-	103.27%	121,291,730	Y	N	N

Note 1: The total amount of the Company's external endorsement /guarantee shall not exceed ten times of the net value of the Company. The maximum guarantee and endorsement for single enterprise cannot exceed 50% of net value except for the following subsidiaries. The net value is based on the latest financial statements audited or reviewed by the accountants.

1) The Company directly and indirectly holds 100% of the voting shares of a company shall not exceed eight times of the net value.
2) The Company directly and indirectly holds more than 50% of the voting shares of a company shall not be exceed 1.5 times of net value.

Note 2: There are seven conditions in which the Company may have guarantees or endorsements for other parties:

1) The Company has business relationship.
2) A company in which the Company directly or indirectly holds more than 50% voting right.
3) An investee in which the Company and subsidiary holds more than 50% of its voting rights.
4) Subsidiaries in which the Company holds more than 90% of voting rights.
5) Companies in accordance with contractual provisions established by mutual applicants or in need of project.
6) Companies that are endorsed and guaranteed by all capital shareholders based on their shareholding ratio due to a joint investment relationship.
7) The performance guarantees for pre-sale house sales contract between intra-industry companies in accordance with the Consumer Protection Law requires joint guarantee.

(iii) Securities held at the end of the period (excluding investment in subsidiaries, associates and joint ventures):

Units: In thousands of NTD/shares

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Stock－Nanya Technology Corporation	-	Current financial assets at fair value through profit or loss	24,449	1,907	- %	1,907	
The Company	Stock－Taichung Commercial Bank Co., Ltd.	-	Current financial assets at fair value through profit or loss	130,903	2,081	- %	2,081	
The Company	Stock－Acer	-	Current financial assets at fair value through profit or loss	1,400,000	75,320	0.05 %	75,320	
The Company	Stock－Powerchip Semiconductor Manufacturing Corporation	-	Current financial assets at fair value through profit or loss	7,639,033	224,970	0.19 %	224,970	
The Company	Stock－Powerchip Technology Corporation	-	Current financial assets at fair value through profit or loss	4,552,858	45,530	0.33 %	45,530	
	Totals				349,808			
The Company	Stock－Taiwan Electronic Data Processing Corp.	-	Non-current financial assets at fair value through profit or loss	374,260	-	9.65 %	-	
The Company	Stock－Aetas Technology Inc.	-	Non-current financial assets at fair value through profit or loss	91,156	-	0.30 %	-	
The Company	Stock－Glandtex Corporation	-	Non-current financial assets at fair value through profit or loss	1,186	-	0.01 %	-	
The Company	Stock－Promos Technologies Inc.	-	Non-current financial assets at fair value through profit or loss	1,899	-	- %	-	

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

	Totals				-			
The Company	Stock－Jiangxi Construction	-	Non-current financial assets at fair value through other comprehensive income	Note 1	1,599,028	19.80 %	1,599,028	

Note 1: Registered with the amount of capital contribution.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Unit: in thousands of NTD

Company of the purchase / sale	Name of counterparty	Nature of Relationship	Transaction details				The circumstances and reasons for the differences in the terms of the transaction and the general conditions of the transaction		Accounts and notes receivable (payable)		Note
			Purchase / Sale	Amount	Percentage of total purchases / sales	Creditt term	Single price	Credit term	Ending balance	Percentage of total notes / accounts receivable (payable)	
Su Yuan (Shanghai) Trading Ltd.	Jiangxi United Integrated Services Ltd.	Affiliated company	Sales	548,585	99.97 %	O/A 30 days	-	-	-	-%	Note
Jiangxi United Integrated Services Ltd.	Su Yuan (Shanghai) Trading Ltd.	Affiliated company	Purchase	548,585	14.06 %	O/A 30 days	-	-	-	-%	Note

Note：The transactions were eliminated in the preparation of consolidated financial statements.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: None.

(b) Information on investees:

The following is the information on investees for the year ended December 31, 2023 (excluding information on investees in Mainland China):

Units: In thousands of NTD/shares

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Net income (losses) of investee	Share of profits/losses of investee (Note 1)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of ownership	Carrying value			
The Company	ABLEREX ELECTRONICS CO., LTD.	Taiwan	Sale and purchase of UPS	172,243	179,996	13,596,502	30.21%	510,970	87,686	27,219	
The Company	WHOLETECH SYSTEM HITECH LIMITED	Taiwan	Gas pipeline engineering	61,367	61,367	9,946,080	13.61%	256,877	399,033	54,332	
The Company	JG ENVIRONMENTAL TECHNOLOGY CO., LTD	Taiwan	Machinery and Equipment Manufacturing	30,442	39,542	2,217,989	9.84%	38,387	72,047	8,635	
The Company	United Integrated Services (BVI) Ltd.	BVI	Investment activities	567,643	567,643	17,697,630	100.00%	964,329	132,247	132,247	
The Company	Hanxuan Energy Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy	-	500,000	-	- %	-	(6,899)	(6,899)	
The Company	United Integrated Services Pte Ltd.	Singapore	Clean room system construction	34,040	34,040	-	100.00%	2,013	20,581	20,581	
The Company	Hunter Energy Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy	-	90,000	-	- %	-	(3,916)	(3,916)	
The Company	UNITED INTEGRATED SERVICES (USA) CORP.	USA	Clean room system construction	1,392,503	1,392,503	50,000,000	100.00%	2,633,617	655,454	655,454	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEM HITECH (BVI) LIMITED	BVI	Investment activities	170,884	170,884	5,400,000	100.00%	316,045	66,305	66,305	
WHOLETECH SYSTEMHITECH (BVI) LIMITED	WHOLETECH SYSTEM HITECH (SHANHAI) LIMITED	China	Electromechanical, Circuit, and Pipeline Engineering Businesses	169,127	169,127	-	100.00%	316,023	66,305	66,305	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEM HITECH INC.	Mauritius	Investment activities	110,559	110,559	3,500,000	100.00%	258,027	37,391	37,391	
WHOLETECH SYSTEM HITECH INC.	WHOLETECH GROUP INTERNATIONAL TRADING LIMITED	Mauritius	Investment activities	110,559	110,559	3,500,000	100.00%	258,027	37,391	37,391	
WHOLETECH GROUP INTERNATIONAL TRADING LIMITED	WHOLETECH GROUP (Shanghai) TRADING LIMITED	China	Import and Export Trading Business of Electronics, Machineries, Chemical Equipment, Pipe Fitting Hardware, etc.	110,559	110,559	-	100.00%	258,027	37,391	37,391	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEM HITECH (S) PTE. LTD.	Singapore	Construction of water, gas pipelines and sewage systems, gas production, distribution of fuel gas main systems, etc.	30,865	30,865	1,000,000	100.00%	116,148	37,732	37,732	
WHOLETECH SYSTEM HITECH (S) PTE. LTD.	WHOLETECH SYSTEM HITECH (M) SDN. BHD.	Malaysia	Construction of water, gas pipelines and sewage systems, gas production, distribution of fuel gas main systems, etc.	-	855	-	- %	-	-	-	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH HOLDINGS, LLC	USA	Assets management business	36,849	-	-	100.00%	36,888	46	46	

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount December 31, 2023	Original investment amount December 31, 2022	Ending balance Shares	Ending balance Percentage of ownership	Ending balance Carrying value	Net income (losses) of investee	Share of profits/losses of investee (Note 1)	Note
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEM HITECH JAPAN, INC.	Japan	Sales and installation of eqiupment	13,539	-	6,000	100.00%	12,930	(102)	(102)	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEM HITECH USA, INC.	USA	Sales and installation of eqiupment	15,354	-	1,000	100.00%	12,815	(2,597)	(2,597)	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-Samoa	Samoa	Holding company	217,445	217,445	6,635,000	100.00%	475,913	16,233	16,691	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-USA	USA	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	8,303	8,303	250,000	100.00%	90,973	16,243	16,243	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-HK	Hong Kong	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	43	43	10,000	100.00%	33,388	395	395	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-SG	Singapore	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	48,008	48,008	2,140,763	100.00%	116,674	1,905	1,214	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-UK	UK	Holding company	4,674	4,674	100,000	100.00%	14,092	1,239	(1,136)	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-JP	Japan	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	9,159	9,159	2,970	99.00%	16,194	11,741	11,606	
Ablerex-Samoa	Ablerex -Overseas	Hong Kong	Holding company	217,445	217,445	6,635,000	100.00%	479,136	16,276	-	
Ablerex-UK	Ablerex-IT	Italy	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	4,674	4,674	100,000	100.00%	14,092	1,239	-	
Ablerex-SG	Ablerex-TH	Thailand	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	1,795	1,687	20,000	100.00%	306	(7,200)	-	
Ablerex-USA	Ablerex-LATAM	USA	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	15,358	15,358	3,650	86.00%	10,612	10,098	-	
JG ENVIRONMENTAL TECHNOLOGY CO., LTD	ASIA INTELLIGENCE INVESTMENTS LIMITED	BVI	Investment activities	30,280	30,280	-	100.00%	39,100	1,856	1,856	
JG ENVIRONMENTAL TECHNOLOGY CO., LTD	Taiwan Sustainable Environmen and Energy Co., Ltd.	Taiwan	Sales of pollution control equipment and manufacturing	100	100	10,000	14.29%	61	(72)	(13)	
JG ENVIRONMENTAL TECHNOLOGY CO., LTD	Hua Zhi system Engineering Co., Ltd.	Taiwan	Sales of pollution control equipment and manufacturing	2,205	2,205	220,500	21.00%	5,060	(836)	(176)	
JG ENVIRONMENTAL TECHNOLOGY CO., LTD	JG ENVIRONMENTAL TECHNOLOGY (JP), LTD	Japan	Sales of pollution control equipment and manufacturing	2,219	-	999	100.00%	1,750	(429)	(429)	
ASIA INTELLIGENCE INVESTMENTS LIMITED	JG ENVIRONMENTAL TECHNOLOGY (SHANGHAI) LTD.	China	Sales of pollution control equipment and manufacturing	30,280	30,280	-	100.00%	39,233	1,856	1,856	

Note 1: The profits/losses of the investee for current period were recognized by the investment company.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Unit: In thousands of NTD

Name of investee	Main businesses and products	Total amount of capital surplus	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows Outflow	Investment flows Inflow	Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value as of December 31, 2023	Accumulated remittance of earnings in current period
Su Yuan (Shanghai) Trading Ltd.	Semiconductor, clean room and electromechanical	NT$ 34,495 USD 1,000	(2)	NT$ 34,495 USD 1,000	-	-	NT$ 34,495 USD 1,000	114,522	100.00%	NT$ 114,522	NT$ 489,214	-
Jiangxi United Integrated Services Ltd.	Electromechanical business and pipeline engineering business	NT$ 453,360 RMB 100,000	(1)	NT$ 338,573 RMB 75,000	-	-	NT$ 338,573 RMB 75,000	769,134	75.00%	NT$ 576,850	NT$ 898,580	NT$ 1,951,610 RMB 423,707
Suzhou Han Tai System Integrated Ltd.	Construction hardware , materials production and sales	NT$ 381,660 USD 12,000	(2)	NT$ 381,660 USD 12,000	-	-	NT$ 381,660 USD 12,000	15,147	100.00%	NT$ 15,147	NT$ 361,783	-
Jiangxi Construction Engineering (Group) Co., Ltd.	Various types of building construction	NT$ 5,113,150 RMB 1,043,500	(1)	NT$ 1,008,212 RMB 206,600	-	-	NT$ 1,008,212 RMB 206,600	-	19.80%	NT$ -	NT$ 1,559,028	NT$ 1,560,313 RMB 334,616
Beijing Han he Tang Medical Instrument Ltd.	Distribution agency for medical equipment, import and export of goods, after-sales service	NT$ 30,187 USD 1,000	(2)	NT$ 30,187 USD 1,000	-	-	NT$ 30,187 USD 1,000	1,133	100.00%	NT$ 1,133	NT$ 13,645	-

Note 1: Investment method

(1) Investing in the mainland through companies in another country

(2) Establishing a company through the investment in the third region to reinvest in the mainland.

(ii) Limitation on investment in Mainland China:

Accumulated investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
1,798,283 (USD59,165)	1,825,134 (USD59,165)	7,277,503

(iii) Significant transactions with investees in Mainland China:

The significant inter－company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

(d) Major shareholders:

Units: In shares

Shareholding / Shareholder's Name	Shares	Percentage
Capital Tip Customized Taiwan Select High Dividend Exchange Traded Fund	11,166,000	5.85%
Ms. Lee	11,023,896	5.78%

Note: (i) The information of major shareholders who hold 5 percent or more of the issuer's common stocks and preferred stocks, including treasury stocks, is provided by Taiwan Depository and Clearing Corp. for every quarter. The share capital disclosed on financial report and the actual numbers of dematerialized securities may be different due to their discrepancies calculation basis.

(ii) If the shareholder entrusts the shares to the trust, the shareholding will be disclosed by the trustee's account individually. As for those shareholders who are responsible for the declaration of insiders' shareholding with more than 10 percent in accordance with the Securities and Exchange Act, their shareholdings shall include their own shares and the trust in which they have the authority to decide the allocation of their trust assets. Please refer to the Market Observation Post System for information on the insiders' shareholding.

(14) Segment information:

Please refer to the consolidated financial statement for the year ended December 31, 2023.

United Integrated Services Co., Ltd.

Statement of cash and cash equivalents

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand and foreign currency	Cash	$ 1,242
	Petty cash	650
		1,892
Cash in banks	Demand deposits	1,724,052
	Check Deposits	5,615
	Time deposits (Note 1)	4,158,226
	Foreign currency deposits (Note 2)	659,937
		6,547,830
		$ 6,549,722

Note1: On December 31, 2023, the range of the interest rates of the time deposits was 1.10%~5.40%, and the maturity date will be January and March 2024.

Note2: The US dollar demand deposits of $20,235 thousand were translated to NT$621,303 thousand at the exchange rate of USD$1=NT$30.71. The RMB demand deposits of $8,903 thousand were translated to NT$38,525 thousand at the exchange rate RMB$1=NT$4.33. The JYP demand deposits of $500 thousand were translated to NT$109 thousand at the exchange rate JYP$1=NT$0.22.

United Integrated Services Co., Ltd.

Statement of financial assets measured at fair value through profit or loss - current

December 31, 2023

(Expressed in thousands of New Taiwan Dollars / thousands of shares)

Name of financial instrument	Description	Shares or units	Par value	Total amount	Interest rate (%)	Acquisition cost	Fair value: Unit price	Fair value: Total amount	Fair value changes is attributable to the changes in credit risk	Note
Nanya Technology Corporation		24	$ -	-	-	7,679	78.00	1,907	-	
Taichung Commercial Bank Co., Ltd.		131	-	-	-	986	15.90	2,081	-	
ACER		1,400	-	-	-	94,045	53.80	75,320	-	
Powerchip Semiconductor Manufacturing Corporation		7,639	-	-	-	134,314	29.45	224,970	-	
Powerchip Technology Corporation		4,553	-	-	-	68,687	10.00	45,530	-	
						305,711		-	-	
Add: Valuation Adjustments						44,097		-	-	
						$ 349,808		349,808	-	

United Integrated Services Co., Ltd.

Statement of changes in financial assets measured at fair value through profit or loss - non-current

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars / thousands of shares)

	Beginning Balance		Addition		Decrease		Ending Balance			
Name of financial instrument	Shares or units	Fair value	Shares or units	Amount	Shares or units	Amount	Shares or units	Fair value	Collateral	Note
Taiwan Electronic Data Processing Corp.	374	$ 25,639	-	-	-	-	374	25,639	None	
Add: Valuation Adjustments	-	(25,639)	-	-	-	-	-	(25,639)		
		$ -		-		-		-		

United Integrated Services Co., Ltd.

Statement of changes in non-current financial assets measured at fair value through other comprehensive income

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Beginning Balance		Addition		Decrease		Ending Balance		Collateral	Note
	Shares or units	Fair value	Shares or units	Amount	Shares or units	Amount	Shares or units	Fair value		
Jiangxi Construction Engineering (Group) Co.,Ltd.	Note	$ 1,008,212	-	-	-	-	-	1,008,212	None	
Add: Valuation Adjustments	-	622,698	-	-	-	71,882	-	550,816		
		$ 2,026,136		-		71,882		1,559,028		

Note: Registered with the amount of capital contribution.

United Integrated Services Co., Ltd.

Statement of notes receivable

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Client name	Description	Amount	Note
Unrelated Parties:			
Giga Medical Instrument Ltd.	Operating	$ 598	
Deluxe Immigration Consultancy Ltd.	Operating	127	
Reibi Bio - technology Co., Ltd.	Operating	600	
Shuen-shin Medical Ltd.	Operating	331	
Other (The balance of each household is less than 5% of the balance of the subject)	Operating	89	
		$ 1,745	

Statement of accounts receivable

Client name	Description	Amount	Note
Related Parties:			
Beijing Han he Tang Medical Instrument Ltd.	Operating	$ 233	
Unrelated Parties:			
Taiwan Semiconductor Manufacturing Co., Ltd.	Operating	857,470	
Micron Memory Taiwan Co., Ltd.	Operating	3,019,963	
TSMC Arizona Corporation	Operating	385,868	
Others (The balance of each household is less than 5% of the balance of the subject)	Operating	211,015	
		4,474,316	
		4,474,549	
Less: Loss allowance		16,401	
		$ 4,458,148	

United Integrated Services Co., Ltd.

Statement of changes in Contract Assets and Contract Liabilities

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

	Contract Assets						Contract Liabilities					
		Addition		Decrease								
Name of Project	Beginning Balance	Construction Cost	Gain on Construction	Loss on Construction	Completion	Ending Balance	Beginning Balance	Input	Completion	Ending Balance	Contract Assets	Contract Liabilities
F710	$ 32,708,804	82,565	1,484,031	-	-	34,275,400	35,864,788	19,657	-	35,884,445	-	1,609,045
F740	1,437,013	43,367	214,784	-	1,695,164	-	1,652,766	42,398	1,695,164	-	-	-
F810	2,070,995	41,206	2,169	-	-	2,114,370	1,997,022	259,027	-	2,256,049	-	141,679
F980	2,661,812	258,907	64,561	-	-	2,985,280	2,795,117	245,730	-	3,040,847	-	55,568
G010	1,604,448	4,229,381	307,358	-	-	6,141,187	1,575,973	5,984,005	-	7,559,978	-	1,418,791
G050	65,542	2,788,834	414,485	-	-	3,268,861	33,395	4,561,381	-	4,594,776	-	1,325,915
Others	39,126,388	13,608,202	2,638,451	188,812	4,505,173	50,679,056	42,133,924	19,021,954	4,505,173	56,650,705	2,533,844	8,505,493
	$ 79,675,002	**21,052,462**	**5,125,839**	**188,812**	**6,200,337**	**99,464,154**	**86,052,985**	**30,134,152**	**6,200,337**	**109,986,800**	**2,533,844**	**13,056,491**

United Integrated Services Co., Ltd.

Statement of inventories

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount: Cost	Amount: Net realizable value	Note
Merchandise	$ 6,770	-	
Finished goods	15,092	5,314	
Work in process	20,305	970	
Raw materials	32,658	26,888	
Total	74,825	33,172	
Less: Allowance for impairment	41,653		
	$ 33,172		

Statement of prepayments

Please refer to note 6 (e).

Statement of other current assets

Please refer to note 6 (m).

United Integrated Services Co., Ltd.

Statement of changes in investments accounted for using equity method

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars / thousands of shares)

Name of investee	Beginning Balance		Addition		Decrease		Ending Balance			Market Value or Net Assets Value(Note 2)		Collateral
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of ownership (%)	Amount	Unit price	Total amount	
Ablerex Electronics Co., Ltd.	14,209	$ 549,988	-	10,849	612	49,867	13,597	30.21	510,970	43.40	590,088	None
Wholetech System Hitech Limited	9,946	245,387	-	53,264	-	41,774	9,946	13.61	256,877	69.90	695,231	〃
JG Environmental Technology Co., Ltd	2,881	43,905	-	8,634	663	14,152	2,218	9.84	38,387	39.14	86,812	〃
Uuited Integrated Services BVI	17,698	847,894	-	116,435	-	-	17,698	100.00	964,329	54.49	964,330	〃
Jiangxi United Integrated Services Ltd.	Note 1	589,566	-	554,512	-	245,498	Note 1	75.00	898,580	-	898,580	〃
Hanxuan Energy Co. Ltd.	50,000	445,116	-	26,699	50,000	471,815	-	-	-	-	-	〃
Hunter Energy Co. Ltd.	9,000	73,719	-	12,046	9,000	85,765	-	-	-	-	-	〃
United Integrated Services (USA) Corp.	50,000	1,987,954	-	645,663	-	-	50,000	100.00	2,633,617	52.67	2,633,617	〃
		4,783,529		1,428,102		908,871			5,302,760		5,868,658	
United Integrated Services Pte Ltd.	Note 1	(18,317)	-	20,330	-	-	Note 1	100.00	2,013	-	2,013	〃
Total		$ 4,765,212		1,448,432		908,871			5,304,773		5,870,671	

Note 1: Registered with the amount of capital contribution.

Note 2: If there is no open market price for a long-term equity investment, the net value or book value of the equity at the balance sheet date is its fair market value.

United Integrated Services Co., Ltd.

Statement of changes in property, plant and equipment

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6 (j).

Statement of changes in accumulated depreciation of property, plant and equipment

Please refer to note 6 (j).

Statement of changes in intangible assets

Please refer to note 6 (l).

Statement of deferred tax assets

December 31, 2023

Please refer to note 6 (q)(ii)2).

United Integrated Services Co., Ltd.

Statement of other non-current assets

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6 (m).

Statement of notes payable

Vendor Name	Description	Amount		Note
Unrelated Parties:				
NAKOSIN Enterprise Co., Ltd.	operating	$	5,406	
Yue Hua Engineer Co., Ltd	operating		505	
Yun Jia Engineering Co., Ltd	operating		476	
Others (The balance of each household is less than 5% of the balance of the subject)	operating		2,682	
		$	9,069	

United Integrated Services Co., Ltd.

Statement of accounts payable

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Vendor Name	Description	Amount	Note
Construction Retention Payable:			
Related Parties:			
United Integrated Services BVI	operating	$ 27,168	
UNITED INTEGRATED SERVICES(USA) CORP.	operating	53,249	
Ablerex Electronics Co., Ltd.	operating	3,298	
		83,715	
Unrelated Parties:			
Others (The balance of each household is less than 5% of the balance of the subject)		2,416,736	
		2,416,736	
Construction Payable:			
Related Parties:			
Wholetech System Hitech Limited	operating	13	
Ablerex Electronics Co., Ltd.	operating	1,078	
Fu-Kuo Engineering Co., Ltd	operating	5,300	
Huayuan Engineering Ltd.	operating	2,936	
Dentsu Engineering Ltd.	operating	3,100	
		12,427	
Unrelated Parties:			
Others (The balance of each household is less than 5% of the balance of the subject)	operating	1,897,087	
		$ 4,409,965	

United Integrated Services Co., Ltd.

Statement of other payables- related parties

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 7 (c) iv) .

Statement of provisions - current

Please refer to note 6 (n).

United Integrated Services Co., Ltd.

Statement of other current liabilities

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other accrued expenses:			
	Employee compensation and directors' remuneration	$ 753,917	
	Business tax	43,000	
	Salary allowance	186,160	
	Labor and health insurance expenses	15,362	
	Others	4,037	
		1,002,476	
Other payables-others		799	
Other current liabilities:			
	Receipts under custody	5,171	
	Tax collections	990	
	Other notes payable	4	
		6,165	
		$ 1,009,440	

Statement of provisions - non-current

Please refer to note 6 (p).

United Integrated Services Co., Ltd.

Statement of deferred tax liabilities

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6 (q) (ii) 2).

Statement of operating revenues

For the year ended December 31, 2023

Item	Quantity	Amount
Construction revenue:		
Percentage of completion method - Completed construction revenue	-	$ 547,963
Percentage of completion method - Uncompleted construction revenue	-	23,198,667
Subtotal		23,746,630
Service and design revenue	-	57,825
Sales revenue	-	109,317
Net operating revenues		$ 23,913,772

United Integrated Services Co., Ltd.

Statement of operating costs

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount Subtotal	Amount Total
Construction costs:		
Current material	$ 16,026,240	
Labor	943,523	
Construction overhead	1,839,840	
Total construction costs		18,809,603
Service and design costs		22,943
Costs of goods sold		47,659
Total operating costs		$ 18,880,205

Statement of construction overhead

Item	Description	Amount
Components		$ 92,359
Freight		334,136
Others (The balance of each household is less than 5% of the balance of the subject)		1,413,345
Total		$ 1,839,840

United Integrated Services Co., Ltd.

Statement of selling expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Wages and salaries		$ 37,965
Others (The balance of each household is less than 5% of the balance of the subject)		4,272
Total		**$ 42,237**

Statement of administrative expenses

Item	Description	Amount
Wages and salaries		$ 830,074
Insurance expenses		81,726
Others (The balance of each household is less than 5% of the balance of the subject)		129,713
Total		**$ 1,041,513**

United Integrated Services Co., Ltd.

Statement of the research and development expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	
Wages and salaries		$	21,095
Insurance expenses			1,529
Others (The balance of each household is less than 5% of the balance of the subject)			2,801
Total		$	25,425

Statement of other gains and losses

Please refer to note 6 (v).

Statement of Labor, Depreciation and Amortization by Function

Please refer to note 12 (a).

UNITED INTEGRATED SERVICES CO., LTD.

Chairperson: Belle Lee