

UNITED INTEGRATED SERVICES CO., LTD.**Parent Company Only Financial Statements****With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023**

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The independent auditors' 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' report and parent company only financial statements, the Chinese version shall prevail.

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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, 2024 and 2023, 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, 2024 and 2023, 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 2.05% and 2.53% of the total assets, as of December 31, 2024 and 2023, respectively. For the years then ended, the recognized shares of profit of associates accounted for using the equity method of these investee companies constituted 1.27% and 1.55% 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(u) "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 project status records 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.

We obtained annual project revenue statistics and validated the correctness of revenue recognized on the projects.

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, thus 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. Fair Value Measurement of Financial Instruments

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(x) "Fair value hierarchy information" to the financial statements.

Description of Key Audit Matter:

Part of the financial instruments are measured using the fair value model, and the accounting of the assessment 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) understanding and inspecting the procedures for fair value measurement performed by the management ; (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" ; (iii) verifying whether the presentation and disclosure of financial instruments comply with the International Financial Reporting Standards.

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 Chen, Yi-Jen.

KPMG

Taipei, Taiwan (Republic of China)
March 12, 2025

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, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 6,464,242	17	6,549,722	21	2130	Current contract liabilities (notes 6(u) and 7)	\$ 15,972,589	40	13,056,491	41
1110	Current financial assets measured at fair value through profit or loss (notes 6(b) and (x))	213,052	1	349,808	1	2150	Notes payable (note 6(x))	43,017	-	9,069	-
1140	Current contract assets (note 6(u))	1,676,287	4	2,533,844	8	2170	Accounts payable (note 6(x))	5,757,555	15	4,313,823	14
1150	Notes receivable, net (note 6(c))	797	-	1,745	-	2180	Accounts payable—related parties (notes 6(x) and 7)	100,845	-	96,142	-
1170	Accounts receivable, net (notes 6(c) and (u))	5,266,916	13	4,457,915	14	2220	Other payables—related parties (note 7)	-	-	185,135	1
1180	Accounts receivable—related parties (notes 6(c), (u) and 7)	214	-	233	-	2230	Current tax liabilities	1,120,032	3	417,549	1
130X	Inventories (note 6(d))	43,264	-	33,172	-	2250	Current provisions (note 6(n))	9,212	-	8,387	-
1410	Prepayments (notes 6(e) and 7)	1,645,637	4	841,679	3	2280	Current lease liabilities (notes 6(o) and (x))	6,433	-	8,160	-
1470	Other current assets (notes 6(m) and 7)	<u>17,570,835</u>	<u>44</u>	<u>8,969,707</u>	<u>28</u>	2300	Other current liabilities (notes 6(p) and (x))	<u>1,396,454</u>	<u>4</u>	<u>1,009,440</u>	<u>3</u>
Total current assets		<u>32,881,244</u>	<u>83</u>	<u>23,737,825</u>	<u>75</u>	Total current liabilities		<u>24,406,137</u>	<u>62</u>	<u>19,104,196</u>	<u>60</u>
Non-current assets:						Non-Current liabilities:					
1517	Non-current financial assets measured at fair value through other comprehensive income (notes 6(g) and (x))	1,497,532	4	1,559,028	5	2550	Non-current provisions (note 6(p))	98,340	-	125,169	-
1550	Investments accounted for using equity method (notes 6(h) and 7)	4,101,332	10	5,304,773	17	2570	Deferred tax liabilities (note 6(q))	410,525	1	465,894	1
1600	Property, plant and equipment (notes 6(j) and 7)	1,093,711	3	1,108,497	3	2580	Non-current lease liabilities (notes 6(o) and (x))	6,873	-	2,696	-
1755	Right-of-use assets (note 6(k))	13,239	-	10,740	-	2645	Guarantee deposits received (note 6(x))	<u>23,821</u>	<u>-</u>	<u>19,610</u>	<u>-</u>
1780	Intangible assets (note 6(l))	20,013	-	12,782	-	Total non-current liabilities		<u>539,559</u>	<u>1</u>	<u>613,369</u>	<u>1</u>
1840	Deferred tax assets (note 6(q))	51,961	-	91,892	-	Total liabilities		<u>24,945,696</u>	<u>63</u>	<u>19,717,565</u>	<u>61</u>
1900	Other non-current assets (note 6(m))	<u>11,195</u>	<u>-</u>	<u>21,201</u>	<u>-</u>	31XX	Equity (notes 6(g) and (r)):	<u>1,905,867</u>	<u>5</u>	<u>1,905,867</u>	<u>6</u>
Total non-current assets		6,788,983	17	8,108,913	25	3100	Common stock	<u>465,494</u>	<u>1</u>	<u>378,709</u>	<u>1</u>
							Capital surplus				
							Retained earnings:				
						3310	Legal reserve	3,563,003	9	3,097,300	10
						3350	Unappropriated earnings	<u>8,546,497</u>	<u>21</u>	<u>6,737,416</u>	<u>22</u>
								<u>12,109,500</u>	<u>30</u>	<u>9,834,716</u>	<u>32</u>
						3400	Other equity	<u>626,303</u>	<u>2</u>	<u>583,824</u>	<u>2</u>
						3500	Treasury stock	<u>(382,633)</u>	<u>(1)</u>	<u>(573,943)</u>	<u>(2)</u>
						Total equity		<u>14,724,531</u>	<u>37</u>	<u>12,129,173</u>	<u>39</u>
Total assets		<u>\$ 39,670,227</u>	<u>100</u>	<u>31,846,738</u>	<u>100</u>	Total liabilities and equity		<u>\$ 39,670,227</u>	<u>100</u>	<u>31,846,738</u>	<u>100</u>

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, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar, Except Earnings Per Share)**

		2024		2023	
		Amount	%	Amount	%
4000	Operating Revenues (notes 6(u) and 7):				
4520	Construction revenue	\$ 33,071,387	99	23,746,630	99
4600	Service and design revenue etc.	<u>255,875</u>	<u>1</u>	<u>167,142</u>	<u>1</u>
	Operating revenues, net	<u>33,327,262</u>	<u>100</u>	<u>23,913,772</u>	<u>100</u>
5000	Operating costs (notes 6(d), (l), (o), (p), 7 and 12):				
5520	Construction cost	24,644,656	74	18,809,603	79
5600	Service and design cost etc.	<u>84,370</u>	<u>-</u>	<u>70,602</u>	<u>-</u>
	Total operating costs	<u>24,729,026</u>	<u>74</u>	<u>18,880,205</u>	<u>79</u>
	Gross profit from operations	8,598,236	26	5,033,567	21
5920	Add: Realized gain from sale	<u>-</u>	<u>-</u>	<u>49,561</u>	<u>-</u>
	Gross profit from operations, net	<u>8,598,236</u>	<u>26</u>	<u>5,083,128</u>	<u>21</u>
	Operating expenses (notes 6(c), (l), (o), (p), (v), 7 and 12):				
6100	Selling expenses	52,867	-	42,237	-
6200	Administrative expenses	1,316,742	4	1,041,513	4
6300	Research and development expenses	24,945	-	25,425	-
6450	Expected credit loss (reversal of impairment loss)	<u>(288)</u>	<u>-</u>	<u>(242)</u>	<u>-</u>
	Total operating expenses	<u>1,394,266</u>	<u>4</u>	<u>1,108,933</u>	<u>4</u>
	Net operating income	<u>7,203,970</u>	<u>22</u>	<u>3,974,195</u>	<u>17</u>
	Non-operating income and expenses:				
7010	Other income (notes 6(b), (g), (w) and 7)	54,415	-	24,721	-
7020	Other gains and losses (notes 6(w) and 7)	480,781	1	36,590	-
7100	Interest income (notes 6(w) and 7)	552,710	2	333,311	1
7510	Interest expense (notes 6(o), (w) and 7)	(145)	-	(6,393)	-
7375	Share of profit of subsidiaries, associations and joint ventures accounted for using equity method (note 6(h))	<u>(575,777)</u>	<u>(2)</u>	<u>1,464,503</u>	<u>6</u>
	Total non-operating income and expenses	<u>511,984</u>	<u>1</u>	<u>1,852,732</u>	<u>7</u>
7900	Net income from continuing operations before tax	7,715,954	23	5,826,927	24
7950	Less: Income tax expenses (note 6(q))	<u>1,525,514</u>	<u>5</u>	<u>1,171,712</u>	<u>5</u>
8200	Net income	<u>6,190,440</u>	<u>18</u>	<u>4,655,215</u>	<u>19</u>
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	27,395	-	1,916	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(61,496)	-	(71,882)	-
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	237	-	(14,584)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>103,343</u>	<u>-</u>	<u>383</u>	<u>-</u>
	Items that will not be reclassified to profit or loss	<u>(137,207)</u>	<u>-</u>	<u>(84,933)</u>	<u>-</u>
8360	Items that will be reclassified to profit or loss:				
8361	Exchange differences on translation of foreign operation	239,455	1	(48,192)	-
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	11,787	-	(2,937)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>47,891</u>	<u>-</u>	<u>(9,638)</u>	<u>-</u>
	Items that will be reclassified to profit or loss	<u>203,351</u>	<u>1</u>	<u>(41,491)</u>	<u>-</u>
8300	Other comprehensive income	<u>66,144</u>	<u>1</u>	<u>(126,424)</u>	<u>-</u>
8500	Comprehensive income	<u>\$ 6,256,584</u>	<u>19</u>	<u>4,528,791</u>	<u>19</u>
9750	Basic earnings per share (in dollars) (note 6(t))	<u>\$ 32.94</u>		<u>24.82</u>	
9850	Diluted earnings per share (in dollars) (note 6(t))	<u>\$ 32.60</u>		<u>24.48</u>	

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, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

						Other equity				
	Share capital		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
	Common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings					
Balance on January 1, 2023	\$ 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
Net income	-	-	-	6,190,440	6,190,440	-	-	-	-	6,190,440
Other comprehensive income	-	-	-	23,665	23,665	203,351	(160,872)	42,479	-	66,144
Total comprehensive income	-	-	-	6,214,105	6,214,105	203,351	(160,872)	42,479	-	6,256,584
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	465,703	(465,703)	-	-	-	-	-	-
Cash dividends	-	-	-	(3,939,321)	(3,939,321)	-	-	-	-	(3,939,321)
Overdue unclaimed dividend transferred in	-	489	-	-	-	-	-	-	-	489
Share-based payments	-	86,296	-	-	-	-	-	-	191,310	277,606
Balance on December 31, 2024	\$ 1,905,867	465,494	3,563,003	8,546,497	12,109,500	199,909	426,394	626,303	(382,633)	14,724,531

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, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

	2024	2023
Cash flows from (used in) operating activities:		
Income before income tax	\$ 7,715,954	5,826,927
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	24,848	31,906
Amortization expense	11,978	9,623
Reversal of impairment losses	(288)	(242)
Net (profit) loss on financial assets measured at fair value through profit or loss	133,257	(33,881)
Interest expense	145	6,393
Interest income	(552,710)	(333,311)
Dividend income	(4,516)	(9,118)
Share-based payments	86,870	-
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	575,777	(1,464,503)
Loss (gains) from disposal of property, plant and equipment	(61)	305
Gains on disposal of investments	(26,691)	(29,372)
Other income	-	(31)
Realized gain from sale	-	(49,561)
Total adjustments to reconcile loss	248,609	(1,871,792)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in current contract assets	857,557	715,077
Decrease (increase) in notes receivable	948	(1,646)
(Increase) decrease in accounts receivable	(808,713)	461,585
Decrease in accounts receivable—related parties	19	38
(Increase) decrease in inventories	(10,092)	27,248
(Increase) decrease in prepayments	(803,958)	479,347
Decrease in other current assets	1,390	129,154
Subtotal of changes in operating assets	(762,849)	1,810,803
Changes in operating liabilities:		
Increase in current contract liabilities	2,916,098	3,429,705
Increase (decrease) in notes payable	33,948	(10,472)
Increase (decrease) in accounts payable	1,443,732	(284,309)
Increase in accounts payable—related parties	4,703	31,469
Decrease in other payable to related parties	(185,135)	-
Increase (decrease) in current provisions	825	(11,539)
Increase in other current liabilities	387,014	101,963
Increase in net defined benefit liability	566	602
Subtotal of changes in operating liabilities	4,601,751	3,257,419
Total changes in operating assets and liabilities	3,838,902	5,068,222
Total adjustments	4,087,511	3,196,430
Cash inflow generated from operations	11,803,465	9,023,357
Interest received	539,307	304,337
Interest paid	(145)	(250)
Income taxes paid	(989,703)	(1,072,274)
Net cash flows from operating activities	11,352,924	8,255,170
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through profit or loss	2,866	2,991
Proceeds from disposal of investments accounted for using equity method	52,875	50,912
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	(1,282)	(1,295)
Proceeds from disposal of property, plant and equipment	67	28
Decrease in guarantee deposits paid	6,889	684
Acquisition of intangible assets	(15,657)	(579)
Increase in other financial assets	(8,589,115)	(6,123,565)
Increase in other non-current assets	(435)	(302)
Dividends received	858,108	327,082
Net cash flows used in investing activities	(7,685,684)	(5,165,418)
Cash flows from (used in) financing activities:		
Increase in guarantee deposits received	4,211	2,159
Payment of lease liabilities	(8,835)	(15,280)
Cash dividends paid	(3,939,321)	(2,813,801)
Treasury shares sold to employees	190,736	-
Overdue unclaimed dividends transferred to capital surplus	489	275
Net cash flows used in financing activities	(3,752,720)	(2,826,647)
Net decrease (increase) in cash and cash equivalents	(85,480)	263,105
Cash and cash equivalents at beginning of period	6,549,722	6,286,617
Cash and cash equivalents at end of period	\$ 6,464,242	6,549,722

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, 2024 and 2023

(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.

(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 12, 2025.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards 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, 2024:

- 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”

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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

- (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, 2025, would not have a significant impact on its financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

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

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. 	January 1, 2027

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
	<ul style="list-style-type: none"> • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other 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”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards – Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(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;

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

- 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.

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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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.

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) The Company classifies the asset 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) The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- 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 the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(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.

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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

(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.

(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.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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.

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.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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.

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.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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.

(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.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

(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.

(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	3~16 years
3) Plant equipment	5~50 years
4) Transportation equipment	5~14 years
5) Office equipment	5~19 years
6) Leasehold improvements	5 years

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

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

(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)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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 lessor

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)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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

Computer software	2~10 years
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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.

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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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.

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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

(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 expense 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 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 reverse, using tax rates enacted or substantively enacted at the reporting date.

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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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.

(u) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The grant date of share-based payment award is the date that the subscription price and shares are authorized by the Board of Directors.

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

In preparing these parent company only financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, 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.

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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

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, 2024.
- (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(u).

- (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(x).

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

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and petty cash	\$ 1,463	1,892
Demand deposits	4,243,326	2,383,989
Check deposits	9,698	5,615
Time deposits	<u>2,209,755</u>	<u>4,158,226</u>
Cash and cash equivalents in the statement of cash flow	<u>\$ 6,464,242</u>	<u>6,549,722</u>

Please refer to note 6(x) 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, 2024	December 31, 2023
Financial asset measured at fair value through profit or loss:		
Domestic listed stocks	\$ 233,525	237,024
Domestic unlisted stocks	68,687	68,687
Valuation adjustment	<u>(89,160)</u>	<u>44,097</u>
Total	<u>\$ 213,052</u>	<u>349,808</u>

For the years ended December 31, 2024 and 2023, the Company recognized dividend income from the above financial assets measured at fair value through profit or loss of \$4,516 thousand and \$9,118 thousand, respectively.

(c) Notes and accounts receivable, net

	December 31, 2024	December 31, 2023
Notes receivable—unrelated parties	\$ 797	1,745
Accounts receivable—unrelated parties	5,283,029	4,474,316
Accounts receivable—related parties	214	233
Less: Loss allowance	<u>16,113</u>	<u>16,401</u>
Total	<u>\$ 5,267,927</u>	<u>4,459,893</u>

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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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, 2024			
	Gross carrying amount	Weighted- average expected credit loss rate	Loss allowance provision
Current	\$ 5,261,184	0%	-
1 to 60 days past due	1,085	0%	-
61 to 120 days past due	5,510	0%	-
More than one year past due	16,047	100%	16,047
	\$ 5,283,826		16,047

December 31, 2023			
	Gross carrying amount	Weighted- average expected credit loss rate	Loss allowance provision
Current	\$ 4,460,014	0%	-
More than one year past due	16,047	100%	16,047
	\$ 4,476,061		16,047

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

	2024	2023
Balance at January 1	\$ 16,401	16,643
Impairment loss (gain on reversal of impairment loss)	(288)	(242)
Balance at December 31	\$ 16,113	16,401

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

(d) Inventories

	December 31, 2024		
	Cost	Allowance for Impairment	Carrying Amount
Raw materials	\$ 37,677	(6,947)	30,730
Work in progress	24,320	(19,729)	4,591
Finished goods	17,768	(9,825)	7,943
Merchandise	6,770	(6,770)	-
Total	<u>\$ 86,535</u>	<u>(43,271)</u>	<u>43,264</u>

	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	<u>\$ 74,825</u>	<u>(41,653)</u>	<u>33,172</u>

The (write-down of inventories) reversal of write-downs to net realizable value amounted to \$(1,618) thousand and \$(1,077) thousand, respectively, for the years ended December 31, 2024 and 2023. 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, 2024	December 31, 2023
Domestic purchase of materials	\$ 626,762	327,950
Foreign purchases of materials	895,162	416,062
Clean and safety reserve	32,208	63,064
Prepaid insurance expense	82,355	29,484
Others	9,150	5,119
Total	<u>\$ 1,645,637</u>	<u>841,679</u>

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

	December 31, 2024	December 31, 2023
Financial assets measured at fair value through profit or loss:		
Unlisted stocks	\$ 25,639	25,639
Valuation adjustments	(25,639)	(25,639)
Total	<u>\$ -</u>	<u>-</u>

(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, 2024	December 31, 2023
Equity instruments measured at fair value through other comprehensive income		
Unlisted stocks (overseas)	\$ 1,008,212	1,008,212
Valuation adjustment	<u>489,320</u>	<u>550,816</u>
Total	<u>\$ 1,497,532</u>	<u>1,559,028</u>

- (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:

	2024	2023
Balance at January 1	\$ 550,816	622,698
Add: Changes for the period	<u>(61,496)</u>	<u>(71,882)</u>
Balance at December 31	<u>\$ 489,320</u>	<u>550,816</u>

- (h) Investments accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2024	December 31, 2023
Subsidiaries	\$ 3,286,121	4,498,539
Associates	<u>815,211</u>	<u>806,234</u>
Total	<u>\$ 4,101,332</u>	<u>5,304,773</u>

- (i) Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2024.

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

(ii) Associates

- 1) Associates which were 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, 2024	December 31, 2023
Ablerex Electronics Co., Ltd.	Selling and Manufacturing of UPS	Taiwan	29.42 %	30.21 %

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

	December 31, 2024	December 31, 2023
Ablerex Electronics Co., Ltd.	<u>\$ 613,697</u>	<u>590,088</u>

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

Ablerex Electronics Co., Ltd.

	December 31, 2024	December 31, 2023
Current assets	\$ 2,506,276	2,235,641
Non-current assets	1,099,730	1,109,001
Current liabilities	(1,709,620)	(1,519,912)
Non-current liabilities	(160,441)	(125,015)
Net assets	<u>\$ 1,735,945</u>	<u>1,699,715</u>
Net assets attributable to non-controlling interests	<u>\$ 15,652</u>	<u>14,500</u>
Net assets attributable to investee	<u>\$ 1,720,293</u>	<u>1,685,215</u>
	<u>2024</u>	<u>2023</u>
Operating revenue	<u>\$ 3,024,134</u>	<u>2,925,183</u>
Net income from continuing operations	\$ 97,230	90,591
Other comprehensive income	29,000	(49,187)
Total comprehensive income	<u>\$ 126,230</u>	<u>41,404</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 1,152</u>	<u>2,656</u>
Total comprehensive income attributable to investee	<u>\$ 125,078</u>	<u>38,748</u>

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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

	2024	2023
Share of net assets of associates attributable to the Company as of January 1	\$ 510,854	549,872
Total comprehensive income attributable to the Company	36,492	10,767
Changes in capital surplus of associates accounted for using equity method	-	82
Disposal of investments	(12,844)	(21,936)
Dividends from associates	<u>(26,659)</u>	<u>(27,931)</u>
Share of net assets of associates attributable to the Company as of December 31	507,843	510,854
Add: Goodwill	<u>116</u>	<u>116</u>
Ending balance of net assets of associates attributable to the Company	<u><u>\$ 507,959</u></u>	<u><u>510,970</u></u>

2) Insignificant associates

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

	December 31, 2024	December 31, 2023
Carrying amount of individually insignificant associate's equity	<u><u>\$ 307,252</u></u>	<u><u>295,264</u></u>
	2024	2023
Attributable to the Company:		
Net income from continuing operations	\$ 68,904	62,967
Other comprehensive income	<u>4,237</u>	<u>(1,069)</u>
Total comprehensive income	<u><u>\$ 73,141</u></u>	<u><u>61,898</u></u>

(iii) Guarantee

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

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UNITED INTEGRATED SERVICES CO., LTD.
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 derecognized 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	<u><u>\$ 1,181</u></u>

(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, 2024 and 2023, were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Plant equipment</u>	<u>Transportation Equipment</u>	<u>Office equipment</u>	<u>Leasehold Improvements</u>	<u>Total</u>
Cost or deemed cost:								
Balance on January 1, 2024	\$ 775,107	257,374	43,201	158,182	10,960	64,947	2,076	1,311,847
Additions	-	420	-	108	-	754	-	1,282
Disposal	-	-	(1,472)	-	-	(3,134)	(669)	(5,275)
Balance on December 31, 2024	<u>\$ 775,107</u>	<u>257,794</u>	<u>41,729</u>	<u>158,290</u>	<u>10,960</u>	<u>62,567</u>	<u>1,407</u>	<u>1,307,854</u>
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	<u>\$ 775,107</u>	<u>257,374</u>	<u>43,201</u>	<u>158,182</u>	<u>10,960</u>	<u>64,947</u>	<u>2,076</u>	<u>1,311,847</u>
Accumulated depreciation and impairment loss:								
Balance on January 1, 2024	\$ -	52,080	41,357	54,981	7,841	45,015	2,076	203,350
Depreciation	-	7,570	552	3,788	932	3,220	-	16,062
Disposal	-	-	(1,466)	-	-	(3,134)	(669)	(5,269)
Balance on December 31, 2024	<u>\$ -</u>	<u>59,650</u>	<u>40,443</u>	<u>58,769</u>	<u>8,773</u>	<u>45,101</u>	<u>1,407</u>	<u>214,143</u>
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	<u>\$ -</u>	<u>52,080</u>	<u>41,357</u>	<u>54,981</u>	<u>7,841</u>	<u>45,015</u>	<u>2,076</u>	<u>203,350</u>
Carrying amounts:								
Balance on December 31, 2024	<u>\$ 775,107</u>	<u>198,144</u>	<u>1,286</u>	<u>99,521</u>	<u>2,187</u>	<u>17,466</u>	<u>-</u>	<u>1,093,711</u>
Balance on January 1, 2023	<u>\$ 775,107</u>	<u>212,164</u>	<u>2,519</u>	<u>106,867</u>	<u>4,650</u>	<u>22,875</u>	<u>-</u>	<u>1,124,182</u>
Balance on December 31, 2023	<u>\$ 775,107</u>	<u>205,294</u>	<u>1,844</u>	<u>103,201</u>	<u>3,119</u>	<u>19,932</u>	<u>-</u>	<u>1,108,497</u>

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

(Continued)

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:

	<u>Buildings</u>	<u>Office Equipment</u>	<u>Total</u>
Cost:			
Balance on January 1, 2024	\$ 42,238	239	42,477
Additions	11,048	237	11,285
Write-off	(5,868)	(239)	(6,107)
Balance on December 31, 2024	<u>\$ 47,418</u>	<u>237</u>	<u>47,655</u>
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	<u>\$ 42,238</u>	<u>239</u>	<u>42,477</u>
Accumulated depreciation:			
Balance on January 1, 2024	\$ 31,538	199	31,737
Depreciation	8,667	119	8,786
Write-off	(5,868)	(239)	(6,107)
Balance on December 31, 2024	<u>\$ 34,337</u>	<u>79</u>	<u>34,416</u>
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	<u>\$ 31,538</u>	<u>199</u>	<u>31,737</u>
Carrying amount:			
Balance on December 31, 2024	<u>\$ 13,081</u>	<u>158</u>	<u>13,239</u>
Balance on January 1, 2023	<u>\$ 21,601</u>	<u>159</u>	<u>21,760</u>
Balance on December 31, 2023	<u>\$ 10,700</u>	<u>40</u>	<u>10,740</u>

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
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, 2024 and 2023, were as follows:

	Computer software
Costs:	
Balance on January 1, 2024	\$ 23,612
Additions	15,657
Disposal	<u>(260)</u>
Balance on December 31, 2024	<u>\$ 39,009</u>
Balance on January 1, 2023	\$ 25,455
Additions	579
Disposal	<u>(2,422)</u>
Balance on December 31, 2023	<u>\$ 23,612</u>
Accumulated amortization:	
Balance on January 1, 2024	\$ 10,830
Amortization	8,426
Disposal	<u>(260)</u>
Balance on December 31, 2024	<u>\$ 18,996</u>
Balance on January 1, 2023	\$ 7,102
Amortization	6,150
Disposal	<u>(2,422)</u>
Balance on December 31, 2023	<u>\$ 10,830</u>
Carrying value:	
Balance on December 31, 2024	<u>\$ 20,013</u>
Balance on January 1, 2023	<u>\$ 18,353</u>
Balance on December 31, 2023	<u>\$ 12,782</u>

For the years ended December 31, 2024 and 2023, the amortization expense amounted to \$8,426 thousand and \$6,150 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, 2024	December 31, 2023
Other financial assets	\$ 17,514,528	8,925,413
Others	<u>56,307</u>	<u>44,294</u>
Total	<u>\$ 17,570,835</u>	<u>8,969,707</u>

(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, 2024	December 31, 2023
Guarantee deposits paid	\$ 8,798	15,687
Others	2,397	5,514
Total	<u><u>\$ 11,195</u></u>	<u><u>21,201</u></u>

Other financial assets were mainly time deposits with a maturity of more than twelve months.

(n) Current provisions

	Warranty
Balance on January 1, 2024	\$ 8,387
Provisions made during the year	8,765
Provisions used during the year	(7,940)
Balance on December 31, 2024	<u><u>\$ 9,212</u></u>
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	<u><u>\$ 8,387</u></u>

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, 2024	December 31, 2023
Current	<u><u>\$ 6,433</u></u>	<u><u>8,160</u></u>
Non-current	<u><u>\$ 6,873</u></u>	<u><u>2,696</u></u>

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

The amounts recognized in profit or loss were as follows:

	2024	2023
Interest on lease liabilities	<u><u>\$ 145</u></u>	<u><u>250</u></u>
Expenses relating to short-term leases	<u><u>\$ 6,244</u></u>	<u><u>4,869</u></u>

(Continued)

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

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

	2024	2023
Total cash outflow for leases	\$ 15,224	20,399

(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, 2024	December 31, 2023
Present value of the defined benefit obligations	\$ (363,673)	(368,385)
Fair value of plan assets	265,333	243,216
Net defined benefit liabilities	\$ (98,340)	(125,169)

(Continued)

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

The Company's employee benefit liabilities were as follows:

	December 31, 2024	December 31, 2023
Short-term compensated absence liabilities (Other current liabilities)	\$ 28,884	28,067

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 \$265,333 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, 2024 and 2023 were as follows:

	2024	2023
Defined benefit obligations at January 1	\$ 368,385	372,749
Current service costs and interest cost	5,302	5,870
Remeasurements of the net defined benefit liabilities		
— Actuarial loss (gain) arising from changes in financial assumptions	(6,116)	3,296
— Actuarial (gain) loss arising from experience adjustments	928	(3,181)
Benefits paid	(4,826)	(10,349)
Defined benefit obligations at December 31	\$ 363,673	368,385

(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, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Fair value of plan assets at January 1	\$ 243,216	246,266
Interest income	2,879	3,269
Remeasurements of the net defined benefit liabilities		
— Return on plan assets excluding interest income	22,207	2,031
Contributions	1,857	1,999
Benefits paid	<u>(4,826)</u>	<u>(10,349)</u>
Fair value of plan assets at December 31	<u><u>\$ 265,333</u></u>	<u><u>243,216</u></u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company for the years ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Current service costs	\$ 959	945
Net interest of net liabilities for defined benefit obligations	1,464	1,656
	<u><u>\$ 2,423</u></u>	<u><u>2,601</u></u>
	<u>2024</u>	<u>2023</u>
Operating cost	\$ 2,077	2,230
Operating expenses	346	371
	<u><u>\$ 2,423</u></u>	<u><u>2,601</u></u>

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:

	<u>2024</u>	<u>2023</u>
Accumulated amount at January 1	\$ 88,889	90,805
Recognized during the period	<u>(27,395)</u>	<u>(1,916)</u>
Accumulated amount at December 31	<u><u>\$ 61,494</u></u>	<u><u>88,889</u></u>

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

6) Actuarial assumptions

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

	December 31, 2024	December 31, 2023
Discount rate	1.46 %	1.18 %
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 \$1,893 thousand.

The weighted average lifetime of the defined benefit plans is 6.01 years.

7) Sensitivity analysis

As of December 31, 2024 and 2023, 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, 2024		
Discount rate (0.50%)	\$ (10,427)	10,955
Future salary increase rate (0.25%)	5,294	(5,191)
December 31, 2023		
Discount rate (0.50%)	(11,378)	11,992
Future salary increase rate (0.25%)	5,773	(5,652)

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 2024 and 2023.

(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 \$35,121 thousand and \$35,503 thousand for the years ended December 31, 2024 and 2023, respectively.

(Continued)

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 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Current tax expense		
Current period	\$ 1,691,134	922,532
Adjustment for prior periods	<u>1,052</u>	<u>3,662</u>
	<u>1,692,186</u>	<u>926,194</u>
Deferred tax expense		
Origination and reversal of temporary differences	<u>(166,672)</u>	<u>245,518</u>
Income tax expense	<u><u>\$ 1,525,514</u></u>	<u><u>1,171,712</u></u>

There was no income tax expense recognized in equity for the years ended December 31, 2024 and 2023.

The amount of income tax expense (benefit) recognized directly in other comprehensive income for the years ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plans	\$ 5,479	383
Unrealized (gains) losses from investments in equity instruments measured at fair value through other comprehensive income	<u>97,864</u>	<u>-</u>
	<u>103,343</u>	<u>383</u>
Items that will be reclassified to profit or loss:		
Exchange differences on translation	<u>47,891</u>	<u>(9,638)</u>
	<u><u>\$ 151,234</u></u>	<u><u>(9,255)</u></u>

Reconciliation of the Company's income tax expense and net income before tax for 2024 and 2023 was as follows:

	<u>2024</u>	<u>2023</u>
Net income before tax	<u><u>\$ 7,715,954</u></u>	<u><u>5,826,927</u></u>
Income tax using the Company's domestic tax rate	\$ 1,543,191	1,165,385
Tax- exempt income	(6,242)	(3,489)
Permanent differences	(25,087)	(34,380)
5% income surtax on undistributed earnings	12,600	40,534
Income tax adjustments for prior periods	<u>1,052</u>	<u>3,662</u>
Total	<u><u>\$ 1,525,514</u></u>	<u><u>1,171,712</u></u>

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.
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, 2024	December 31, 2023
The court adjudged to pay the payment and related interest expenses	\$ -	37,027

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2024 and 2023 were as follows:

Deferred tax liabilities:

	Unrealized taxable financial instrument valuation	Foreign investment profit	Cumulative translation adjustment	Unrealized foreign exchange gains	Total
Balance on January 1, 2024	\$ -	456,133	9,761	-	465,894
Recognized in profit or loss	-	(319,642)	-	118,518	(201,124)
Recognized in other comprehensive income	97,864	-	47,891	-	145,755
Balance on December 31, 2024	<u>\$ 97,864</u>	<u>136,491</u>	<u>57,652</u>	<u>118,518</u>	<u>410,525</u>
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	<u>\$ -</u>	<u>456,133</u>	<u>9,761</u>	<u>-</u>	<u>465,894</u>

Deferred Tax Assets:

	Defined benefit plans	Unrealized warranty	Allowance for inventory valuation	Foreign investment loss	Others	Total
Balance on January 1, 2024	\$ 26,370	4,152	8,330	41,550	11,490	91,892
Recognized in profit or loss	-	165	324	(30,196)	(4,745)	(34,452)
Recognized in other comprehensive income	(5,479)	-	-	-	-	(5,479)
Balance on December 31, 2024	<u>\$ 20,891</u>	<u>4,317</u>	<u>8,654</u>	<u>11,354</u>	<u>6,745</u>	<u>51,961</u>
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	<u>\$ 26,370</u>	<u>4,152</u>	<u>8,330</u>	<u>41,550</u>	<u>11,490</u>	<u>91,892</u>

(iii) Assessment of tax

The Company's tax returns for the years through 2022 were assessed by the tax authorities.

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

(r) Capital and other equity

(i) Common Stock

As of December 31, 2024 and 2023, 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, 2024 and 2023.

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2024	December 31, 2023
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	163,454	77,158
Others	29,443	28,954
	<u>\$ 465,494</u>	<u>378,709</u>

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.

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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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 2023 and 2022 was decided by the resolution adopted, at the general meeting of shareholders held on May 31, 2024 and May 30, 2023, respectively. The relevant dividend distributions to shareholders were as follows:

	Unit: In NT dollars	
	2023	2022
Appropriations dividend to ordinary shareholder:		
Cash	\$ <u>21</u>	<u>15</u>

(iv) Treasury stock

The Company repurchased 3,000 shares as treasury stock for transferring shares to employees in accordance with the requirements under section 28(2) of the Securities and Exchange Act. The related information is as follows:

Units: In thousands of shares				
2024				
Reason for Reacquisition	Number of shares, beginning of year	Additions	Reductions	Number of shares, end of year
Transfer of shares to employees	3,000	-	1,000	2,000

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.

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

(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, 2024	\$ (3,442)	587,266	583,824
Exchange differences on foreign operations	191,564	-	191,564
Exchange differences on translation financial statements of foreign subsidiaries accounted for using equity method	11,787	-	11,787
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(159,360)	(159,360)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income of the subsidiaries accounted for using equity method	-	(1,512)	(1,512)
Balance on December 31, 2024	<u>\$ 199,909</u>	<u>426,394</u>	<u>626,303</u>
Balance on January 1, 2024	\$ 38,049	674,018	712,067
Exchange differences on foreign operations	(38,554)	-	(38,554)
Exchange differences on translation financial statements of foreign subsidiaries 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 income of the subsidiaries accounted for using equity method	-	(14,870)	(14,870)
Balance on December 31, 2024	<u>\$ (3,442)</u>	<u>587,266</u>	<u>583,824</u>

(s) Share-based payments

The Company granted the treasury stock to eligible employees in accordance with the relevant plan. The terms and conditions related to the share-based payment were as follows:

Grant Date	Total Shares Granted (in thousands)	Vesting Conditions	Stock Price (in NT dollars)	Exercise Price (in NT dollars)	Fair Value per Unit (in NT dollars)
August 12, 2024	1,000	Immediately vested	\$325.5	\$191.31	\$86.87

The fair value of the share-based payments granted by the Company was estimated at the date of grant using the Black-Scholes option pricing model. For the year ended December 31, 2024, the compensation costs recognized for the abovementioned plan amounted to \$86,870 thousand. For the year then ended, the capital surplus generated from the abovementioned plan amounted to \$86,296 thousand.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

(t) Earnings per share

The calculation of basic earnings per share and diluted earnings per share for the years ended December 31, 2024 and 2023 were as follows:

(i) Basic earnings per share

	2024	2023
Net income attributable to ordinary shareholders of the Company	<u><u>\$ 6,190,440</u></u>	<u><u>4,655,215</u></u>
Weighted average number of ordinary shares	<u><u>187,942</u></u>	<u><u>187,587</u></u>
Basic earnings per share (in NT dollars)	<u><u>\$ 32.94</u></u>	<u><u>24.82</u></u>

ii) Diluted earnings per share

	2024	2023
Net income attributable to ordinary shareholders of the Company (diluted)	<u><u>\$ 6,190,440</u></u>	<u><u>4,655,215</u></u>
Weighted average number of ordinary shares (basic)	187,942	187,587
Effect of potentially dilutive ordinary shares:		
Effect of employee bonuses	<u>1,942</u>	<u>2,553</u>
Weighted average number of ordinary shares (diluted)	<u><u>189,884</u></u>	<u><u>190,140</u></u>
Diluted earnings per share (in NT dollars)	<u><u>\$ 32.60</u></u>	<u><u>24.48</u></u>

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

	2024	2023
Major products/services lines:		
Integrated engineering service	\$ 33,071,387	23,746,630
Service and design	115,760	57,825
Sales	<u>140,115</u>	<u>109,317</u>
	<u><u>\$ 33,327,262</u></u>	<u><u>23,913,772</u></u>
Type of contract:		
Fixed price contract	\$ 33,187,147	23,804,455
Material-based contract	<u>140,115</u>	<u>109,317</u>
	<u><u>\$ 33,327,262</u></u>	<u><u>23,913,772</u></u>

(Continued)

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

(ii) Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable	\$ 797	1,745	99
Accounts receivable	5,283,243	4,474,549	4,936,172
Less: loss allowance	(16,113)	(16,401)	(16,643)
Total	<u>\$ 5,267,927</u>	<u>4,459,893</u>	<u>4,919,628</u>
Contract assets-Construction in Progress	<u>\$ 1,676,287</u>	<u>2,533,844</u>	<u>3,248,921</u>
Contract liabilities-Construction in Progress	\$ 15,972,257	13,056,052	9,626,233
Contract liabilities-Merchandise Inventory	332	439	553
Total	<u>\$ 15,972,589</u>	<u>13,056,491</u>	<u>9,626,786</u>

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

The revenue recognized for the years ended December 31, 2024 and 2023 that were included in the contract liabilities balance of sale the merchandise at the beginning of the period were \$106 thousand and \$94 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:

	2024		2023	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
Stage of completion measurement	\$ -	-	-	-
Contract modification	\$ 17,038	2,708,007	(100,113)	1,775,065

(v) 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.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2024 and 2023, the Company estimated its employee remuneration amounting to \$845,000 thousand and \$640,000 thousand, and directors' remuneration amounting to \$63,900 thousand and \$48,600 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 2024 and 2023. Related information would be available at the Market Observation Post System website. The amounts, as stated in 2024 and 2023 financial statements, are identical to those of the actual distributions in 2024 and 2023.

(w) Non-operating income and expenses

(i) Interest income

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

	2024	2023
Interest income from bank deposits	\$ <u><u>552,710</u></u>	<u><u>333,311</u></u>

(ii) Other income

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

	2024	2023
Rental income	\$ 5,767	5,732
Dividend income	4,516	9,118
Other income — other	<u>44,132</u>	<u>9,871</u>
Total	\$ <u><u>54,415</u></u>	<u><u>24,721</u></u>

iii) Other gains and losses

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

	2024	2023
Gains (losses) on disposal of property, plant and equipment	\$ 61	(305)
Gain on disposal of investments	26,691	29,372
Foreign exchange gains (losses)	587,305	(26,339)
Gains (losses) on financial assets at fair value through profit or loss	(133,257)	33,881
Other gains and losses	<u>(19)</u>	<u>(19)</u>
Total	\$ <u><u>480,781</u></u>	<u><u>36,590</u></u>

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

iv) Interest expense

The details of the Company's interest expense were as follows:

	<u>2024</u>	<u>2023</u>
Interest expense - Denstsu Engineering	\$ -	6,143
Others	145	250
Total	<u>\$ 145</u>	<u>6,393</u>

(x) 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, 2024 and 2023, the amounts of the maximum exposure to credit risk were \$29,255,495 thousand and \$19,950,715 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.

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, 2024 and 2023, notes and accounts receivable concentrated on few counter-parties were as follows:

	<u>December 31, 2024</u>		
<u>Name of client</u>	<u>Carrying amount</u>	<u>the maximum exposure to credit risk</u>	<u>%</u>
Taiwan Semiconductor Manufacturing Co., Ltd.	\$ 3,046,994	3,046,994	57.84
Micron Memory Taiwan Co., Ltd.	1,942,050	1,942,050	36.87
TSMC Arizona Corporation	79,077	79,077	1.50
Total	<u>\$ 5,068,121</u>	<u>5,068,121</u>	<u>96.21</u>

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

Name of client	December 31, 2023		
	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

(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, 2024							
Non-derivative financial liabilities							
Notes payable	\$ 43,017	43,017	43,017	-	-	-	-
Accounts payable	5,858,400	5,858,400	3,775,071	12,242	97,055	1,927,892	46,140
Other payables and accrued expenses (Note)	1,361,022	1,361,022	1,361,022	-	-	-	-
Lease liabilities	13,306	13,478	4,607	1,901	3,802	3,168	-
Guarantee deposits received	23,821	23,821	-	-	-	23,821	-
	\$ 7,299,566	7,299,738	5,183,717	14,143	100,857	1,954,881	46,140
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 payable—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

Note: Recognized as 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.

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

(iii) Currency risk

1) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk were as follows:

	December 31, 2024			December 31, 2023		
	Foreign currency	Exchange rate (dollars)	TWD	Foreign currency	Exchange rate (dollars)	TWD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 285,205	32.79	9,350,456	259,419	30.71	7,965,452
CNY	336,176	4.48	1,505,395	460,355	4.33	1,991,958
<u>Non-monetary items</u>						
Financial assets measured at fair value through other comprehensive income	334,420	4.48	1,497,532	360,302	4.33	1,559,028
<u>Finance liabilities</u>						
<u>Monetary items</u>						
USD	\$ 9,557	32.79	313,340	6,729	30.71	206,615

Note: Each balance listed is greater than 5% of total Monetary items.

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 \$85,951 thousand and \$77,866 thousand, and other comprehensive income would have increased (decreased) by \$11,980 thousand and \$12,472 thousand, for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, foreign exchange loss (including realized and unrealized portions) amounted to \$587,305 thousand and \$(26,339) thousand, respectively.

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

(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 of financial assets had increased or decreased by 0.25%, the Company's net income would have increased or decreased by \$47,955 thousand and \$30,946 thousand for the years ended December 31, 2024 and 2023, 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.

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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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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, 2024					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	\$ 213,052	177,662	35,390	-	213,052
Financial assets at fair value through other comprehensive income					
Unquoted equity instrument measured at fair value	1,497,532	-	-	1,497,532	1,497,532
Total	\$ 1,710,584	177,662	35,390	1,497,532	1,710,584
December 31, 2023					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
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

2) Transfer between Level 1 and Level 2

There were no transfers from Level 1 to Level 2 for the years ended December 31, 2024 and 2023.

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UNITED INTEGRATED SERVICES CO., LTD.
Notes to the 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, 2024	\$ -	1,559,028	1,559,028
Total gains and losses			
In other comprehensive income	-	(61,496)	(61,496)
Balance on December 31, 2024	<u>\$ -</u>	<u>1,497,532</u>	<u>1,497,532</u>
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	<u>\$ -</u>	<u>1,559,028</u>	<u>1,559,028</u>

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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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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	<ul style="list-style-type: none"> · P/B Ratio (Note) · Discount for lack of marketability (Note) 	<ul style="list-style-type: none"> · 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	<ul style="list-style-type: none"> · P/B Ratio (December 31, 2024 and 2023 were 0.64 and 0.66, respectively) · Discount for lack of marketability (December 31, 2024 and 2023 were both 30.73%) 	<ul style="list-style-type: none"> · 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, 2024 and 2023, 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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UNITED INTEGRATED SERVICES CO., LTD.
Notes to the Financial Statements

The following tables shows the valuation impacts changes in input parameters on Level 3 financial instruments:

			Fair Value through Profit and Loss		Fair value through other comprehensive income	
	Input	Assumptions	Favourable	Unfavourable	Favourable	Unfavourable
December 31, 2024						
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%	-	-	66,434	(66,434)
Equity investments without an active market	P/B Ratio	10%	-	-	149,753	(149,753)
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)

Note: As of December 31, 2024 and 2023, 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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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

(y) 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, 2024 and 2023, the Company provided guarantees for contractual obligations to UNITED INTEGRATED SERVICES (USA) CORP. that amounted to \$0 thousand and \$12,526,354 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.

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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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, 2024 and 2023, the Company's unused credit line were amounted to \$2,136,735 thousand and \$5,991,218 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.

(z) 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.

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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

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, 2024	December 31, 2023
Total liabilities	\$ 24,945,696	19,717,565
Less: cash and cash equivalents	<u>6,464,242</u>	<u>6,549,722</u>
Net debt	<u>\$ 18,481,454</u>	<u>13,167,843</u>
Total equity	<u>\$ 14,724,531</u>	<u>12,129,173</u>
Debt-to-capital ratio	<u>125.51 %</u>	<u>108.56 %</u>

(aa) 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:

	2024	2023
Increase in property, plant and equipment	\$ 1,282	1,295
Cash payments	<u>\$ 1,282</u>	<u>1,295</u>

(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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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

<u>Name of related party</u>	<u>Relationship with the Company</u>
Suzhou Han Tai System Integrated Ltd.	Subsidiary
Beijing Han He Tang Medical Instrument Ltd.	Subsidiary
Wholetech System Hitech Limited	An associate
Ablrex Electronics Co., Ltd.	An associate
JG Environmental Technology Co., Ltd.	An associate
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 2)	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 a related party 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:

	<u>2024</u>	<u>2023</u>
Subsidiaries	\$ <u>6,716</u>	<u>(12,481)</u>

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:

	<u>2024</u>	<u>2023</u>
Associates	\$ 27,908	50,307
Other related parties	<u>5,415</u>	<u>10,048</u>
	\$ <u>33,323</u>	<u>60,355</u>

There is no significant difference between the payment terms of the Company and of the same businesses.

(iii) Receivables from Related Parties

The receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable	Subsidiaries	\$ <u>214</u>	<u>233</u>

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

(iv) Payables to Related Parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts payable	Subsidiaries	\$ 85,523	80,417
Accounts payable	Associates	15,322	4,389
Accounts payable	Other related parties	-	11,336
Others payable	Other related parties -Dentsu Engineering	-	185,135
		<u>\$ 100,845</u>	<u>281,277</u>

Other payables mentioned above included package fee disbursements, salaries and interests, etc. Please refer note 12 (c) for further information.

(v) Leases

<u>Name of related party</u>	<u>Object</u>	<u>Lease term</u>	<u>Rental income</u>	
			<u>2024</u>	<u>2023</u>
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
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
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/ 2024.06.01~ 2026.05.31	5,311	5,311
Associates	Parking Space	2020.01.01~ 2024.05.31/ 2024.06.01~ 2026.05.31	216	162
			<u>\$ 5,527</u>	<u>5,493</u>

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UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

(vi) Finance costs

	<u>2024</u>	<u>2023</u>
Other related party—Dentsu Engineering	\$ <u>-</u>	<u>6,143</u>

(vii) Guarantees

As of December 31, 2024 and 2023, the Company provided guarantees for contractual obligations to UNITED INTEGRATED SERVICES (USA) CORP. that amounted to \$0 thousand and \$12,526,364 thousand.

(d) Key management personnel compensation

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 192,733	182,824
Post-employment benefits	1,167	1,146
Share-based payment	<u>10,946</u>	<u>-</u>
	<u>\$ 204,846</u>	<u>183,970</u>

(8) Pledged assets: None.

(9) Commitments and contingencies

As of December 31, 2024 and 2023, except for the disclosures of Note 7, the Company's commitments and contingencies were as follows:

- (a) As of December 31, 2024 and 2023, guaranteed notes received from construction contractors for performance guarantees or maintenance guarantees amounted to \$20,399,742 thousand and \$17,539,420 thousand, respectively.
- (b) As of December 31, 2024 and 2023, guaranteed notes issued to construction contractors for performance guarantees or maintenance guarantees amounted to \$119,017 thousand and \$57,440 thousand, respectively.
- (c) As of December 31, 2024 and 2023, guaranteed notes issued for bank loans and letters of credits both amounted to \$5,740,000 thousand and \$3,000,000 thousand, respectively.
- (d) As of December 31, 2024 and 2023, guaranteed letters offered by banks for contract performance guarantees amounted to \$2,840,926 thousand and \$1,316,702 thousand, respectively.
- (e) As of December 31, 2024 and 2023, the total contract price of contracted construction projects amounted to \$203,139,144 thousand and \$151,091,725 thousand, respectively, and the contract payments received by the Company amounted to \$140,394,209 thousand and \$109,963,503 thousand, respectively.
- (f) As of December 31, 2024 and 2023, the total subcontract price of subcontracted construction projects amounted to \$5,260,196 thousand and \$5,464,515 thousand, respectively, and the contract payment paid by the Company amounted to \$3,447,059 thousand and \$3,750,443 thousand, respectively.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

- (g) As of December 31, 2024 and 2023, the outstanding letters of credits issued by the Company for purchasing equipment amounted to \$768,227 thousand and \$366,772 thousand, respectively.
- (h) As of December 31, 2024 and 2023, guaranteed notes received from lessees for rental of buildings both amounted to \$885 thousand.
- (i) As of December 31, 2024 and 2023, the Company provided guarantees for entities in the same industry amounted to \$0 thousand and \$12,526,364 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 nature	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	633,477	1,103,107	1,736,584	619,362	839,618	1,458,980
Labor and health insurance	30,945	53,886	84,831	31,069	42,118	73,187
Pension	13,695	23,849	37,544	16,176	21,928	38,104
Remuneration of directors	-	69,606	69,606	-	53,532	53,532
Others	14,394	23,628	38,022	13,758	17,518	31,276
Depreciation	10,020	14,828	24,848	16,482	15,424	31,906
Amortization	4,188	7,790	11,978	4,171	5,452	9,623

For the years ended December 31, 2024 and 2023, the additional information on number of employees and employee benefits was as follows:

	2024	2023
Number of employees	<u>855</u>	<u>846</u>
Non-employee directors	<u>5</u>	<u>5</u>
Average employee benefits	<u>\$ 2,232</u>	<u>1,904</u>
Average employee salary	<u>\$ 2,043</u>	<u>1,735</u>
Adjustments of average employee salary	<u>17.75 %</u>	
Remuneration of supervisors	<u>\$ -</u>	<u>-</u>

The Company's compensation policies, including directors, managers and employees, were as follow:

- (i) Employee compensation:

In accordance with the Article of Incorporation.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

(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.

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 involved parties were prosecuted for violating the Securities and Exchange Act by the Taipei District Prosecutors Office on June 5, 2013. 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. The two other parties did not appeal after being granted probation by the High Court, while the former chairman, Mr. Chen, appealed and was dismissed 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). Mr. Chen's appeal was dismissed by the Supreme Court on February 27, 2024, and the decision was affirmed on a third trial.

(Continued)

UNITED INTEGRATED SERVICES CO., LTD.

Notes to the Financial Statements

(ii) Civil Procedure

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).

(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 the amount and recognized in the estimated accounts (respectively logged as construction costs and management costs), related amount please refer to note 7.

On July 10, 2024, the Company and Dentsu have reached the agreement that the Company should reimburse the package fees of \$35,322 thousand and related interest of \$17,593 thousand to Dentsu according to the judgment of the High Court, and the amount was paid on July 12, 2024. Furthermore, since the former Chairman Wang was considered as the representative of Dentsu in the related criminal judgment, Dentsu did not request the Company to pay Wang's salary of \$21,405 thousand. The difference between the actual paid amount and the estimated amount was recognized as reversal gains of construction costs and management costs.

(Continued)

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, 2024:

(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 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 companies in Mainland China
		Name	Relationship with the Company (Note 2)										
0	The Company	UNITED INTEGRATED SERVICES (USA) CORP.	2	117,796,248	13,395,315	-	-	-	- %	147,245,310	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	16,449	481	- %	481	
The Company	Stock — Acer	-	Current financial assets at fair value through profit or loss	1,400,000	55,720	0.05 %	55,720	
The Company	Stock — Powerchip Semiconductor Manufacturing Corporation	-	Current financial assets at fair value through profit or loss	7,639,033	121,461	0.18 %	121,461	
The Company	Stock — Powerchip Technology Corporation	-	Current financial assets at fair value through profit or loss	4,552,858	35,390	0.33 %	35,390	
	Totals				<u>213,052</u>			
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	-	- %	-	
	Totals				<u>-</u>			
The Company	Stock — Jiangxi Construction	-	Non-current financial assets at fair value through other comprehensive income	Note 1	1,497,532	19.80 %	1,497,532	

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: None
 - (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, 2024 (excluding information on investees in Mainland China):

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, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying value			
The Company	ABLEREX ELECTRONICS CO., LTD.	Taiwan	Sale and purchase of UPS	167,734	172,243	13,240,502	29.42 %	507,959	96,642	28,705	
The Company	WHOLETECH SYSTEM HITECH LIMITED	Taiwan	Gas pipeline engineering	60,140	61,367	9,747,080	13.34 %	277,938	495,124	66,859	
The Company	JG ENVIRONMENTAL TECHNOLOGY CO., LTD	Taiwan	Machinery and Equipment Manufacturing	24,746	30,442	1,802,989	8.00 %	29,314	23,931	2,045	
The Company	United Integrated Services (BVI) Ltd.	BVI	Investment activities	567,643	567,643	17,697,630	100.00 %	771,304	36,517	36,517	
The Company	United Integrated Services Pte Ltd.	Singapore	Clean room system construction	34,040	34,040	-	100.00 %	1,972	(113)	(113)	
The Company	UNITED INTEGRATED SERVICES (USA) CORP.	USA	Clean room system construction	1,392,503	1,392,503	50,000,000	100.00 %	1,864,285	(928,283)	(928,283)	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEM HITECH (BVI) LIMITED	BVI	Investment activities	170,884	170,884	5,400,000	100.00 %	266,719	48,460	48,460	
WHOLETECH SYSTEM HITECH (BVI) LIMITED	WHOLETECH SYSTEM HITECH (SHANHAI) LIMITED	China	Electromechanical, Circuit, and Pipeline Engineering Businesses	169,127	169,127	-	100.00 %	266,694	47,726	47,726	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEM HITECH INC.	Mauritius	Investment activities	110,559	110,559	3,500,000	100.00 %	258,704	34,027	34,027	
WHOLETECH SYSTEM HITECH INC.	WHOLETECH GROUP INTERNATIONAL TRADING LIMITED	Mauritius	Investment activities	110,559	110,559	3,500,000	100.00 %	258,704	34,027	34,027	
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 %	258,704	34,027	34,027	
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 %	196,578	75,835	75,835	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEM HITECH JAPAN, INC.	Japan	Sales and installation of equipment	76,434	13,539	36,000	100.00 %	60,730	(14,904)	(14,904)	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH HOLDINGS, LLC	USA	Investment activities	36,849	36,849	-	100.00 %	39,765	370	370	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEM HITECH USA, INC.	USA	Sales and installation of equipment	15,354	15,354	1,000	100.00 %	13,786	146	146	
WHOLETECH SYSTEM HITECH LIMITED	WHOLETECH SYSTEM HITECH GERMANY GmbH	Germany	Sales and installation of equipment, as well as pipeline engineering business	6,874	-	-	100.00 %	6,874	-	-	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-Samoa	Samoa	Holding company	217,445	217,445	6,635,000	100.00 %	488,425	(5,342)	(4,194)	
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 %	119,607	23,269	21,999	
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 %	36,828	1,159	1,159	
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 %	125,922	2,241	2,268	
ABLEREX ELECTRONICS CO., LTD.	Ablerex-UK	UK	Holding company	4,674	4,674	100,000	100.00 %	15,269	711	1,097	
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 %	19,293	4,174	3,693	
Ablerex-Samoa	Ablerex -Overseas	Hong Kong	Holding company	217,445	217,445	6,635,000	100.00 %	490,548	(5,301)	-	
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 %	15,269	711	-	
Ablerex-SG	Ablerex-TH	Thailand	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	1,795	1,795	20,000	100.00 %	(2,827)	(2,995)	-	

(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		Ending balance			Net income (losses) of investee	Share of profits/losses of investee (Note 1)	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying value			
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 %	16,257	5,612	-	
Ablerex-IT	ABLEREX ELECTRONICS LTD	UK	Sales of uninterruptible power equipment and systems, solar equipment and related systems, etc.	412	-	10,000	100.00 %	883	470	-	
JG ENVIRONMENTAL TECHNOLOGY CO., LTD	ASIA INTELLIGENCE INVESTMENTS LIMITED	BVI	Investment activities	30,280	30,280	-	100.00 %	35,780	(5,295)	(5,295)	
JG ENVIRONMENTAL TECHNOLOGY CO., LTD	Taiwan Sustainable Environmental and Energy Co., Ltd.	Taiwan	Sales of pollution control equipment and manufacturing	-	100	-	- %	-	-	-	
JG ENVIRONMENTAL TECHNOLOGY CO., LTD	Hua Zhi system Engineering Co., Ltd.	Taiwan	Environmental testing services	2,205	2,205	220,500	21.00 %	4,969	(436)	(92)	
JG ENVIRONMENTAL TECHNOLOGY CO., LTD	JG ENVIRONMENTAL TECHNOLOGY (JP), LTD	Japan	Maintenance of pollution control equipment and manufacturing	2,219	2,219	999	100.00 %	2,094	407	407	
ASIA INTELLIGENCE INVESTMENTS LIMITED	JG ENVIRONMENTAL TECHNOLOGY (SHANGHAI) LTD.	China	Sales of pollution control equipment and manufacturing	30,280	30,280	-	100.00 %	35,920	(5,295)	(5,295)	

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, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value as of December 31, 2024	Accumulated remittance of earnings in current period
					Outflow	Inflow						
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	15,316	100.00 %	NT\$ 15,316	NT\$ 253,107	NT\$ 273,522 RMB 60,000
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	291,324	75.00 %	NT\$ 218,493	NT\$ 648,560	NT\$ 2,456,575 RMB 535,598
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	21,200	100.00 %	NT\$ 21,200	NT\$ 395,819	-
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\$ 1,497,532	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	(619)	100.00 %	NT\$ (619)	NT\$ 13,501	-

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, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
1,798,283 (USD59,165)	1,825,134 (USD59,165)	8,964,430

- (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".

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

(d) Major shareholders:

Units: In shares

Shareholder's Name	Shareholding	Shares	Percentage
Capital Tip Customized Taiwan Select High Dividend Exchange Traded Fund		18,002,000	9.44 %
Ms. Lee		10,921,896	5.73 %

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, 2024.

United Integrated Services Co., Ltd.
Statement of cash and cash equivalents
December 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand and foreign currency	Cash	\$ 883
	Petty cash	580
		<u>1,463</u>
Cash in banks	Demand deposits	3,088,826
	Check Deposits	9,698
	Time deposits (Note 1)	2,209,755
	Foreign currency deposits (Note 2)	<u>1,154,500</u>
		<u>6,462,779</u>
		<u>\$ 6,464,242</u>

Note1: On December 31, 2024, the range of the interest rates of the time deposits was 1.65%~4.73%, and the maturity date will be January to March 2025.

Note2: The US dollar demand deposits of \$28,830 thousand were translated to NT\$945,186 thousand at the exchange rate of USD\$1=NT\$32.79. The RMB demand deposits of \$42,701 thousand were translated to NT\$191,214 thousand at the exchange rate RMB\$1=NT\$4.48. The JYP demand deposits of \$74 thousand were translated to NT\$16 thousand at the exchange rate JYP\$1=NT\$0.21. The EUR demand deposits of \$530 thousand were translated to NT\$18,084 thousand at the exchange rate EUR\$1=NT\$34.14.

United Integrated Services Co., Ltd.

Statement of financial assets measured at fair value through profit or loss - current

December 31, 2024

(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		Fair value changes is attributable to the changes in credit risk	Note
							Unit price	Total amount		
Nanya Technology Corporation		16	\$ -	-	-	5,166	29.25	481	-	
ACER		1,400	-	-	-	94,045	39.80	55,720	-	
Powerchip Semiconductor Manufacturing Corporation		7,639	-	-	-	134,314	15.90	121,461	-	
Powerchip Technology Corporation		4,553	-	-	-	68,687	7.77	35,390	-	
						302,212		-	-	
Add: Valuation Adjustments						(89,160)		-	-	
						<u>\$ 213,052</u>		<u>213,052</u>	<u>-</u>	

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, 2024

(Expressed in thousands of New Taiwan Dollars / thousands of shares)

Name of financial instrument	Beginning Balance		Additions		Reductions		Ending Balance		Collateral	Note
	Shares or units	Fair value	Shares or units	Amount	Shares or units	Amount	Shares or units	Fair value		
Taiwan Electronic Data Processing Corp.	374	\$ 25,639	-	-	-	-	374	25,639	None	
Add: Valuation Adjustments	-	(25,639)	-	-	-	-	-	(25,639)		
		<u>\$ -</u>		<u>-</u>		<u>-</u>		<u>-</u>		

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, 2024

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Beginning Balance		Additions		Reductions		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	-	550,816	-	-	-	61,496	-	489,320		
		<u>\$ 1,559,028</u>		<u>-</u>		<u>61,496</u>		<u>1,497,532</u>		

Note: Registered with the amount of capital contribution.

United Integrated Services Co., Ltd.

Statement of notes receivable

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

<u>Client name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Unrelated Parties:			
Giga Medical Instrument Ltd.	Operating	\$ <u><u>797</u></u>	

Statement of accounts receivable

<u>Client name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Related Parties:			
Beijing Han he Tang Medical Instrument Ltd.	Operating	\$ 214	
Unrelated Parties:			
Taiwan Semiconductor Manufacturing Co., Ltd.	Operating	3,046,994	
Micron Memory Taiwan Co., Ltd.	Operating	1,942,050	
TSMC Arizona Corporation	Operating	79,077	
Others (The balance of each household is less than 5% of the balance of the subject)	Operating	214,908	
		<u>5,283,029</u>	
		5,283,243	
Less: Loss allowance		<u>16,113</u>	
		<u><u>\$ 5,267,130</u></u>	

United Integrated Services Co., Ltd.

Statement of changes in Contract Assets and Contract Liabilities

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Name of Project	Construction in Progress						Advance Construction Receipts				Contract Assets	Contract Liabilities
	Beginning Balance	Additions		Reductions		Ending Balance	Beginning Balance	Additions	Completed and roll-out	Ending Balance		
		Construction Cost	Gain on Construction	Loss on Construction	Completed and roll-out							
F710	\$ 34,275,400	49,189	912,385	-	-	35,236,974	35,884,445	-	-	35,884,445	-	647,471
F810	2,114,370	27,079	250,279	-	2,391,728	-	2,256,049	135,680	2,391,729	-	-	-
F980	2,985,280	65,352	15,146	-	-	3,065,778	3,040,847	122,007	-	3,162,854	-	97,076
G010	6,141,187	1,033,217	182,864	-	-	7,357,268	7,559,978	1,187,125	-	8,747,103	-	1,389,835
G050	3,268,861	8,381,759	1,246,431	-	-	12,897,051	4,594,776	10,956,107	-	15,550,883	-	2,563,832
Others	50,679,056	15,180,327	5,733,041	5,682	4,022,716	67,564,026	56,650,705	24,444,230	4,022,821	77,072,114	1,676,287	11,274,375
	<u>\$ 99,464,154</u>	<u>24,736,923</u>	<u>8,340,146</u>	<u>5,682</u>	<u>6,414,444</u>	<u>126,121,097</u>	<u>109,986,800</u>	<u>36,845,149</u>	<u>6,414,550</u>	<u>140,417,399</u>	<u>1,676,287</u>	<u>15,972,589</u>

United Integrated Services Co., Ltd.

Statement of inventories

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount		Note
	Cost	Net realizable value	
Merchandise	\$ 6,770	-	
Finished goods	17,768	7,943	
Work in process	24,320	4,591	
Raw materials	<u>37,677</u>	<u>30,730</u>	
Total	86,535	<u>43,264</u>	
Less: Allowance for impairment	<u>43,271</u>		
	<u>\$ 43,264</u>		

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, 2024

(Expressed in thousands of New Taiwan Dollars / thousands of shares)

Name of investee	Beginning Balance		Additions		Reductions		Ending Balance			Market Value or Net Assets Value(Note 2)		
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of ownership (%)	Amount	Unit price	Total amount	Collateral
Ablerex Electronics Co., Ltd.	13,597	\$ 510,970	-	38,004	356	41,015	13,241	29.42	507,959	46.35	613,697	None
Wholetech System Hitech Limited	9,946	256,877	-	70,907	199	49,846	9,747	13.34	277,938	108.50	1,057,558	"
JG Environmental Technology Co., Ltd	2,218	38,387	-	2,234	415	11,307	1,803	8.00	29,314	27.01	48,699	"
United Integrated Services BVI	17,698	964,329	-	80,497	-	273,522	17,698	100.00	771,304	43.58	771,304	"
Jiangxi United Integrated Services Ltd.	Note 1	898,580	-	254,945	-	504,965	Note 1	75.00	648,560	-	648,560	"
United Integrated Services (USA) Corp.	50,000	2,633,617	-	158,951	-	928,283	50,000	100.00	1,864,285	37.29	1,864,285	"
United Integrated Services Pte Ltd.	Note 1	2,013	-	72	-	113	Note 1	100.00	1,972	-	1,972	"
Total		<u>\$ 5,304,773</u>		<u>605,610</u>		<u>1,809,051</u>			<u>4,101,332</u>		<u>5,006,075</u>	

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, 2024

(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, 2024

Please refer to note 6 (q)(ii)2).

United Integrated Services Co., Ltd.
Statement of other non-current assets
December 31, 2024
(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	\$ 7,340	
Chang Ji Company	operating	3,977	
Leader Air Condition Co., Ltd.	operating	22,180	
Chongde Engineering Co., Ltd	operating	2,270	
Others (The balance of each household is less than 5% of the balance of the subject)	operating	7,250	
		<u>\$ 43,017</u>	

United Integrated Services Co., Ltd.

Statement of accounts payable

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Vendor Name	Description	Amount	Note
Construction Payable:			
Related Parties:			
United Integrated Services BVI	operating	\$ 28,667	
UNITED INTEGRATED SERVICES(USA) CORP.	operating	56,856	
Ablerex Electronics Co., Ltd.	operating	11,077	
JG Environmental Technology Co., Ltd.	operating	2,019	
		<u>98,619</u>	
Unrelated Parties:			
Topline System Engineering Co., Ltd.	operating	216,856	
Others (The balance of each household is less than 5% of the balance of the subject)	operating	3,517,657	
		<u>3,734,513</u>	
Construction Retention Payable:			
Related Parties:			
Wholetech System Hitech Limited	operating	1,056	
Ablerex Electronics Co., Ltd.	operating	1,170	
		<u>2,226</u>	
Unrelated Parties:			
Others (The balance of each household is less than 5% of the balance of the subject)	operating	2,023,042	
		<u>\$ 5,858,400</u>	

Statement of provisions - current

Please refer to note 6 (n).

United Integrated Services Co., Ltd.
Statement of other current liabilities
December 31, 2024
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Other accrued expenses:			
	Employee compensation and directors' remuneration	\$ 1,020,388	
	Business tax	151,034	
	Salary allowance	187,351	
	Labor and health insurance expenses	15,598	
	Others	6,794	
		<u>1,381,165</u>	
Other payables-others		<u>8,741</u>	
Other current liabilities:			
	Receipts under custody	5,402	
	Tax collections	1,142	
	Other notes payable	4	
		<u>6,548</u>	
		<u><u>\$ 1,396,454</u></u>	

Statement of provisions - non-current

Please refer to note 6 (p).

United Integrated Services Co., Ltd.
Statement of deferred tax liabilities
December 31, 2024
(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, 2024

Item	Quantity	Amount
Construction revenue:		
Percentage of completion method	-	\$ 1,172,662
- Completed construction revenue		
Percentage of completion method	-	31,898,725
- Uncompleted construction revenue		
Subtotal		33,071,387
Service and design revenue	-	115,760
Sales revenue	-	140,115
Net operating revenues		\$ <u><u>33,327,262</u></u>

United Integrated Services Co., Ltd.

Statement of operating costs

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount	
	Subtotal	Total
Construction costs:		
Current material	\$ 22,786,663	
Labor	902,678	
Construction overhead	967,008	
Revenue from sale of scraps	<u>(11,693)</u>	
Total construction costs		24,644,656
Service and design costs		23,208
Costs of goods sold		<u>61,162</u>
Total operating costs		\$ <u>24,729,026</u>

Statement of construction overhead

Item	Description	Amount
Components		\$ 106,327
Insurance		54,327
Freight		71,957
Overtime pay		73,751
Others (The balance of each household is less than 5% of the balance of the subject)		660,646
Total		\$ <u>967,008</u>

United Integrated Services Co., Ltd.
Statement of selling expenses
For the year ended December 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Wages and salaries		\$ 41,137
Others (The balance of each household is less than 5% of the balance of the subject)		11,730
Total		<u><u>\$ 52,867</u></u>

Statement of administrative expenses

Item	Description	Amount
Wages and salaries		\$ 1,106,422
Insurance expenses		82,957
Others (The balance of each household is less than 5% of the balance of the subject)		127,363
Total		<u><u>\$ 1,316,742</u></u>

United Integrated Services Co., Ltd.

Statement of the research and development expenses

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Wages and salaries		\$ 20,616
Insurance expenses		1,394
Others (The balance of each household is less than 5% of the balance of the subject)		2,935
Total		<u><u>\$ 24,945</u></u>

Statement of other gains and losses

Please refer to note 6 (w).

Statement of Labor, Depreciation and Amortization by Function

Please refer to note 12 (a).