

Systemx Corporation

**Parent Company Only Financial Statements for the
Years Ended December 31, 2024 and 2023 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Systex Corporation

Opinion

We have audited the accompanying parent company only financial statements of Systex Corporation (the "Corporation"), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Corporation as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. 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.

The key audit matter identified in the Corporation's financial statements for the year ended December 31, 2024 is stated as follows:

Valuation of Receivables

As of December 31, 2024, notes receivable and accounts receivable amounted to \$1,202,083 thousand. When assessing the impairment of receivables, the management of the Corporation uses the expected credit loss model based on the lifetime expected credit loss. The valuation of receivables involves significant accounting estimates and judgments by management. Therefore, we considered the valuation of receivables as a key audit matter. For the disclosures related to receivables, refer to Notes 5 and 9 to the financial statements.

Our audit procedures performed with respect to the abovementioned key audit matter included the following:

1. We obtained the reports of impairment of receivables and assessed the reasonableness of the expected credit loss model and the data used in the reports.
2. We tested the aging schedule of receivables and reviewed the calculation of expected credit loss to confirm the accuracy of the expected credit loss recognized on receivables.
3. We evaluated the recoverability of receivables by analyzing overdue accounts and verifying cash receipts in the subsequent period. For those receivables that were past due and yet received, we assessed the reasonableness of the expected credit loss based on the Corporation's customer payment history, customer credit control and follow up the tracking status of overdue receivables.

Other Matter

We did not audit the financial statements of Collaboration Co., Ltd., which is investee of the Corporation and is accounted for using the equity method, Genesis Technology Inc., which is investee of the Corporation and Syscore Corporation and is accounted for using the equity method, Systex Information (H.K.) Limited and Rainbow Tech Information (HK) Limited, which are investees of Kimo.com (BVI) Corporation and are accounted for using the equity method for the year ended December 31, 2023, but such financial statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included for these investees, is based solely on the reports of other auditors. The aggregate amounts of aforementioned investments accounted for using the equity method was \$2,521,760 thousand, representing 11.27%, of the Corporation's total assets as of December 31, 2023. The aggregate comprehensive income of these investees was \$158,395 thousand, representing 11.54%, of the Corporation's comprehensive income for the year ended December 31, 2023.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation 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 Corporation's financial reporting process.

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation 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 parent company only 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 entities or business activities within the Corporation to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Shioh-Ming Shue and Hui-Min Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2025

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

SYSTEX CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Notes 4 and 6)	\$ 1,578,224	6	\$ 1,006,943	4
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	2,304,111	9	-	-
Notes receivable, net (Notes 4, 5, 9 and 18)	26,321	-	16,251	-
Accounts receivable, net (Notes 4, 5, 9 and 18)	1,175,762	5	1,991,912	9
Receivables from related parties (Note 25)	115,533	-	118,933	1
Other receivables	63,290	-	53,946	-
Inventories (Notes 4 and 10)	1,331,528	5	1,414,485	6
Prepayments	772,852	3	819,765	4
Other financial assets - current (Notes 26 and 27)	267,254	1	204,333	1
Refundable deposits - current	167,823	1	124,050	1
Other current assets (Note 20)	18,114	-	19,816	-
Total current assets	<u>7,820,812</u>	<u>30</u>	<u>5,770,434</u>	<u>26</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	2,421,226	9	1,791,458	8
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	12,632	-	40,857	-
Investments accounted for using equity method (Notes 4 and 11)	13,292,470	52	12,556,168	56
Property, plant and equipment (Notes 4 and 12)	1,665,958	7	1,629,484	7
Right-of-use assets (Notes 4 and 13)	300,144	1	299,754	1
Computer software (Note 4)	51,919	-	42,126	-
Deferred tax assets (Notes 4 and 20)	10,883	-	18,885	-
Refundable deposits - non-current	125,114	1	114,132	1
Long-term receivables (Notes 4 and 9)	-	-	3,007	-
Other financial assets - non-current (Notes 26 and 27)	23,689	-	32,401	-
Other non-current assets	20,518	-	77,155	1
Total non-current assets	<u>17,924,553</u>	<u>70</u>	<u>16,605,427</u>	<u>74</u>
TOTAL	<u>\$ 25,745,365</u>	<u>100</u>	<u>\$ 22,375,861</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans (Notes 4 and 14)	\$ -	-	\$ 200,000	1
Contract liabilities (Notes 4 and 18)	1,153,844	4	956,407	4
Notes and accounts payable	1,247,058	5	1,376,092	6
Payables to related parties (Note 25)	1,204,148	5	1,230,680	6
Other payables	917,323	4	779,973	3
Lease liabilities - current (Notes 4 and 13)	118,964	-	112,328	-
Current tax liabilities (Notes 4 and 20)	12,465	-	31,611	-
Other current liabilities	146,887	1	124,637	1
Total current liabilities	<u>4,800,689</u>	<u>19</u>	<u>4,811,728</u>	<u>21</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 15)	2,997,857	11	2,996,633	13
Deferred tax liabilities (Notes 4 and 20)	6,177	-	5,846	-
Lease liabilities - non-current (Notes 4 and 13)	187,109	1	190,790	1
Net defined benefit liabilities - non-current (Notes 4 and 16)	16,905	-	92,172	1
Other non-current liabilities	6,246	-	6,185	-
Total non-current liabilities	<u>3,214,294</u>	<u>12</u>	<u>3,291,626</u>	<u>15</u>
Total liabilities	<u>8,014,983</u>	<u>31</u>	<u>8,103,354</u>	<u>36</u>
EQUITY (Notes 4, 17 and 22)				
Share capital	2,722,654	11	2,723,033	12
Capital surplus	8,692,447	34	6,967,728	31
Retained earnings				
Legal reserve	1,836,979	7	1,691,083	8
Special reserve	402,170	1	308,124	1
Unappropriated earnings	4,291,181	17	3,976,732	18
Total retained earnings	6,530,330	25	5,975,939	27
Other equity	(215,049)	(1)	(465,750)	(2)
Treasury shares	-	-	(928,443)	(4)
Total equity	<u>17,730,382</u>	<u>69</u>	<u>14,272,507</u>	<u>64</u>
TOTAL	<u>\$ 25,745,365</u>	<u>100</u>	<u>\$ 22,375,861</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated February 26, 2025)

SYSTEX CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 18 and 25)				
Sales	\$ 7,882,915	66	\$ 6,749,714	64
Less: Sales returns and allowances	<u>21,748</u>	-	<u>9,896</u>	-
Net sales	7,861,167	66	6,739,818	64
Service revenue	4,068,016	34	3,742,203	35
Other operating revenue	<u>53,807</u>	-	<u>70,938</u>	1
Total operating revenue	<u>11,982,990</u>	100	<u>10,552,959</u>	100
OPERATING COSTS (Notes 4, 10, 19 and 25)				
Cost of goods sold	6,793,634	57	5,894,121	56
Service costs	1,963,446	17	1,709,032	16
Other operating costs	<u>14,660</u>	-	<u>10,486</u>	-
Total operating costs	<u>8,771,740</u>	74	<u>7,613,639</u>	72
GROSS PROFIT	<u>3,211,250</u>	26	<u>2,939,320</u>	28
OPERATING EXPENSES (Notes 9, 19 and 25)				
Selling expenses	2,269,225	19	2,127,284	20
General and administrative expenses	363,474	3	342,852	3
Research and development expenses	487,977	4	352,194	4
Expected credit loss	<u>2,136</u>	-	<u>5,290</u>	-
Total operating expenses	<u>3,122,812</u>	26	<u>2,827,620</u>	27
PROFIT FROM OPERATIONS	<u>88,438</u>	-	<u>111,700</u>	1
NON-OPERATING INCOME AND EXPENSES				
Share of profit of subsidiaries and associates (Notes 4 and 11)	1,326,746	11	1,343,291	13
Interest income (Note 4)	6,530	-	4,694	-
Dividend income (Note 4)	42,973	1	49,743	-
Other income, net (Note 25)	30,436	-	20,613	-
Gain on sale of property, plant and equipment	122	-	138	-
Gain (loss) on sale of investments, net (Note 19)	2,707	-	(5,964)	-
Foreign exchange gain (loss), net (Note 4)	5,789	-	(332)	-
Gain on financial assets at fair value through profit or loss, net (Note 4)	634,028	5	67,803	-
Interest expense	(36,324)	-	(35,693)	-
Other (expenses) income	(28,262)	-	2,243	-
Impairment loss on assets (Notes 4 and 19)	<u>(77,764)</u>	(1)	<u>(34,373)</u>	-
Total non-operating income and expenses	<u>1,906,981</u>	16	<u>1,412,163</u>	13

(Continued)

SYSTEX CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 1,995,419	16	\$ 1,523,863	14
INCOME TAX EXPENSE (Notes 4 and 20)	<u>37,988</u>	<u>-</u>	<u>29,597</u>	<u>-</u>
NET INCOME	<u>1,957,431</u>	<u>16</u>	<u>1,494,266</u>	<u>14</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 16)	(378)	-	(21,159)	-
Unrealized loss on equity instruments at fair value through other comprehensive income	(29,524)	-	(16,527)	-
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	<u>29,400</u>	<u>-</u>	<u>(55,868)</u>	<u>(1)</u>
	<u>(502)</u>	<u>-</u>	<u>(93,554)</u>	<u>(1)</u>
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	<u>216,216</u>	<u>2</u>	<u>(27,913)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>215,714</u>	<u>2</u>	<u>(121,467)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,173,145</u>	<u>18</u>	<u>\$ 1,372,799</u>	<u>13</u>
EARNINGS PER SHARE (Note 21)				
Basic	<u>\$ 7.66</u>		<u>\$ 6.02</u>	
Diluted	<u>\$ 7.64</u>		<u>\$ 6.01</u>	

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

(With Deloitte & Touche auditors' report dated February 26, 2025)

(Concluded)

SYSTEX CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Share Capital	Capital Surplus	Retained Earnings				Exchange Differences on Translating Foreign Operations	Other Equity	Unearned Employee Benefits	Treasury Shares	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized (Loss) Gain on Financial Assets at Fair Value Through Other Comprehensive Income			
BALANCE AT JANUARY 1, 2023	\$ 2,723,333	\$ 6,874,231	\$ 1,576,153	\$ 729,124	\$ 3,573,220	\$ 5,878,497	\$ (272,123)	\$ (36,000)	\$ (171,334)	\$ (928,443)	\$ 14,068,161
Appropriation of 2022 earnings											
Legal reserve	-	-	114,930	-	(114,930)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(421,000)	421,000	-	-	-	-	-	-
Cash dividends - NT\$5 per share	-	-	-	-	(1,361,517)	(1,361,517)	-	-	-	-	(1,361,517)
Share of changes in subsidiaries and associates accounted for using the equity method	-	(10,839)	-	-	(7,887)	(7,887)	-	-	-	-	(18,726)
Net income for 2023	-	-	-	-	1,494,266	1,494,266	-	-	-	-	1,494,266
Other comprehensive loss for 2023	-	-	-	-	(27,480)	(27,480)	(27,913)	(66,074)	-	-	(121,467)
Total comprehensive income (loss) for 2023	-	-	-	-	1,466,786	1,466,786	(27,913)	(66,074)	-	-	1,372,799
Share-based payment transaction - restricted shares for employees	-	(820)	-	-	-	-	-	-	105,561	-	104,741
Share-based payment transaction - cancellation of restricted shares for employees	(300)	(1,893)	-	-	-	-	-	-	2,193	-	-
Cash dividends received by subsidiaries from the Corporation	-	107,049	-	-	-	-	-	-	-	-	107,049
Disposal of investments by subsidiaries in equity instruments at fair value through other comprehensive income	-	-	-	-	60	60	-	(60)	-	-	-
BALANCE AT DECEMBER 31, 2023	2,723,033	6,967,728	1,691,083	308,124	3,976,732	5,975,939	(300,036)	(102,134)	(63,580)	(928,443)	14,272,507
Appropriation of 2023 earnings											
Legal reserve	-	-	145,896	-	(145,896)	-	-	-	-	-	-
Special reserve	-	-	-	94,046	(94,046)	-	-	-	-	-	-
Cash dividends - NT\$5.2 per share	-	-	-	-	(1,415,977)	(1,415,977)	-	-	-	-	(1,415,977)
Share of changes in subsidiaries and associates accounted for using the equity method	-	22,948	-	-	-	-	-	-	-	-	22,948
Donations from shareholders	-	1,080	-	-	-	-	-	-	-	-	1,080
Net income for 2024	-	-	-	-	1,957,431	1,957,431	-	-	-	-	1,957,431
Other comprehensive income (loss) for 2024	-	-	-	-	12,730	12,730	216,216	(13,232)	-	-	215,714
Total comprehensive income (loss) for 2024	-	-	-	-	1,970,161	1,970,161	216,216	(13,232)	-	-	2,173,145
Disposal of treasury shares	-	1,577,141	-	-	-	-	-	-	-	928,443	2,505,584
Cash dividends received by subsidiaries from the Corporation	-	111,331	-	-	-	-	-	-	-	-	111,331
Issuance of employee share options by the subsidiaries	-	15,024	-	-	-	-	-	-	-	-	15,024
Share-based payment transaction - restricted shares for employees	-	(412)	-	-	-	-	-	-	44,945	-	44,533
Share-based payment transaction - cancellation of restricted shares for employees	(379)	(2,393)	-	-	207	207	-	-	2,772	-	207
BALANCE AT DECEMBER 31, 2024	<u>\$ 2,722,654</u>	<u>\$ 8,692,447</u>	<u>\$ 1,836,979</u>	<u>\$ 402,170</u>	<u>\$ 4,291,181</u>	<u>\$ 6,530,330</u>	<u>\$ (83,820)</u>	<u>\$ (115,366)</u>	<u>\$ (15,863)</u>	<u>\$ -</u>	<u>\$ 17,730,382</u>

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

(With Deloitte & Touche auditors' report dated February 26, 2025)

SYSTEX CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,995,419	\$ 1,523,863
Adjustments for:		
Depreciation expense	254,926	218,013
Amortization expense	21,192	41,083
Expected credit loss recognized	2,136	5,290
Gain on financial assets at fair value through profit or loss, net	(634,028)	(67,803)
Loss on disposal of investments accounted for using the equity method	-	5,964
Interest expense	36,324	35,693
Interest income	(6,530)	(4,694)
Dividend income	(42,973)	(49,743)
Compensation cost of share-based payment	49,776	88,622
Share of profit of subsidiaries and associates accounted for using equity method	(1,326,746)	(1,343,291)
Gain on sale of property, plant and equipment	(122)	(138)
Write-down of inventories	2,643	1,123
Impairment loss on financial assets	77,764	-
Impairment loss on non-financial assets	-	34,373
Other non-cash items	(177)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(2,299,851)	864,044
Notes receivable	(10,070)	1,780
Accounts receivable	814,014	(107,422)
Receivables from related parties	3,400	2,774
Other receivables	(8,907)	(6,892)
Inventories	54,949	(31,267)
Prepayments	46,913	(72,499)
Other current assets	1,702	6,004
Notes and accounts payable	(129,034)	108,308
Payables to related parties	(26,532)	340,745
Other payables	137,350	(16,159)
Contract liabilities	197,437	59,817
Other current liabilities	43,194	(93,081)
Net defined benefit liabilities	(75,645)	(32,724)
Cash (used in) generated from operations	(821,476)	1,511,783
Interest paid	(36,244)	(35,588)
Income tax (paid) received	(48,801)	759
Net cash (used in) generated from operating activities	(906,521)	1,476,954
		(Continued)

SYSTEX CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	\$ (1,524)	\$ (10,010)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	1,106
Acquisition of investments accounted for using the equity method	(192,550)	(106,772)
Proceeds from disposal of investments accounted for using the equity method	-	26,186
Capital reduction of investments accounted for using the equity method	231,266	150,000
Payments for property, plant and equipment	(101,596)	(65,289)
Proceeds from disposal of property, plant and equipment	690	9,993
Increase in refundable deposits	(54,755)	(50,882)
Payments for intangible assets	(30,985)	(17,383)
Proceeds from disposal of intangible assets	-	969
Decrease in long-term receivables	3,007	3,766
(Increase) decrease in pledged time deposits	(54,209)	24,832
Decrease (increase) in other non-current assets	25,347	(80,767)
Interest received	6,318	4,354
Dividends received	42,973	49,743
Dividends received from subsidiaries and associates	<u>3,349,504</u>	<u>853,127</u>
Net cash generated from investing activities	<u>3,223,486</u>	<u>792,973</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	(200,000)	(180,000)
Increase in guarantee deposits received	61	1,185
Repayment of the principal portion of lease liabilities	(129,975)	(117,826)
Dividends paid	<u>(1,415,770)</u>	<u>(1,361,517)</u>
Net cash used in financing activities	<u>(1,745,684)</u>	<u>(1,658,158)</u>
NET INCREASE IN CASH	571,281	611,769
CASH AT THE BEGINNING OF THE YEAR	<u>1,006,943</u>	<u>395,174</u>
CASH AT THE END OF THE YEAR	<u>\$ 1,578,224</u>	<u>\$ 1,006,943</u>

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

(With Deloitte & Touche auditors' report dated February 26, 2025)

(Concluded)

SYSTEX CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Systex Corporation (the “Corporation”) was incorporated on January 7, 1997 under the provision of the Company Act of the Republic of China and other laws and regulations. The Corporation is mainly engaged in sales and leases of computer software and related equipment, transmission and security of value-added network, maintenance of database, and consultation.

The Corporation’s shares had been traded on Emerging Stock Market since April 10, 2002 and Taipei Exchange since January 6, 2003. On December 30, 2010, the Corporation has changed the listing and trading of its shares to the Taiwan Stock Exchange.

The parent company only financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Corporation’s board of directors on February 26, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

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

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

As of the date the parent company only financial statements were authorized for issue, the Corporation is continuously assessing the other impacts of the above amended standards and interpretations on the Corporation's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

As of the date the parent company only financial statements were authorized for issue, the Corporation is continuously assessing the other impacts of the above amended standards and interpretations on the Corporation's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- a. Statement of compliance

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

- b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for the financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

When preparing the parent company only financial statements, the Corporation accounts for subsidiaries and associates by using the equity method. In order to agree with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the consolidated financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of investments accounted for using equity method, share of profits of subsidiaries and associates and share of other comprehensive income of subsidiaries and associates in the financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

- 1) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and
- 2) Liabilities for which the Corporation does not have the substantial right at the end of the reporting period to defer settlement for at least twelve months after the reporting period.

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

d. Foreign currencies

In preparing the Corporation's financial statements, transactions in currencies other than the Corporation's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purposes of presenting the financial statements, the assets and liabilities of the Corporation's foreign operations (including subsidiaries and associates in other countries that use currency different from the currency of the Corporation) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Corporation's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In a partial disposal of a subsidiary that does not result in the Corporation losing control over the subsidiary, the proportionate share of accumulated exchange differences is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the Corporation's share of equity of subsidiaries.

Changes in the Corporation's ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are accounted for as equity transactions. The Corporation recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Corporation's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the subsidiary), the Corporation continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Corporation assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Corporation recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Corporation directly disposed of the related assets or liabilities.

The Corporation disposes of a subsidiary and results in a loss of control over the business, no gain or loss is recognized for transactions under common control.

Profit or loss resulting from downstream transactions is eliminated in full only in the financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Corporation.

g. Investment in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Corporation uses the equity method to account for its investments in associates. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the associate. The Corporation also recognizes the changes in the Corporation's share of equity of associates.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Corporation subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in the associate. The Corporation records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Corporation's share of equity of associates. If the Corporation's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Corporation's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the associate), the Corporation discontinues recognizing its share of further losses, if any. Additional losses and liabilities are recognized only to the extent that the Corporation has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Corporation discontinues the use of the equity method from the date on which its investment ceases to have significant influence. Any retained investment is measured at fair value at that date, and the fair value is regarded as investments fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When the Corporation transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the parent company only financial statements only to the extent of interests in the associate that are not related to the Corporation.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Intangible assets

1) Intangible assets acquired separately

Intangible assets (computer software) with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Corporation reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual or smallest group of cash-generating units on a reasonable and consistent allocation basis.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at fair value through other comprehensive income (“FVTOCI”).

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset.

ii. Financial assets at amortized cost

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

- i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Corporation recognizes a loss allowance for expected credit losses ("ECLs") on financial assets at amortized cost (including accounts receivable) and lease receivables.

The Corporation always recognizes lifetime ECLs for accounts receivable and lease receivables. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

ECLs reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Corporation recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt or equity instruments issued by the Corporation are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

l. Revenue recognition

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

Sales revenue comes from sales of computer hardware and software. Sales of computer hardware and software are recognized as revenue when the goods are delivered and the customers have full discretion over the price to sell the goods, rights to use the goods, and bears the risks of obsolescence. Accounts receivable are recognized concurrently. The transaction price received under the conditions of a contract is recognized as a contract liability until the goods have been delivered to the customer.

Service revenue comes from maintenance of computer software and hardware, value-added network services and related consultation services. As the Corporation provides services, customers simultaneously receive and consume the benefits provided by the Corporation's performance. Consequently, the related revenue is recognized when services are rendered. Service revenue other than conditions stated above is recognized when services have been completed.

Other operating revenue is mainly comprised of rental revenue on leases of computer equipment, which is recognized over the term of the lease.

m. Leases

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

For a contract that contains a lease component and non-lease components, the Corporation allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

1) The Corporation as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Corporation's net investment outstanding in respect of leases.

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

2) The Corporation as lessee

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

Right-of-use assets are initially measured at cost (the initial measurement of lease liabilities). Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments (fixed payments). The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in a lease term, the Corporation remeasures the lease liability with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of a right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

n. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period they occur. Remeasurement (including actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets excluding interest) is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Corporation's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

o. Share-based payment arrangements

The fair value at the grant date of the restricted shares for employees is expensed on a straight-line basis over the vesting period, based on the Corporation's best estimates of the number of shares that are expected to ultimately vest, with a corresponding increase in other equity - unearned employee benefits.

When restricted shares for employees are issued, other equity - unearned employee benefits is recognized on the grant date, with a corresponding increase in capital surplus - restricted shares for employees. Dividends paid to employees on restricted shares that do not need to be returned if employees resign in the vesting period are recognized as expenses when the dividends are declared, with a corresponding adjustment in retained earnings.

At the end of each reporting period, the Corporation revises its estimate of the number of restricted shares for employees that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - restricted shares for employees.

The grant by the Corporation of its equity instruments to the employees of a subsidiary under share-based payment arrangements is treated as a capital contribution. The fair value of employee services received under the arrangement is measured by reference to the grant-date fair value and is recognized over the vesting period as an addition to the investment in the subsidiary, with a corresponding credit to capital surplus - restricted shares for employees.

When award employee share options of the equity-settled share-based payments for employees are issued, is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus. The expense is recognized in full at the grant date if the grants are vested immediately.

p. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable is based on taxable profit for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. If a temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences, the resulting deferred tax asset or liability is not recognized.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Valuation of Receivables

The valuation of receivables is based on assumptions about rates of default and expected loss. The Corporation uses judgment in making these assumptions and in selecting the inputs to the impairment valuation, based on the Corporation's historical experience, existing market conditions and forward-looking estimates. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	\$ 224	\$ 224
Checking accounts and demand deposits	<u>1,578,000</u>	<u>1,006,719</u>
	<u>\$ 1,578,224</u>	<u>\$ 1,006,943</u>

7. FINANCIAL ASSETS AT FVTPL

	December 31	
	2024	2023
<u>Current</u>		
Financial assets mandatorily classified as at FVTPL		
Mutual funds	<u>\$ 2,304,111</u>	<u>\$ -</u>
<u>Non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Unlisted shares	<u>\$ 2,421,226</u>	<u>\$ 1,791,458</u>

8. FINANCIAL ASSETS AT FVTOCI - NON-CURRENT

	December 31	
	2024	2023
Investments in equity instruments		
Unlisted shares	<u>\$ 12,632</u>	<u>\$ 40,857</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Corporation's strategy of holding these investments for long-term purposes.

9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND LONG-TERM RECEIVABLES, NET

	December 31	
	2024	2023
Notes receivable	\$ 26,493	\$ 16,423
Less: Allowance for doubtful accounts	<u>(172)</u>	<u>(172)</u>
	<u>\$ 26,321</u>	<u>\$ 16,251</u>

(Continued)

	December 31	
	2024	2023
Accounts receivable	\$ 1,193,172	\$ 2,007,186
Less: Allowance for doubtful accounts	<u>(17,410)</u>	<u>(15,274)</u>
	<u>\$ 1,175,762</u>	<u>\$ 1,991,912</u>
Long-term receivables	\$ -	\$ 3,084
Less: Unrealized interest income	<u>-</u>	<u>(77)</u>
	<u>\$ -</u>	<u>\$ 3,007</u>

(Concluded)

The average credit period of receivables is 60 to 90 days. The Corporation delegated a department responsible for managing receivables, establishing credit limits, credit approvals and other monitoring procedures to ensure the profitability of the Corporation.

The Corporation applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all receivables. The expected credit losses on receivables are estimated using a provision matrix by reference to the past default records of the debtor, the debtor's current financial position, economic condition of the industry in which the debtor operates as well as the GDP forecasts and industry outlook. As the Corporation's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Corporation's different customer base.

The Corporation writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For receivables that have been written off, the Corporation continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of receivables based on the Corporation's provision matrix:

December 31, 2024

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 270 Days	Over 271 Days	Total
Gross carrying amount	\$ 1,010,758	\$ 158,868	\$ 21,094	\$ 11,660	\$ 17,285	\$ 1,219,665
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(297)</u>	<u>(17,285)</u>	<u>(17,582)</u>
Amortized cost	<u>\$ 1,010,758</u>	<u>\$ 158,868</u>	<u>\$ 21,094</u>	<u>\$ 11,363</u>	<u>\$ -</u>	<u>\$ 1,202,083</u>

December 31, 2023

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 270 Days	Over 271 Days	Total
Gross carrying amount	\$ 1,967,863	\$ 24,820	\$ 24,430	\$ 2,468	\$ 4,028	\$ 2,023,609
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>(8,950)</u>	<u>(2,468)</u>	<u>(4,028)</u>	<u>(15,446)</u>
Amortized cost	<u>\$ 1,967,863</u>	<u>\$ 24,820</u>	<u>\$ 15,480</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,008,163</u>

The movements of the loss allowance of receivable were as follows:

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ 15,446	\$ 10,246
Provision of loss allowance	2,136	5,290
Amount written off	<u>-</u>	<u>(90)</u>
Balance at December 31	<u>\$ 17,582</u>	<u>\$ 15,446</u>

10. INVENTORIES

	December 31	
	2024	2023
Merchandise	\$ 1,326,684	\$ 1,408,138
Maintenance parts	<u>4,844</u>	<u>6,347</u>
	<u>\$ 1,331,528</u>	<u>\$ 1,414,485</u>

	For the Year Ended December 31	
	2024	2023
Write-down of inventories	<u>\$ 2,643</u>	<u>\$ 1,123</u>

Write-down of inventory is mainly due to the decrease in net realizable value.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2024	2023
Investments in subsidiaries	\$ 11,567,089	\$ 11,094,294
Investments in associates	<u>1,725,381</u>	<u>1,461,874</u>
	<u>\$ 13,292,470</u>	<u>\$ 12,556,168</u>

a. Investments in subsidiaries

	December 31	
	2024	2023
Unlisted Corporation		
Kimo.com (BVI) Corporation (Kimo BVI)	\$ 4,472,315	\$ 4,250,007
Systex Capital Group, Inc. (SCGI)	2,814,813	2,617,752
Systex Software & Service Corporation (SSSC)	1,260,104	1,310,798
Ching Pu Investment Corporation (Ching Pu) (Notes 4 and 17)	403,182	495,388
Concord System Management Corporation (CSMC)	660,630	537,375
Taifon Computer Co., Ltd. (Taifon)	336,331	311,438
Systex Solutions Corporation (Systex Solutions)	367,570	348,503
Golden Bridge Corporation (GBC)	324,636	307,454
		(Continued)

	December 31	
	2024	2023
Docutek Solutions, Inc. (Docutek Solutions)	\$ 285,022	\$ 274,766
Systex Fintech Corporation (SFC, formerly known as Nexsys Corporation and renamed in December 2023)	274,931	270,030
MISYS Corporation (MISYS)	(1,365)	52,946
E-service Information Corporation (E-service)	99,149	101,355
uniXecure Corporation (uniXecure)	142,282	108,762
Taiwan Information Service Technology Corporation (TIST)	47,210	44,487
Naturint Corporation (Naturint)	8,810	13,569
Syspower Corporation (Syspower)	22,183	20,751
Hanmore Investment Corporation (Hanmore) (Notes 4 and 17)	39,635	28,913
Systex Vietnam Company Limited	<u>9,651</u>	<u>-</u>
	<u>\$ 11,567,089</u>	<u>\$ 11,094,294</u>
		(Concluded)

The Corporation's proportion of ownership and voting rights of its subsidiaries as of the balance sheet date were 100%, except for:

Name of Associate	Proportion of Ownership and Voting Rights	
	December 31	
	2024	2023
Syspower	4.67%	4.67%
Hanmore	48.92%	48.92%
TIST	67.38%	67.38%
SFC	63.73%	70.00%
Docutek Solutions	54.92%	54.92%
uniXecure	96.25%	100.00%

Refer to Note 29 and Table 7 for the details of the subsidiaries indirectly held by the Corporation.

The Corporation and its subsidiaries, collectively, hold more than 50% of the ownership and voting rights of Syspower; therefore, the Corporation has control over Syspower, which is accounted for as subsidiary. Syspower agreed with certain shareholders to buy back its shares in April 2023, which increased the Corporation's interest in Syspower to 4.67%.

The Corporation holds 48.92% interest in Hanmore. The directors of the Corporation considered that the Corporation has the practical ability to direct the relevant activities of Hanmore and, therefore, has control over Hanmore.

UniXecure issued new shares in December 2024. The Corporation did not subscribe for new shares issued by UniXecure but reduced its interest in UniXecure to 96.25%.

The Corporation's share of profit (loss) and other comprehensive income (loss) from subsidiaries using the equity method was recognized based on each subsidiary's audited financial statements for the years ended December 31, 2024 and 2023.

b. Investments in associates

Aggregate information of associates was as follows:

	For the Year Ended December 31	
	2024	2023
The Corporation's share of:		
Net profit for the year	\$ 90,098	\$ 91,884
Other comprehensive income	<u>57,408</u>	<u>20,741</u>
Total comprehensive income for the year	<u>\$ 147,506</u>	<u>\$ 112,625</u>

Except for Genesis Technology Inc., and Collaboration Co., Ltd., for the year ended December 31, 2023 investments accounted for using the equity method and the share of profit or loss and other comprehensive income were calculated based on the financial statements that have been audited, the remainder is recognized based on unaudited results for the same period; management believes the financial statements that have not been audited would not have material impact on the investments accounted for using the equity method or the Corporation's share of profit and other comprehensive income in the financial statements.

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Computer Equipment	Lease Equipment	Leasehold Improvements	Other Equipment	Total
<u>Cost</u>							
Balance at January 1, 2023	\$ 778,127	\$ 1,150,902	\$ 227,406	\$ 24,767	\$ 46,715	\$ 102,543	\$ 2,330,460
Additions	-	-	51,683	23,179	5,150	39,723	119,735
Disposals	-	-	(71,489)	(5,251)	(10,684)	(16,479)	(103,903)
Balance at December 31, 2023	<u>\$ 778,127</u>	<u>\$ 1,150,902</u>	<u>\$ 207,600</u>	<u>\$ 42,695</u>	<u>\$ 41,181</u>	<u>\$ 125,787</u>	<u>\$ 2,346,292</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2023	\$ 7,693	\$ 506,753	\$ 116,107	\$ 11,164	\$ 21,784	\$ 47,496	\$ 710,997
Depreciation expense	-	16,464	45,579	10,360	7,708	19,748	99,859
Disposals	-	-	(61,634)	(5,251)	(10,684)	(16,479)	(94,048)
Balance at December 31, 2023	<u>\$ 7,693</u>	<u>\$ 523,217</u>	<u>\$ 100,052</u>	<u>\$ 16,273</u>	<u>\$ 18,808</u>	<u>\$ 50,765</u>	<u>\$ 716,808</u>
Carrying amount at December 31, 2023	<u>\$ 770,434</u>	<u>\$ 627,685</u>	<u>\$ 107,548</u>	<u>\$ 26,422</u>	<u>\$ 22,373</u>	<u>\$ 75,022</u>	<u>\$ 1,629,484</u>
<u>Cost</u>							
Balance at January 1, 2024	\$ 778,127	\$ 1,150,902	\$ 207,600	\$ 42,695	\$ 41,181	\$ 125,787	\$ 2,346,292
Additions	-	-	55,337	-	21,698	24,561	101,596
Disposals	-	-	(30,772)	(2,009)	(5,138)	(14,495)	(52,414)
Reclassifications	-	-	2,925	3,900	18,510	32,356	57,691
Balance at December 31, 2024	<u>\$ 778,127</u>	<u>\$ 1,150,902</u>	<u>\$ 235,090</u>	<u>\$ 44,586</u>	<u>\$ 76,251</u>	<u>\$ 168,209</u>	<u>\$ 2,453,165</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2024	\$ 7,693	\$ 523,217	\$ 100,052	\$ 16,273	\$ 18,808	\$ 50,765	\$ 716,808
Depreciation expense	-	16,463	50,219	14,296	11,967	29,343	122,288
Disposals	-	-	(30,206)	(2,009)	(5,138)	(14,493)	(51,846)
Reclassification	-	-	(20)	(23)	-	-	(43)
Balance at December 31, 2024	<u>\$ 7,693</u>	<u>\$ 539,680</u>	<u>\$ 120,045</u>	<u>\$ 28,537</u>	<u>\$ 25,637</u>	<u>\$ 65,615</u>	<u>\$ 787,207</u>
Carrying amount at December 31, 2024	<u>\$ 770,434</u>	<u>\$ 611,222</u>	<u>\$ 115,045</u>	<u>\$ 16,049</u>	<u>\$ 50,614</u>	<u>\$ 102,594</u>	<u>\$ 1,665,958</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Buildings	60 years
Computer equipment and other equipment	3-5 years
Transportation equipment	5 years
Lease equipment	2-3 years
Leasehold improvements	5 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
<u>Carrying amounts</u>		
Buildings	\$ 214,506	\$ 203,045
Machinery	83,548	96,709
Transportation equipment	<u>2,090</u>	<u>-</u>
	<u>\$ 300,144</u>	<u>\$ 299,754</u>
	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	<u>\$ 138,210</u>	<u>\$ 242,082</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 91,786	\$ 75,625
Machinery	40,761	41,523
Transportation equipment	<u>91</u>	<u>1,006</u>
	<u>\$ 132,638</u>	<u>\$ 118,154</u>

b. Lease liabilities

	December 31	
	2024	2023
<u>Carrying amounts</u>		
Current	<u>\$ 118,964</u>	<u>\$ 112,328</u>
Non-current	<u>\$ 187,109</u>	<u>\$ 190,790</u>

Range of discount rate for lease liabilities was as follows:

	December 31	
	2024	2023
Buildings	1.00%-1.75%	1.00%-1.25%
Machinery	1.00%-1.25%	1.00%-1.25%
Transportation equipment	1.75%	-

c. Material leasing activities and terms

The Corporation leases buildings for the use of offices and equipment for the use of operation with lease terms of 1 to 7 years. The Corporation does not have bargain purchase options to acquire the leasehold buildings and equipment at the end of the lease terms.

d. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases and low-value asset leases	<u>\$ 29,817</u>	<u>\$ 39,048</u>
Total cash outflow for leases	<u>\$ 163,390</u>	<u>\$ 159,673</u>

The Corporation has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases which qualify as short-term leases and low-value asset leases.

The amount of lease commitments for which the recognition exemption is applied were \$2,970 thousand and \$7,438 thousand, respectively, as of December 31, 2024 and 2023.

14. SHORT-TERM LOANS

	December 31	
	2024	2023
Bank unsecured loans	<u>\$ -</u>	<u>\$ 200,000</u>
Annual interest rate	-	1.68%

15. BONDS PAYABLE

	December 31	
	2024	2023
Unsecured domestic bonds	\$ 3,000,000	\$ 3,000,000
Less: Discount on bonds payable	<u>(2,143)</u>	<u>(3,367)</u>
	<u>\$ 2,997,857</u>	<u>\$ 2,996,633</u>

In September 2021, the Corporation issued 3,000 units (each unit at par value of \$1,000 thousand), 0.82% NTD-denominated unsecured bonds, in an aggregate principal amount of \$3,000,000 thousand. The five-year bonds will mature in September 2026. Interest is paid annually and the principal will be repaid in full on the maturity date. The funds raised by the issuance of bonds were used to repay the bank loan and replenish the working capital.

16. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Corporation in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. These entities contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Corporation has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Corporation’s defined benefit plans were as follows:

	December 31	
	2024	2023
Present value of defined benefit obligation	\$ 452,848	\$ 465,393
Fair value of plan assets	<u>(435,943)</u>	<u>(373,221)</u>
Net defined benefit liability	<u>\$ 16,905</u>	<u>\$ 92,172</u>

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Balance at January 1, 2023	<u>\$ 449,662</u>	<u>\$ (345,925)</u>	<u>\$ 103,737</u>
Service cost			
Current service cost	367	-	367
Net interest expense (income)	<u>6,892</u>	<u>(5,491)</u>	<u>1,401</u>
Recognized in profit or loss	<u>7,259</u>	<u>(5,491)</u>	<u>1,768</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,148)	(2,148)
Actuarial loss - changes in financial assumptions	12,291	-	12,291
Actuarial loss - experience adjustments	<u>11,016</u>	<u>-</u>	<u>11,016</u>
Recognized in other comprehensive income	<u>23,307</u>	<u>(2,148)</u>	<u>21,159</u>
Contributions from the employer	-	(34,492)	(34,492)
Benefits paid	<u>(14,835)</u>	<u>14,835</u>	<u>-</u>
Balance at December 31, 2023	<u>465,393</u>	<u>(373,221)</u>	<u>92,172</u>

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Service cost			
Current service cost	\$ 398	\$ -	\$ 398
Net interest expense (income)	<u>5,749</u>	<u>(4,649)</u>	<u>1,100</u>
Recognized in profit or loss	<u>6,147</u>	<u>(4,649)</u>	<u>1,498</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(33,141)	(33,141)
Actuarial gain - changes in financial assumptions	(9,346)	-	(9,346)
Actuarial loss - experience adjustments	<u>42,865</u>	<u>-</u>	<u>42,865</u>
Recognized in other comprehensive income	<u>33,519</u>	<u>(33,141)</u>	<u>378</u>
Contributions from the employer	-	(77,143)	(77,143)
Benefits paid	<u>(52,211)</u>	<u>52,211</u>	<u>-</u>
Balance at December 31, 2024	<u>\$ 452,848</u>	<u>\$ (435,943)</u>	<u>\$ 16,905</u> (Concluded)

Through the defined benefit plans under the Labor Standards Act, the Corporation is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2024	2023
Discount rates	1.50%	1.25%
Expected rates of salary increase	1.20%	1.20%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2024	2023
Discount rates		
0.5% increase	<u>\$ (17,878)</u>	<u>\$ (20,230)</u>
0.5% decrease	<u>\$ 18,978</u>	<u>\$ 21,556</u>
Expected rates of salary increase		
0.5% increase	<u>\$ 18,939</u>	<u>\$ 21,457</u>
0.5% decrease	<u>\$ (18,015)</u>	<u>\$ (20,337)</u>

The above sensitivity analysis may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2024	2023
The expected contributions to the plan for the next year	<u>\$ 1,498</u>	<u>\$ 8,306</u>
The average duration of the defined benefit obligation	10 years	10 years

17. EQUITY

a. Share capital

	December 31	
	2024	2023
Number of shares authorized (in thousands)	<u>400,000</u>	<u>400,000</u>
Share capital authorized (par value of \$10 per share)	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>
Number of shares issued (in thousands)	<u>272,265</u>	<u>272,303</u>
Share capital issued	<u>\$ 2,722,654</u>	<u>\$ 2,723,033</u>

b. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit, distribute as cash dividends, or transfer to share capital (1)		
Issuance of shares	\$ 4,548,396	\$ 4,486,567
The difference between the consideration paid or received and the carrying amount of the subsidiaries' net assets during actual acquisition or disposal	193,977	193,977
Donations	1,624	544
Treasury share transactions	3,847,584	2,159,112

(Continued)

	December 31	
	2024	2023
<u>May only be used to offset a deficit</u>		
Changes in percentage of ownership interest in subsidiaries and associates (2)	\$ 30,416	\$ 9
Gain on sale of property, plant and equipment	4,493	4,493
<u>May not be used for any purpose</u>		
Employee restricted shares	65,957	123,026
	<u>\$ 8,692,447</u>	<u>\$ 6,967,728</u>
		(Concluded)

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interest in subsidiary resulting from equity transactions other than actual disposal on acquisition, or from changes in capital surplus of subsidiaries and associates accounted for by using the equity method.

c. Retained earnings and dividends policy

Under the dividend policy as set forth in the Corporation's Articles of Incorporation ("Articles"), where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders, except that the board of directors is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting.

For the policies on distribution of compensation of employees and remuneration of directors, please refer to Note 19 c. for details.

For the goal of sustainable operation and development, the Corporation considers the overall environment and the nature of industry growth along with the long-term financial planning, and applies the dividend policy for residual earnings. The Corporation evaluates the annual funding requirements according to its future capital budget and retains the required fund from the earnings, and distributes the residual earnings as follows:

- 1) Determine the optimal capital budget.
- 2) Determine the funding requirements to meet the optimal capital budget.
- 3) Determine the funding requirements to be met by unappropriated earnings (the remaining may be met through capital increase by cash or issuance of bonds).
- 4) The residual earnings, less an appropriate portion for the operation requirements, may be distributed to shareholders.

The Corporation's dividends may be distributed in cash or shares. The distribution of profits shall be made preferably by way of cash dividends. The distribution could also be made by way of stock dividends, which should not exceed 50% of the total distributed earnings in principle. In addition, dividend policy depends on criteria such as the Corporation's current and future investment environment, cash requirements, domestic and international competition, capital budget, etc. Further, the Corporation also takes into consideration shareholders' interests, balances of dividends and its long-term financial goals. Annually, the board of directors prepares a proposal on earnings appropriation for approval at the shareholders' meeting.

For the distribution of dividends, if the distribution is in cash, the board of directors shall be authorized to resolve the proposal by the vote of at least half of the directors present, provided the number of directors present shall be at least two-thirds of the entire board of directors, and report the distribution to the shareholders' meeting. The Corporation may distribute all or part of the reserve in accordance with laws or the regulations of the competent authority. If it is distributed in cash, the Corporation authorizes the board of directors to make resolutions in accordance with Article 241 of the Company Act and report to the shareholders' meeting.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. Legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under the local regulations, an amount equals to the net debit balance of total other equity items shall be appropriated as a special reserve. The special reserve may be reversed to the extent of the decrease in the net debit balance.

If the Corporation's shares are held by its subsidiaries at the end of the year and the market value of the shares held are lower than their carrying amounts, the Corporation should appropriate a special reserve equal to the difference between the carrying amounts and market value multiplied by its percentages of ownership in the subsidiaries. The special reserve can be reversed in proportion to the percentages of ownership in the subsidiaries when the market value of the shares increased.

The appropriations of earnings for 2023 and 2022, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2023	2022
Legal reserve	\$ 145,896	\$ 114,930
Appropriation (reversal) of special reserve	\$ 94,046	\$ (421,000)
Cash dividends	\$ 1,415,977	\$ 1,361,517
Cash dividends per share (NT\$)	\$ 5.2	\$ 5.0

The above cash dividends were approved by the board of directors on April 10, 2024 and April 12 2023, respectively, and the remaining appropriations of earnings were approved by the shareholders in their meetings on May 29, 2024 and May 25, 2023, respectively.

The appropriation of earnings for 2024 will be resolved by the shareholders in their meeting in May 2025.

Information about the appropriations of earnings and distribution of capital surplus are available at the Market Observation Post System website of the Taiwan Stock Exchange.

d. Other equity items

1) Exchange differences on translation of foreign operations

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ (300,036)	\$ (272,123)
Share of subsidiaries and associates accounted for using the equity method	<u>216,216</u>	<u>(27,913)</u>
Balance at December 31	<u>\$ (83,820)</u>	<u>\$ (300,036)</u>

2) Unrealized (loss) gain on financial assets at FVTOCI

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ (102,134)	\$ (36,000)
Recognized for the year		
Unrealized loss on equity investments	(29,524)	(16,527)
Share from subsidiaries and associates accounted for using the equity method	16,292	(49,547)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>(60)</u>
Balance at December 31	<u>\$ (115,366)</u>	<u>\$ (102,134)</u>

3) Unearned employee benefits

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ (63,580)	\$ (171,334)
Cancellation of shares	2,772	2,193
Share-based payment expenses recognized	37,354	88,622
Share-based payment expenses recognized by subsidiaries	<u>7,591</u>	<u>16,939</u>
Balance at December 31	<u>\$ (15,863)</u>	<u>\$ (63,580)</u>

Please refer to Note 22 for the issuance of restricted shares for employees.

e. Treasury shares.

Purpose of Treasury Share	Number of Shares at January 1	Increase During the Year	Decrease During the Year	Number of Shares at December 31
<u>2024</u>				
Reclassification of the Corporation's shares held by subsidiaries from equity-method investments into treasury shares (in thousands)	<u>21,410</u>	<u>-</u>	<u>21,410</u>	<u>-</u>

(Continued)

Purpose of Treasury Share	Number of Shares at January 1	Increase During the Year	Decrease During the Year	Number of Shares at December 31
<u>2023</u>				
Reclassification of the Corporation's shares held by subsidiaries from equity-method investments into treasury shares (in thousands)	<u>21,410</u>	<u>-</u>	<u>-</u>	<u>21,410</u> (Concluded)

The Corporation's shares held by subsidiaries at the end of reporting period were as follows:

	December 31	
	2024	2023
<u>Hanmore</u>		
Share (in thousands)	<u>-</u>	<u>21,317</u>
Investment cost	<u>\$ -</u>	<u>\$ 738,426</u>
Market value	<u>\$ -</u>	<u>\$ 2,387,468</u>
<u>Ching Pu</u>		
Share (in thousands)	<u>-</u>	<u>10,982</u>
Investment cost	<u>\$ -</u>	<u>\$ 237,308</u>
Market value	<u>\$ -</u>	<u>\$ 1,229,925</u>

For the Corporation's shares held by Hanmore, the investment cost of 48.92% (the ownership percentage owned by the Corporation) was transferred from investment accounted for using the equity method to treasury shares, amounting to \$515,617 thousand (10,428 thousand shares) as of December 31, 2023.

The Corporation's shares held by its subsidiaries are recorded as treasury shares, with the subsidiaries having the same rights as other common shareholders on these shares, except that the subsidiaries which are owned by the parent company for over 50% will not have the right to participate in any share issuance for cash or to vote.

In September 2024, Hanmore and Ching Pu sold all of their shares in the Corporation to Taiwan Mobile Co., Ltd., with the sale proceeds amounting to \$2,611,398 thousand and \$1,345,285 thousand, respectively.

18. REVENUE

	For the Year Ended December 31	
	2024	2023
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 7,861,167	\$ 6,739,818
Revenue from the rendering of services	4,068,016	3,742,203
Other operating revenue	<u>53,807</u>	<u>70,938</u>
	<u>\$ 11,982,990</u>	<u>\$ 10,552,959</u>

Contract Balances

	December 31, 2024	December 31, 2023	January 1, 2023
Notes and accounts receivable (including related parties) (Notes 9 and 25)	<u>\$ 1,317,616</u>	<u>\$ 2,127,096</u>	<u>\$ 2,029,518</u>
Contract liabilities	<u>\$ 1,153,844</u>	<u>\$ 956,407</u>	<u>\$ 896,590</u>

The changes in the balance of contract liabilities primarily result from the timing difference between the Corporation's satisfaction of performance obligations and the respective customer's payment.

19. NET PROFIT

a. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
Property, plant and equipment	\$ 122,288	\$ 99,859
Right-of-use assets	132,638	118,154
Intangible assets	<u>21,192</u>	<u>41,083</u>
	<u>\$ 276,118</u>	<u>\$ 259,096</u>
An analysis of depreciation by function		
Operating costs	\$ 97,681	\$ 91,996
Operating expenses	<u>157,245</u>	<u>126,017</u>
	<u>\$ 254,926</u>	<u>\$ 218,013</u>
An analysis of amortization by function		
Operating costs	\$ 7	\$ 122
Operating expenses	<u>21,185</u>	<u>40,961</u>
	<u>\$ 21,192</u>	<u>\$ 41,083</u>

b. Employee benefits expenses (recognized as operating expenses)

	For the Year Ended December 31	
	2024	2023
Post-employment benefits		
Defined contribution plans	\$ 102,499	\$ 91,771
Defined benefit plans (Note 16)	<u>1,498</u>	<u>1,768</u>
	103,997	93,539
Compensation cost of share-based payment	49,776	88,622
Payroll	2,243,378	1,991,241
Labor and health insurance	196,178	177,440
Remuneration of directors	42,009	32,081
Other employee benefits	<u>92,749</u>	<u>95,157</u>
Total employee benefits expenses	<u>\$ 2,728,087</u>	<u>\$ 2,478,080</u>

For the years ended December 31, 2024 and 2023, the Corporation had 2,206 and 2,028 employees on average, respectively; the number of board of directors who did not serve concurrently as employees amounted to 10 and 11, respectively.

For the years ended December 31, 2024 and 2023, the average employee benefits expenses amounted to \$1,223 thousand and \$1,213 thousand, respectively, and the average payroll expenses amounted to \$1,022 thousand and \$987 thousand, respectively. The average payroll expenses increased by 3.55%.

The Corporation's policies for employee benefits expenses are as follows.

The directors are remunerated in accordance with the Corporation's current Articles. The Corporation has also established the "Regulations on Directors' Remuneration" to calculate their remuneration based on the base numbers established by directors' contribution to the Corporation and whether they are independent directors.

Directors' remuneration includes remuneration, salary, travel expenses, etc. Independent directors are paid in fixed amounts of remuneration every quarter in accordance with the resolutions in the board of directors' meetings. Travel expenses are paid each time directors attend board of directors or functional committee meetings in person.

Managerial officers' remuneration is paid in accordance with the Corporation's human resources policies. Their remuneration mainly includes basic salary, rewards, and employee remuneration. Rewards and bonuses are distributed based on the overall operating performance of the Corporation and shall be in accordance with the "Regulations on the Distribution of Year-End Bonuses".

The Corporation has established a remuneration committee to be in charge of the performance evaluation of directors and managerial officers, set and reviewing the remuneration policies, system standards and structure, and conduct periodic reviews on the accomplishment of performance targets in order to build a comprehensive remuneration system for the Corporation's directors and managerial officers.

The Corporation has set up a well-established performance management and remuneration system which connected the target of organization with personal performance. The Corporation ensures performance examination, feedback, and assessment are completed regularly. Bonuses are paid based on the overall performance of the Corporation, department performance, personal performance and contribution in order to achieve the Corporation's goal of high performance, high contribution, and high reward.

c. Compensation of employees and remuneration of directors

The Corporation accrues compensation of employees and remuneration of directors at rates of no less than 0.1% and no higher than 2%, respectively, of net profit before income tax, compensation of employees and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023 which have been approved by the Corporation's board of directors on February 26, 2025 and February 27, 2024, respectively, are as follows:

	For the Year Ended December 31	
	2024	2023
	Cash	Cash
Compensation of employees	\$ 63,014	\$ 48,122
Remuneration of directors	42,009	32,081

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

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

Information on the compensation of employees and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

d. Gain (loss) on sale of investments, net

	For the Year Ended December 31	
	2024	2023
Investments accounted for using the equity method	\$ -	\$ (5,964)
Financial assets at FVTPL	<u>2,707</u>	<u>-</u>
	<u>\$ 2,707</u>	<u>\$ (5,964)</u>

e. Impairment losses recognized

	For the Year Ended December 31	
	2024	2023
Investments accounted for using the equity method	\$ 77,764	\$ -
Intangible assets	<u>-</u>	<u>34,373</u>
	<u>\$ 77,764</u>	<u>\$ 34,373</u>

20. INCOME TAXES

a. The major components of tax expense recognized in profit or loss were as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	\$ 20,105	\$ 28,812
Additional income tax on unappropriated earnings	-	5,091
Adjustments for prior years' tax	<u>9,550</u>	<u>(4,766)</u>
	<u>29,655</u>	<u>29,137</u>
Deferred tax		
In respect of the current year	<u>8,333</u>	<u>460</u>
Income tax expense recognized in profit or loss	<u>\$ 37,988</u>	<u>\$ 29,597</u>

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2024	2023
Profit before tax	\$ <u>1,995,419</u>	\$ <u>1,523,863</u>
Income tax expense calculated at the statutory rate	\$ 399,084	\$ 304,773
Permanent difference	(370,646)	(275,501)
Additional income tax on unappropriated earnings	-	5,091
Adjustments for prior years' tax	<u>9,550</u>	<u>(4,766)</u>
Income tax expense recognized in profit or loss	\$ <u>37,988</u>	\$ <u>29,597</u>

b. Income tax recognized directly in equity

	For the Year Ended December 31	
	2024	2023
Current tax		
Disposal of treasury share transactions	\$ <u>174,348</u>	\$ <u>-</u>

c. Current tax assets and liabilities

	December 31	
	2024	2023
Current tax assets (included in other current assets)		
Tax refund receivable	\$ <u>1,198</u>	\$ <u>982</u>
Current tax liabilities		
Income tax payable	\$ <u>12,465</u>	\$ <u>31,611</u>

d. The movements of deferred tax assets and liabilities

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Closing Balance
<u>Deferred tax assets</u>			
Temporary differences			
Payable for annual leave	\$ 1,698	\$ 305	\$ 2,003
Allowance for loss on inventories	6,443	(1,984)	4,459
Others	<u>10,744</u>	<u>(6,323)</u>	<u>4,421</u>
	\$ <u>18,885</u>	\$ <u>(8,002)</u>	\$ <u>10,883</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Exchange differences on foreign operations	\$ 5,846	\$ -	\$ 5,846
Others	<u>-</u>	<u>331</u>	<u>331</u>
	\$ <u>5,846</u>	\$ <u>331</u>	\$ <u>6,177</u>

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Closing Balance
<u>Deferred tax assets</u>			
Temporary differences			
Payable for annual leave	\$ 1,856	\$ (158)	\$ 1,698
Allowance for loss on inventories	6,722	(279)	6,443
Others	<u>10,830</u>	<u>(86)</u>	<u>10,744</u>
	<u>\$ 19,408</u>	<u>\$ (523)</u>	<u>\$ 18,885</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Exchange differences on foreign operations	\$ 5,846	\$ -	\$ 5,846
Others	<u>63</u>	<u>(63)</u>	<u>-</u>
	<u>\$ 5,909</u>	<u>\$ (63)</u>	<u>\$ 5,846</u>

e. Income tax assessments

Income tax returns through 2022 and undistributed earnings through 2021 of the Corporation has been assessed by the tax authorities.

21. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

	<u>For the Year Ended December 31</u>	
	2024	2023
Net income for the year	<u>\$ 1,957,431</u>	<u>\$ 1,494,266</u>
<u>Number of shares (in thousands)</u>		
Weighted average number of ordinary shares in the computation of basic earnings per share	255,667	248,307
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>503</u>	<u>496</u>
Weighted average number of ordinary shares in the computation of diluted earnings per share	<u>256,170</u>	<u>248,803</u>
<u>Earnings per share (NT\$)</u>		
Basic earnings per share	<u>\$7.66</u>	<u>\$6.02</u>
Diluted earnings per share	<u>\$7.64</u>	<u>\$6.01</u>

The Corporation may settle bonus to employees in cash or shares, therefore, the Corporation assumes the entire amount of the bonus will be settled in shares and the resulting potential shares, if dilutive, will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

The pro-forma net income and earnings per share, assuming the Corporation's share held by subsidiaries were treated as investment instead of treasury shares, were as follows:

	For the Year Ended December 31	
	2024	2023
Net income for the year	<u>\$ 2,068,762</u>	<u>\$ 1,601,315</u>
<u>Number of shares (in thousands)</u>		
Weighted average number of ordinary shares in the computation of pro forma basic earnings per share	270,642	269,717
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>503</u>	<u>496</u>
Weighted average number of ordinary shares in the computation of pro forma diluted earnings per share	<u>271,145</u>	<u>270,213</u>
<u>Earnings per share (NT\$)</u>		
Basic earnings per share	<u>\$7.64</u>	<u>\$5.94</u>
Diluted earnings per share	<u>\$7.63</u>	<u>\$5.93</u>

22. SHARE-BASED PAYMENT ARRANGEMENTS

- a. On May 26, 2022, the shareholders in their meeting approved to issue 3,000 thousand shares under a restricted share plan for employees with a total amount of \$30,000 thousand, which was approved by the FSC. Vesting conditions of restricted stock awards (RSAs) are as follows:
 - 1) The employees remain employed by the Group on the last date of each vesting period, and the employees' performance metrics and the Group's operational goal are met at the same time, and during the vesting period, the employees may not breach labor contracts with the Group or be given a major demerit according to the Group's rewards and punishment regulations.
 - 2) The maximum percentage of granted RSAs that may be vested each year shall be as follows: One year anniversary of the grant: 33%; two-year anniversary of the grant: 33%; and three-year anniversary of the grant: 34%; or the maximum percentage of granted RSAs that may be vested for the three years from 2022 to 2024 will be set as 100%; provided that the actual percentage and number of the RSAs to be vested in each year will be calculated based on the achievement of the employees' performance metrics and the Group's operational goals.

Restrictions imposed on the employees' rights in the RSAs before the vesting conditions are fulfilled:

- 1) During each vesting period, no employees granted RSAs may sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, any shares under the unvested RSAs according to trust agreement.

- 2) The attendance, proposal rights, speech rights, voting rights shall be exercised by the engaged trustee on the employees' behalf.
- 3) The RSAs should be delivered to trust custodians upon the grant date. The employees cannot request for refund by all means before the vesting conditions are fulfilled.
- 4) If the Group applies for non-statutory capital reduction, the RSAs should be cancelled in proportion to the capital reduction. The refund of cash shall be delivered to the engaged trustee before the vesting conditions are fulfilled. If the vesting conditions are not fulfilled, the Group will withdraw the refund of cash.
- 5) Except for the aforementioned restrictions, before the vesting conditions are fulfilled, any other shareholders' rights including but not limited to the entitlement to any distribution regarding dividends, bonuses and capital reserve, and the subscription right of the new shares issued for any capital increase, are the same as those of holders of common shares of the Group. The operations will be executed under trust agreement.

On August 3, 2022, the board of directors approved to issue 3,000 thousand shares under a restricted share plan for employees with a par value of \$10 per share and a total amount of \$30,000 thousand. The grant date was September 1, 2022, and the closing price was \$73.10.

- b. For the restricted shares for employees issued in September 2022; the vested shares amounted to 1,827 thousand shares, while 1,045 thousand shares were not yet vested as of December 31, 2024.
- c. In 2024, SFC, a subsidiary of the Corporation granted 2,005 units of employee share options. Each unit can subscribe for 1,000 ordinary shares of SFC. The recipients include employees of the Corporation and SFC who meet certain criteria. The options are vested upon when granted and exercisable after the grant date with an exercise price of \$22. The fair value of the options is \$16.9 per share.
- d. Compensation cost of share-based payment

	For the Year Ended December 31	
	2024	2023
Restricted shares for employees	\$ 37,354	\$ 88,622
Employee share options	<u>12,422</u>	<u>-</u>
	<u>\$ 49,776</u>	<u>\$ 88,622</u>

23. CAPITAL MANAGEMENT

The capital structure of the Corporation consists of debt and equity of the Corporation (comprising issued capital, capital surplus, retained earnings and other equity).

Key management personnel of the Corporation review the capital structure on a periodic basis. As part of this review, the Corporation considers the cost of capital and the risks associated with each class of capital. In order to balance the overall capital structure, the Corporation may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the amount of new debt issued or existing debt redeemed.

24. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>December 31, 2024</u>				
Financial assets at FVTPL				
Unlisted shares	\$ -	\$ -	\$ 2,421,226	\$ 2,421,226
Mutual funds	<u>2,304,111</u>	<u>-</u>	<u>-</u>	<u>2,304,111</u>
	<u>\$ 2,304,111</u>	<u>\$ -</u>	<u>\$ 2,421,226</u>	<u>\$ 4,725,337</u>
Financial assets at FVTOCI				
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,632</u>	<u>\$ 12,632</u>
<u>December 31, 2023</u>				
Financial assets at FVTPL				
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,791,458</u>	<u>\$ 1,791,458</u>
Financial assets at FVTOCI				
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,857</u>	<u>\$ 40,857</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2024 and 2023.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2024

Financial Assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1	\$ 1,791,458	\$ 40,857	\$ 1,832,315
Recognized in profit or loss	629,830	-	629,830
Recognized in other comprehensive income	-	(29,524)	(29,524)
Purchases	-	1,524	1,524
Capital reduction and distribution in cash from capital surplus	<u>(62)</u>	<u>(225)</u>	<u>(287)</u>
Balance at December 31	<u>\$ 2,421,226</u>	<u>\$ 12,632</u>	<u>\$ 2,433,858</u>
Unrealized gain for the current year included in profit or loss relating to assets held at the end of the year	<u>\$ 629,830</u>		<u>\$ 629,830</u>

For the year ended December 31, 2023

Financial Assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1	\$ 1,729,941	\$ 47,653	\$ 1,777,594
Recognized in profit or loss	62,461	-	62,461
Recognized in other comprehensive income	-	(16,615)	(16,615)
Purchases	-	10,010	10,010
Capital reduction	(944)	(191)	(1,135)
Balance at December 31	<u>\$ 1,791,458</u>	<u>\$ 40,857</u>	<u>\$ 1,832,315</u>
Unrealized gain for the current year included in profit or loss relating to assets held at the end of the year	<u>\$ 62,461</u>		<u>\$ 62,461</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Taiwan Futures Exchange	The market approach is used to arrive at their fair values for which the recent financial activities of investees, the market transaction prices of the similar companies and market conditions are considered. Significant unobservable inputs are discounted considering marketability.
Unlisted shares and others	The assets approach is used to the individual assets and individual liabilities to reflect the overall value of the investment target. Significant unobservable inputs are discounted considering marketability.

c. Categories of financial instruments

	December 31	
	2024	2023
<u>Financial assets</u>		
FVTPL	<u>\$ 4,725,337</u>	<u>\$ 1,791,458</u>
Amortized cost (1)	<u>\$ 3,558,285</u>	<u>\$ 3,685,516</u>
FVTOCI	<u>\$ 12,632</u>	<u>\$ 40,857</u>
<u>Financial liabilities</u>		
Amortized cost (2)	<u>\$ 6,372,632</u>	<u>\$ 6,589,564</u>

- 1) The balances comprise cash, notes receivable, accounts receivable, receivables from related parties, refundable deposits - current, refundable deposits - non-current, other receivables, lease receivables - current (included in other current assets), lease receivables - non-current (included in other non-current assets), long-term receivables, pledged time deposits - current (included in other current financial assets) and pledged time deposits - non-current (included in other non-current financial assets).
 - 2) The balances comprise short-term loans, notes and accounts payable, payables to related parties, other payables, guarantee deposits received (included in other non-current liabilities) and bonds payable.
- d. Financial risk management objectives and policies

The Corporation's main target of financial risk management is to manage the market risk related to operating activity (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. To reduce the potential and detrimental influence of the fluctuations in market on the Corporation's financial performance, the Corporation endeavors to identify, estimate and hedge the uncertainties of the market.

The Corporation's significant financial activity is reviewed and approved by the board of directors and audit committee in compliance with related regulations and internal control policy, and the authority and responsibility are delegated according to the operating procedures.

1) Market risk

a) Foreign currency risk

The Corporation has foreign currency sales, purchases and borrowings, which were exposed to foreign currency risk. The Corporation designated a department to monitor exchange rate fluctuations in timely manner and change foreign currency position to control and mitigate such risks as soon as possible.

The sensitivity analysis focused on outstanding foreign currency denominated monetary assets and monetary liabilities (mainly USD) at the end of the reporting period. A positive number below indicates an increase/decrease in pre-tax income associated with New Taiwan dollars strengthening/weakening 5% against the relevant currency.

	For the Year Ended December 31	
	2024	2023
Increase/decrease	\$ 5,441	\$ (2,359)

b) Interest rate risk

The carrying amounts of the Corporation's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	December 31	
	2024	2023
Fair value interest rate risk		
Financial assets	\$ 290,943	\$ 236,734
Financial liabilities	\$ 2,997,857	\$ 3,196,633
Cash flow interest rate risk		
Financial assets	\$ 1,578,000	\$ 1,006,719

The Corporation acquires better interest rate through long-term cooperation with banks; therefore, the effect of interest rate fluctuations is immaterial.

The sensitivity analyses below were determined based on financial assets and financial liabilities with floating interest rates at the end of reporting period. If interest rates had been 10 basis points (0.1%) higher/lower, the Corporation's pre-tax net income effect would have been as follows:

	<u>For the Year Ended December 31</u>	
	2024	2023
Increase/decrease	\$ 1,578	\$ 1,007

c) Other price risk

The Corporation was exposed to price risk through its investments in shares, corporate bonds and mutual funds. The Corporation established a real-time control system for the price risk, and management does not anticipate any material loss due to this risk.

The sensitivity analyses of the above investment were determined based on financial assets which were measured at fair value at the end of reporting period. If market prices had been 5% higher/lower, the effects on the Corporation's pre-tax net income and other comprehensive income would have been as follows:

	<u>For the Year Ended December 31</u>	
	2024	2023
Pre-tax income		
Increase/decrease	<u>\$ 236,267</u>	<u>\$ 89,573</u>
Other comprehensive income		
Increase/decrease	<u>\$ 632</u>	<u>\$ 2,043</u>

2) Credit risk

Credit risk represents the potential loss that would be incurred by the Corporation if the counterparties breached contracts. Generally, the maximum exposures to credit risk for financial assets at the balance sheet date are their carrying amounts.

The Corporation designated a department to manage accounts receivable, establish management policies and develop credit limit management procedures to ensure its benefit. The corporation also choose creditworthy financial institutions with good credit rating as counterparties to reduce credit risk.

Since the counterparties are creditworthy financial institutions and enterprises and the concentration of credit risk is not significant, the credit risk is anticipated to be immaterial.

3) Liquidity risk

The Corporation puts in place inventory management system, procedures for collections and payments, and develops cash flow forecast to ensure the liquidity of operating capital. In addition, the Corporation invests idle funds in short-term investments under consideration of liquidity, security and profitability. The Corporation also maintains banking facilities to ensure the liquidity of cash.

The Corporation has sufficient working capital to meet the cash needs for their operations. Thus, no material liquidity risk is anticipated.

In addition, the Corporation's investments in mutual funds and listed shares are traded in active markets and can readily be sold in the market at their approximate fair values. However, the Corporation also invested in unlisted stocks without quoted market prices in an active market, and higher liquidity risk is anticipated.

25. TRANSACTIONS WITH RELATED PARTIES

Except for those disclosed in other notes, transactions between the Corporation and related parties are disclosed below.

a. Related parties and their relationship with the Corporation

Related Parties	Relationship with the Corporation
Taifon Computer Co., Ltd. (Taifon)	Subsidiary
Systex Solutions Corporation (Systex Solutions)	Subsidiary
Syspower Corporation (Syspower)	Subsidiary
Concord System Management Corporation (CSMC)	Subsidiary
Systex Fintech Corporation (SFC)	Subsidiary
Hanmore Investment Corporation (Hanmore)	Subsidiary
Naturint Corporation (Naturint)	Subsidiary
Systex Software & Service Corporation (SSSC)	Subsidiary
Softmobile Technology Corporation (Softmobile)	Subsidiary
Smartsys Technology Corporation (Smartsys)	Subsidiary
Top Information Technologies Co., Ltd. (Top Information)	Subsidiary
E-service Information Corporation (E-service)	Subsidiary
Taiwan Information Service Technology Corporation (TIST)	Subsidiary
Palsys Digital Technology Corporation (Palsys)	Subsidiary
uniXecure Corporation (uniXecure)	Subsidiary
Docutek Solutions, Inc. (Docutek Solutions)	Subsidiary
MISYS Corporation (MISYS)	Subsidiary
Systex Information (HK) Ltd. (Systex HK)	Subsidiary
Systex Rainbow Tech Inc. (Systex Rainbow)	Subsidiary
Systex Group (China) Limited (Systex China)	Subsidiary
Dawning Technology Inc. (Dawning)	Subsidiary
Caresys Information, Inc. (Caresys)	Subsidiary
Mohist Web Technology Co., Ltd.	Associate
Investment Media Ltd. (IM)	Associate
Sanfran Technologies Inc. (Sanfran)	Associate
Systemweb Technologies Co., Ltd. (Systemweb)	Associate
Shengsen Cloud Technology (Shengsen)	Associate (a non-related party to the Group starting in June 2023)
Frog-jump Information Co., Ltd. (Frog-jump)	Associate
Neweb Information Co., Ltd. (Neweb)	Associate
Retail System Co., Ltd.	Associate (a non-related party to the Group starting in June 2023)

(Continued)

Related Parties	Relationship with the Corporation
Fuco Technology Co., Ltd. (Fuco)	Associate
AIWin Technology Co., Ltd. (AIWin)	Associate (a non-related party to the Group starting in March 2024)
Genesis Technology Inc. (Genesis)	Associate
Bao Ruh Electronic Co., Ltd. (Bao Ruh)	Associate
Teamplus Technology Inc. (Teamplus)	Associate
Green World FinTech Service Co., Ltd. (Green World)	Associate
Taiwan Mobile Co., Ltd.	Investor that has significant influence over the Group (a related party to the Group starting in September 2024 after acquiring 11.86% interest in the Corporation)
Momo.Com Inc.	Subsidiary of investor that has significant influence over the Group
Tfn Media Co., Ltd.	Subsidiary of investor that has significant influence over the Group
Taiwan Fixed Network Co., Ltd.	Subsidiary of investor that has significant influence over the Group
Phoenix Cable TV Co., Ltd.	Subsidiary of investor that has significant influence over the Group
Yeong Jia Leh Cable TV Co., Ltd.	Subsidiary of investor that has significant influence over the Group
Mangrove Cable TV Co., Ltd.	Subsidiary of investor that has significant influence over the Group
Union Cable TV Co., Ltd.	Subsidiary of investor that has significant influence over the Group
Globalview Cable TV Co., Ltd.	Subsidiary of investor that has significant influence over the Group
	(Concluded)

b. Operating revenue

Line Item	Related Party Category	For the Year Ended December 31	
		2024	2023
Sales	Subsidiary	\$ 118,420	\$ 130,275
	Associate	<u>31,176</u>	<u>12,623</u>
		<u>\$ 149,596</u>	<u>\$ 142,898</u>
Service revenue	Subsidiary	\$ 138,842	\$ 153,074
	Associate	<u>23,885</u>	<u>2,961</u>
		<u>\$ 162,727</u>	<u>\$ 156,035</u>

c. Purchases

Related Party Category/Name	For the Year Ended December 31	
	2024	2023
Subsidiary		
SSSC	\$ 1,377,894	\$ 1,194,628
Others	630,587	745,254
Associate	<u>16,915</u>	<u>14,627</u>
	<u>\$ 2,025,396</u>	<u>\$ 1,954,509</u>

d. Receivables from related parties

Line Item	Related Party Category	December 31	
		2024	2023
Receivables from related parties	Subsidiary	\$ 109,684	\$ 117,530
	Associate	<u>5,849</u>	<u>1,403</u>
		<u>\$ 115,533</u>	<u>\$ 118,933</u>

e. Payables to related parties

Line Item	Related Party Category/Name	December 31	
		2024	2023
Payables to related parties	Subsidiary		
	SSSC	\$ 996,347	\$ 977,478
	Others	203,467	245,870
	Associate	<u>4,334</u>	<u>7,332</u>
		<u>\$ 1,204,148</u>	<u>\$ 1,230,680</u>

The product/service sales and purchase transactions with related parties were conducted under pricing terms similar to those with third parties, i.e., for purchases or sales of similar products/services, except for those transactions on products/services with special specifications. Settlement terms for related-party transactions were similar to those for third parties.

f. Acquisition of property, plant and equipment and computer software

Related Party Category/Name	For the Year Ended December 31	
	2024	2023
Subsidiary	\$ 14,184	\$ 9,058
Associate	<u>-</u>	<u>360</u>
	<u>\$ 14,184</u>	<u>\$ 9,418</u>

g. Disposal of property, plant and equipment and computer software

Related Party Category/Name	Proceeds		Gain on Disposal	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2024	2023	2024	2023
Subsidiary				
System Solutions	\$ 293	\$ -	\$ -	\$ -
SFC	197	-	-	-
uniXecure	28	7,331	-	-
MISYS	-	1,954	-	-
Others	<u>50</u>	<u>283</u>	<u>-</u>	<u>-</u>
	<u>\$ 568</u>	<u>\$ 9,568</u>	<u>\$ -</u>	<u>\$ -</u>

h. Other transactions with related parties

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2024	2023
Service cost	Subsidiary	\$ 31,383	\$ 69,112
	Associate	<u>20,442</u>	<u>15,022</u>
		<u>\$ 51,825</u>	<u>\$ 84,134</u>
Operating expenses	Subsidiary	\$ 46,041	\$ 34,789
	Associate	<u>412</u>	<u>479</u>
		<u>\$ 46,453</u>	<u>\$ 35,268</u>
Revenue of management fee (recognized as deduction of operating expenses)	Subsidiary	<u>\$ 127,660</u>	<u>\$ 132,609</u>
Other income	Subsidiary		
	SFC	\$ 302	\$ 3,484
	Others	<u>2,340</u>	<u>2,741</u>
		<u>\$ 2,642</u>	<u>\$ 6,225</u>

i. Remuneration of key management personnel

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	\$ 140,521	\$ 161,741
Post-employment benefits	6,709	1,783
Share-based payment	<u>42,215</u>	<u>76,317</u>
	<u>\$ 189,445</u>	<u>\$ 239,841</u>

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

26. PLEDGED ASSETS

The following assets were pledged as the Corporation's collateral for contract guarantees, guarantees for gift certificates and gift cards issued and import duty guarantee, and etc.:

	December 31	
	2024	2023
Pledged time deposits - current (included in other financial assets - current)	\$ 267,254	\$ 204,333
Pledged time deposits - non-current (included in other financial assets - non-current)	<u>23,689</u>	<u>32,401</u>
	<u>\$ 290,943</u>	<u>\$ 236,734</u>

27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Corporation as of December 31, 2024 and 2023 were as follows:

- a. Unused letters of credit of the Corporation in aggregate amount were as follows:

	December 31	
	2024	2023
	<u>\$ 728</u>	<u>\$ 713</u>

- b. Outstanding sales contracts of the Corporation in the amount were as follows:

	December 31	
	2024	2023
	<u>\$ 3,873,055</u>	<u>\$ 3,895,081</u>

- c. Please refer to Table 2 for information that the Corporation provided endorsements for others.
- d. The Corporation issues gift certificates and gift cards. For the handling of advance receipts from customers for sold gift certificates and gift cards, the Corporation entered into a trust agreement with E.SUN Commercial Bank according to the "Provision to be Included in Standard Form Contract of All Sorts of Gift Certificates of Retail Companies" issued by the Ministry of Economic Affairs. According to the trust agreement, the Corporation opened a trust account in E.SUN Commercial Bank. Advance receipts from customers for sold gift certificates are deposited in the trust account and amounts for services already provided to customers are paid to the Corporation on a monthly basis. The balance in the trust account should be not lower than the amount of outstanding gift certificates and gift cards. As of December 31, 2024, the Corporation's assets in the trust account amounted to \$203,484 thousand (included in other financial assets).

28. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Corporation's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary item			
USD	\$ 4,300	32.785	\$ 140,976
Non-monetary item			
Investment accounted for using equity method			
USD	222,270	32.785	7,287,128
<u>Financial liabilities</u>			
Monetary item			
USD	981	32.785	32,162

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary item			
USD	\$ 1,657	30.705	\$ 50,878
Non-monetary item			
Investment accounted for using equity method			
USD	223,669	30.705	6,867,759
<u>Financial liabilities</u>			
Monetary item			
USD	3,194	30.705	98,072

For 2024 and 2023 realized and unrealized net foreign exchange gains (losses) were \$5,789 thousand and \$(332) thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the foreign currency transactions of the Corporation.

29. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. information on investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
 - 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
 - 9) Trading in derivative instruments (None)
 - 10) Information on investees (Table 7)
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 8)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 5):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

TABLE 1

SYSTEX CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed (Note 13)	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 2)	Note
													Item	Value			
1	Systex Group (China) Ltd.	Systek Information (Shanghai) Ltd.	Receivables from related parties	Y	\$ 138,066	\$ 136,824	\$ -	1-6.16	Short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 3,546,076	\$ 7,092,153	(Note 3)
		Systex Rainbow Tech Inc.	Receivables from related parties	Y	230,110	228,040	77,534	1-6.16	Short-term financing	-	Operating capital	-	-	-	3,546,076	7,092,153	(Note 4)
		Systek Ucom (Shanghai) Information Ltd. Co.	Receivables from related parties	Y	230,110	228,040	-	1-6.16	Short-term financing	-	Operating capital	-	-	-	3,546,076	7,092,153	(Note 5)
2	Systek Information (Shanghai) Ltd.	Systex Group (China) Ltd.	Receivables from related parties	Y	276,132	273,648	-	1-6.16	Short-term financing	-	Operating capital	-	-	-	3,546,076	7,092,153	(Note 6)
		Systex Rainbow Tech Inc.	Receivables from related parties	Y	46,022	45,608	-	1-6.16	Short-term financing	-	Operating capital	-	-	-	3,546,076	7,092,153	(Note 7)
3	Systex Rainbow Tech Inc.	Systex Group (China) Ltd.	Receivables from related parties	Y	92,044	91,216	-	1-6.16	Short-term financing	-	Operating capital	-	-	-	3,546,076	7,092,153	(Note 8)
		Systek Information (Shanghai) Ltd.	Receivables from related parties	Y	46,022	45,608	-	1-6.16	Short-term financing	-	Operating capital	-	-	-	3,546,076	7,092,153	(Note 9)
4	Syscore Corporation	Concord System Management Corporation	Receivables from related parties	Y	300,000	-	-	2	Short-term financing	-	Operating capital	-	-	-	1,494,433	1,494,433	(Note 10)
		UniXecure Corporation	Receivables from related parties	Y	50,000	50,000	50,000	2	Short-term financing	-	Operating capital	-	-	-	1,494,433	1,494,433	(Note 11)
5	Syslink Corporation	Palsys Digital Technology Corporation	Receivables from related parties	Y	160,000	-	-	2	Short-term financing	-	Operating capital	-	-	-	557,534	557,534	(Note 12)

- Note 1: Loans to individual company shall not exceed 20% of the lender’s net equity, except for 40% net equity of Syscore Corporation and Syslink Corporation. If it is for short-term financing between foreign companies in which the Corporation holds a 100% interest, the financing limit is not subject to the prior limitation but shall not exceed 20% of the Corporation’s net equity.
- Note 2: Total loans shall not exceed 40% of the lender’s net equity. If it is for short-term financing between foreign companies in which the Corporation holds a 100% interest, the total loans are not subject to the prior limitation but shall not exceed 40% of the Corporation’s net equity.
- Note 3: The highest balance for the period is NT\$138,066 thousand (RMB30,000 thousand). The ending balance is NT\$136,824 thousand (RMB30,000 thousand) which has not been withdrawn.
- Note 4: The highest balance for the period is NT\$230,110 thousand (RMB50,000 thousand). The ending balance is NT\$228,040 thousand (RMB50,000 thousand), including NT\$150,506 thousand (RMB33,000 thousand) which has not been withdrawn.
- Note 5: The highest balance for the period is NT\$230,110 thousand (RMB50,000 thousand). The ending balance is NT\$228,040 thousand (RMB50,000 thousand) which has not been withdrawn.
- Note 6: The highest balance for the period is NT\$276,132 thousand (RMB60,000 thousand). The ending balance is NT\$273,648 thousand (RMB60,000 thousand) which has not been withdrawn.
- Note 7: The highest balance for the period is NT\$46,022 thousand (RMB10,000 thousand). The ending balance is NT\$45,608 thousand (RMB10,000 thousand) which has not been withdrawn.
- Note 8: The highest balance for the period is NT\$92,044 thousand (RMB20,000 thousand). The ending balance is NT\$91,216 thousand (RMB20,000 thousand) which has not been withdrawn.
- Note 9: The highest balance for the period is NT\$46,022 thousand (RMB10,000 thousand). The ending balance is NT\$45,608 thousand (RMB10,000 thousand) which has not been withdrawn.
- Note 10: The highest balance for the period is NT\$300,000 thousand. The ending balance is NT\$0 thousand.
- Note 11: The highest balance for the period is NT\$50,000 thousand. The ending balance is NT\$50,000 thousand which has been withdrawn.
- Note 12: The highest balance for the period is NT\$160,000 thousand. The ending balance is NT\$0 thousand.
- Note 13: The ending balance of actual amount borrowed has been eliminated in the consolidated financial statements.

TABLE 2

SYSTEX CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 1)											
0	Systex Corporation	Systex Information (HK) Ltd.	b	\$ 4,432,596	\$ 410,438	\$ 409,813	\$ 76,717	\$ -	2.31	\$ 8,865,191	Y	N	N	(Notes 2 and 3)
		Systex Group (China) Ltd.	b	4,432,596	2,132,750	2,123,750	597,596	-	11.98	8,865,191	Y	N	Y	(Notes 2 and 3)
		Systek Information (Shanghai) Ltd.	b	4,432,596	16,418	-	-	-	-	8,865,191	Y	N	Y	(Notes 2 and 3)
		Systex Rainbow Tech Inc.	b	4,432,596	49,253	-	-	-	-	8,865,191	Y	N	Y	(Notes 2 and 3)
		Systex Ucom (Shanghai) Information Ltd. Co.	b	4,432,596	138,066	136,824	7,933	-	0.77	8,865,191	Y	N	Y	(Notes 2 and 3)
		Systex Software & Service Corporation	b	4,432,596	1,000,000	-	-	-	-	8,865,191	Y	N	N	(Notes 2 and 3)
1	Systek Information (Shanghai) Ltd.	Systex Group (China) Ltd.	d	376,476	230,110	228,040	205,236	228,040	121.14	376,476	N	N	Y	(Notes 4 and 5)

- Note 1: There are seven types of relationships between the endorser and the endorsed party.
- a. Companies that have business dealings.
 - b. A company in which the company directly or indirectly holds more than 50% of the voting shares.
 - c. Companies in which the company directly or indirectly holds more than 50% of the voting shares.
 - d. Companies in which the company directly or indirectly holds more than 90% of the voting shares.
 - e. A company that is mutually insured under a contract between peers or co-founders for the purpose of contracting for work.
 - f. A company whose joint investment is guaranteed by all contributing shareholders in proportion to their shareholdings.
 - g. Inter-industry companies that engage in performance guarantee and joint guarantee for pre-sale contracts in accordance with the Consumer Protection Act.

Note 2: Limits on endorsements/guarantees amount shall not exceed 25% of the net worth of the provider.

Note 3: The maximum balance for the period shall not exceed 50% of the net worth of the provider.

Note 4: Limits on endorsements/guarantees amount shall not exceed 200% of the net worth in previous year end of the provider.

Note 5: The maximum balance for the period shall not exceed 200% of the net worth in previous year end of the provider.

TABLE 3

SYSTEX CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Controlling company - Systex Corporation	<u>Ordinary shares</u>							
	GCH Systems		Financial assets at FVTPL - non-current	56,226	\$ -	0.74	\$ -	
	Taiwan Futures Exchange Corporation		"	20,427,987	2,011,430	3.28	2,011,430	
	Saho Corporation		"	795,895	-	1.79	-	
	Far Eastern Electronic Toll Collection Co., Ltd.		"	25,263,076	368,685	8.42	368,685	
	Sysjust Co., Ltd.		"	1,108,592	24,354	4.22	24,354	
	3Probe Technologies Co., Ltd.		"	205,567	1,898	5.87	1,898	
	Da Ho Marketing Co., Ltd.		"	1,260,000	14,859	14.63	14,859	
	Princo Co., Ltd.		"	808,415	-	0.20	-	
	Wegoluck Co., Ltd.		"	471,700	-	3.20	-	
	Yankey Inc.		"	150,000	-	3.57	-	
	Germini Data Inc.		"	3,404,000	-	1.40	-	
	Prudence Capital Management Co., Ltd.		Financial assets at FVTOCI - non-current	33,137	59	0.50	59	
	Alpha Core Philosophy Co., Ltd.		"	612,006	1,738	1.79	1,738	
	iSpan International Inc.		"	600,000	7,198	6.12	7,198	
	Firstweb Limited.		"	236,000	3,637	3.58	3,637	
	<u>Preference shares</u>							
	Gemini Data, Inc.		Financial assets at FVTOCI - non-current	7,720,167	-	3.18	-	
	<u>Mutual funds</u>							
	Hua Nan Kirin Money Market Fund		Financial assets at FVTPL - current	16,077,946	200,436	-	200,436	
	CTBC Huaying Money Market Fund		"	17,468,012	200,451	-	200,451	
	FSITC Taiwan Money Market Fund		"	12,540,734	200,235	-	200,235	
	Fuh Hwa Money Market Fund		"	13,372,828	200,428	-	200,428	
	Capital Money Market Fund		"	11,917,389	200,454	-	200,454	
	Yuanta De-Li Money Market Fund		"	5,891,155	100,170	-	100,170	
	FSITC Money Market Fund		"	1,079,243	200,448	-	200,448	
	Fubon Chi-Hsiang Money Market Fund		"	18,385,345	300,263	-	300,263	
	Hua Nan Phoenix Money Market Fund		"	11,819,144	200,461	-	200,461	
	UPAMC James Bond Money Market Fund		"	17,266,620	300,317	-	300,317	
	Jih Sun Money Market Fund		"	12,956,725	200,448	-	200,448	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Subordinate company - Ching Pu Investment Corporation	<u>Ordinary shares</u>							
	Enova Technology Corp.		Financial assets at FVTPL - non-current	1,177,629	\$ -	5.57	\$ -	
	Princo Co., Ltd.		"	8,558,064	-	2.08	-	
	Sysjust Co., Ltd.		"	1,276,448	28,042	4.85	28,042	
	Axtronics Inc.		"	64,063	-	0.37	-	
	Universal EC Inc.		"	111,829	-	0.22	-	
	Taiwan Electronic Packaging Co., Ltd.		"	326,000	-	0.54	-	
	<u>Mutual funds</u>							
	Fuh Hwa Legend Fund VI		Financial assets at FVTPL - current	250,000	8,708	-	8,708	
	Yuanta 0-2 Year Investment Grade Corporate Bond Fund - TWD (A)		"	1,000,000	11,423	-	11,423	
	PGIM Money Market Fund		"	7,958,026	131,217	-	131,217	
Subordinate company - Taiwan Information Service	<u>Ordinary shares</u>							
	Changzhou Xinguotai Information Equipment Co., Ltd.		Financial assets at FVTPL - non-current	80,000	-	13.11	-	
	Taione International Ltd.		"	630,000	-	4.50	-	
	Drpacific-Greater China, Inc.		"	-	-	5.06	-	
Subordinate company - Hanmore Investment Corporation	<u>Ordinary shares</u>							
	Monterey International Corp.		Financial assets at FVTPL - non-current	1,196,371	10,106	4.68	10,106	
	Enova Technology Corp.		"	1,840,046	-	8.70	-	
	NITS Technology Inc.		"	3,910,646	-	5.83	-	
	<u>Mutual funds</u>							
	PineBridge Global ESG Quantitative Bond Fund A		Financial assets at FVTPL - current	968,720	9,378	-	9,378	
	Fuh Hwa 3-8 Year Maturity A-Rated Bond Fund TWD		"	1,500,000	16,085	-	16,085	
	PineBridge Taiwan Money Market Fund		"	3,901,448	55,344	-	55,344	
	Taishin 1699 Money Market Fund		"	7,099,399	100,439	-	100,439	
	<u>Ordinary shares</u>							
Subordinate company - Systex Capital Group, Inc.	Com2B Corp.		Financial assets at FVTPL - non-current	1,000,000	-	2.22	-	
	Techgains International Corp.		"	1,500,000	-	4.41	-	
	Tradetrek.com Inc.		"	1,109,468	-	3.30	-	
	Sipix Technology Limited		"	279,919	-	0.24	-	
	Falcon Stor Software Inc.		Financial assets at FVTPL - current	4,000	262	0.07	262	
	MagiCapital Fund II, L.P.		Financial assets at FVTOCI - non-current	-	126,814	2.91	126,814	
	<u>Preference shares</u>							
	Techgains Pan-Pacific Corporation		Financial assets at FVTPL - non-current	3,000,000	-	4.96	-	
	CipherMax		"	73,703	-	0.74	-	
	Tonbu Inc.		"	333,333	-	1.38	-	
	Gemini Data, Inc.		Financial assets at FVTOCI - non-current	25,611,876	-	11.59	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Subordinate company - Syscore Corporation	<u>Other</u> Current Ventures II Limited		Financial assets at FVTOCI - non-current	2,500,000	\$ -	4.20	\$ -	
	<u>Mutual funds</u> GS US Core SM Equity Portfolio P (ACC) (SNAP) Shares		Financial assets at FVTPL - current	25,139	36,174	-	36,174	
	Wellington Strategic European Equity Portfolio D USD Acc (Hedged)		"	9,536	10,560	-	10,560	
	PIMCO Income Fund-H Class		"	160,831	48,510	-	48,510	
	PIMCO Global Bond Fund-H Class		"	59,931	67,453	-	67,453	
	GS Multi-manager US Equity Mutual Fund		"	25,007	34,819	-	34,819	
	Goldman Sachs High Yield Floating Rate Portfolio Fund		"	13,306	68,724	-	68,724	
	Blackrock Bgf Continental European Flexible Fund		"	11,213	9,411	-	9,411	
	GS GLOBAL CREDIT PORTFOLIO (HEDGED) P (ACC) SHARES		"	110,115	67,545	-	67,545	
	GS US Small Cap Core Equity Fund		"	12,088	13,827	-	13,827	
	Gs Japan Equity Partners Portfolio Class P (ACC)(SNAP)(JPY)		"	3,324	20,615	-	20,615	
	GQG Partners Emerging Markets Equity A USD ACC		"	24,677	12,176	-	12,176	
	<u>Ordinary shares</u> Far Eastern Electronic Toll Collection Co., Ltd. GrandTech C.G. Systems Inc.		Financial assets at FVTPL - non-current Financial assets at FVTOCI - non-current	7,716,831 600,000	112,618 33,480	2.57 0.97	112,618 33,480	
	<u>Preference shares</u> Taiwania Capital Buffalo Fund Preference Shares - Class A		Financial assets at FVTPL - non-current	92,600,000	69,442	2.15	69,442	
	<u>Limited partnership</u> Digital-Economy limited partnership		Financial assets at FVTPL - non-current	-	28,043	6.29	28,043	
	<u>Mutual funds</u> Fuh Hwa Money Market Fund		Financial assets at FVTPL - current	6,748,777	101,149	-	101,149	
	Allianz Global Investors Taiwan Money Market Fund		"	13,934,070	182,116	-	182,116	
	Taishin Flexible Income Fund B-TWD		"	300,000	3,202	-	3,202	
	Allianz Global Investors US Short Duration High Income Bond Fund		"	3,000,000	33,632	-	33,632	
	Yuanta 0-2 Year Investment Grade Corporate Bond Fund - TWD (A)		"	2,000,000	22,845	-	22,845	
	Yuanta Wan Tai Money Market Fund		"	6,417,456	101,226	-	101,226	
	Yuanta Japan Leaders Equity Fund-TWD (A)		"	4,810,198	50,940	-	50,940	
	Fuh Hwa Legend Fund VI		"	14,900,000	518,966	-	518,966	
	Mega ESG Taiwan - U.S. Sustainable Double Profits Multi Asset Fund		"	300,000	2,946	-	2,946	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Subordinate company - Syslink Corporation	<u>Corporate bond</u> Nan Shan Life Insurance Company, Ltd. 1st Perpetual Unsecured Subordinate Corporate Bond Issue in 2016		Financial assets at amortized cost - non-current	-	\$ 501,160	-	\$ 501,160	(Note 3)
	<u>Ordinary shares</u> Caloudi Corporation		Financial assets at FVTOCI - non-current	1,225,000	175	19.68	175	
	Ckmates International Co., Ltd.		"	2,370,000	19,035	19.01	19,035	
	<u>Mutual funds</u> Yuanta Wan Tai Money Market Fund		Financial assets at FVTPL - current	3,675,542	57,976	-	57,976	
Subordinate company - Kimo.com (BVI) Corporation	Yuanta De-Bao Money Market Fund		"	16,168,149	202,437	-	202,437	
	<u>Ordinary shares</u> ISHARES A50 (2823.HK)		Financial assets at FVTPL - current	392,000	22,872	-	22,872	
	CSOP A50 (2822.HK)		"	397,000	21,656	-	21,656	
	<u>Mutual funds</u> ALLIANZ GLOBAL ARTIFICIAL INTELLIGENCE-CLASS AT ACC (USD)		Financial assets at FVTPL - current	15,768	15,276	-	15,276	
Subordinate company - Syslong Corporation	ALLIANZ TOTAL RETURN ASIAN EQUITY- CLASS A DIS (USD)		"	10,512	11,377	-	11,377	
	ALLIANZ CHINA A SHARES SHS-AT (USD)		"	75,810	25,153	-	25,153	
	<u>Other</u> New Economy Ventures L.P.		Financial assets at FVTPL - non-current	-	70,717	14.73	70,717	
	SparkLabs Taiwan Fund II, L.P.		"	-	22,950	19.61	22,950	
Subordinate company - Syspower Corporation	Hive DXDM II L.P.		"	-	9,836	11.70	9,836	
	<u>Preference shares</u> XREX Inc.		Financial assets at FVTOCI - non-current	254,148	2,232	0.55	2,232	
	<u>Ordinary shares</u> SMY Internet of Package Co., Ltd.		Financial assets at FVTOCI - non-current	234,568	3,376	19.00	3,376	
	<u>Mutual funds</u> Fubon Chi-Hsiang Money Market Fund		Financial assets at FVTPL - current	12,279,871	200,550	-	200,550	
Subordinate company - Golden Bridge Corporation	<u>Mutual funds</u> Hua Nan Phoenix Money Market Fund		Financial assets at FVTPL - current	2,973,437	50,432	-	50,432	
	Taishin Ta-Chong Money Market Fund		"	1,364,750	20,225	-	20,225	
	Yuanta Wan Tai Money Market Fund		"	3,827,770	60,377	-	60,377	
	<u>Mutual funds</u> FSITC Money Market Fund		Financial assets at FVTPL - current	162,945	30,264	-	30,264	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Subordinate company - Taifon Computer Co., Ltd.	<u>Mutual funds</u>							
	Hua Nan Phoenix Money Market Fund		Financial assets at FVTPL - current	2,489,529	\$ 42,224	-	\$ 42,224	
	PGIM Money Market Fund		"	5,173,691	85,308	-	85,308	
	Taishin 1699 Money Market Fund		"	2,475,516	35,022	-	35,022	
Subordinate company - Concord System Corporation	<u>Mutual funds</u>							
	FSITC Taiwan Money Market Fund		Financial assets at FVTPL - current	2,207,470	35,246	-	35,246	
	Taishin 1699 Money Market Fund		"	4,246,758	60,081	-	60,081	
	Taishin Ta-Chong Money Market Fund		"	1,899,593	28,151	-	28,151	
Subordinate company - UniXecure Corporation	<u>Mutual funds</u>							
	FSITC Taiwan Money Market Fund		Financial assets at FVTPL - current	2,882,723	50,139	-	50,139	
	Taishin 1699 Money Market Fund		"	4,957,133	70,131	-	70,131	
	Taishin Ta-Chong Money Market Fund		"	1,700,713	25,204	-	25,204	
Subordinate company - Smartsys Technology Corporation	<u>Mutual funds</u>							
	UPAMC James Bond Money Market Fund		Financial assets at FVTPL - current	698,438	12,148	-	12,148	
Subordinate company - Softmobile Technology Corporation	<u>Mutual funds</u>							
	Capital Money Market Fund		Financial assets at FVTPL - current	2,871,971	48,307	-	48,307	
Subordinate company - Systex Software & Service Corporation	<u>Mutual funds</u>							
	Taishin Ta-Chong Money Market Fund		Financial assets at FVTPL - current	6,749,050	100,017	-	100,017	
	SinoPac TWD Money Market Fund		"	6,894,935	100,020	-	100,020	
	Union Money Market Fund		"	5,096,730	70,158	-	70,158	
Subordinate company - Systex Solutions Corporation	<u>Mutual funds</u>							
	FSITC Money Market Fund		Financial assets at FVTPL - current	108,321	20,119	-	20,119	
	Jih Sun Money Market Fund		"	2,591,462	40,091	-	40,091	
	SinoPac TWD Money Market Fund		"	2,761,316	40,057	-	40,057	
Subordinate company - Top Information Technologies Corporation	<u>Mutual funds</u>							
	Yuanta Wan Tai Money Market Fund		"	5,904,588	93,136	-	93,136	
	Yuanta De-Li Money Market Fund		"	4,740,633	80,607	-	80,607	
Subordinate company - Syswiser Technology Corporation	<u>Mutual funds</u>							
	Taishin Ta-Chong Money Market Fund		Financial assets at FVTPL - current	1,705,937	25,281	-	25,281	
Subordinate company - Syswiser Technology Corporation	<u>Mutual funds</u>							
	UPAMC James Bond Money Market Fund		Financial assets at FVTPL - current	460,920	8,017	-	8,017	

(Continued)

Note 1: The securities mentioned in this table above are those classified as financial instruments under IFRS 9, including shares, bonds, mutual funds, and all other securities derived from those items.

Note 2: In preparing the consolidated financial statements, the transactions were eliminated.

Note 3: The carrying amount includes the unamortized bond premium of \$1,281 thousand generated from acquiring the bonds from the Corporation. In preparing the consolidated financial statements, the amount was eliminated.

Note 4: Refer to Tables 9 and 10 for information on investment in subsidiaries and associates.

(Concluded)

TABLE 4

SYSTEX CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount (Note 1)	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount (Note 2)	Gain on Disposal (Note 2)	Number of Shares	Amount (Note 1)
Controlling company - Systex Corporation	<u>Mutual funds</u> CTBC Hwa-Win Money Market Fund	Financial assets at FVTPL - current	-	-	-	\$ -	78,888,813	\$ 900,000	61,420,802	\$ 700,571	\$ 700,060	\$ 512	17,468,012	\$ 199,940
	Fuh Hwa Money Market Fund	"	-	-	-	-	40,322,686	600,000	26,949,858	400,301	400,000	301	13,372,828	200,000
	Capital Money Market Fund	"	-	-	-	-	17,891,069	300,000	5,973,680	100,047	100,000	47	11,917,389	200,000
	FSITC Money Market Fund	"	-	-	-	-	5,421,283	1,000,000	4,342,040	800,551	800,000	551	1,079,243	200,000
	Fubon Chi-Hsiang Money Market Fund	"	-	-	-	-	18,385,345	300,000	-	-	-	-	18,385,345	300,000
	UPAMC James Bond Money Market Fund	"	-	-	-	-	63,633,487	1,100,000	46,366,867	801,097	800,028	1,069	17,266,620	299,972
	Jih Sun Money Market Fund	"	-	-	-	-	19,500,670	300,000	6,543,946	100,103	100,000	103	12,956,725	200,000
Subordinate company - Hanmore Investment Corporation	<u>Ordinary shares</u> Systex Corporation	Financial assets at FVTOCI - non-current	-	Parent company	21,316,678	2,387,468	-	-	21,316,678	2,611,398	738,426	1,872,972	-	-
	<u>Mutual funds</u> PineBridge Taiwan Money Market Fund	Financial assets at FVTPL - current	-	-	-	-	25,133,772	355,000	21,232,324	300,531	299,844	686	3,901,448	55,156
	Fuh Hwa Money Market Fund	"	-	-	-	-	40,193,195	600,000	40,193,195	601,073	600,000	1,073	-	-
	Prudential Financial Money Market Fund	"	-	-	-	-	30,451,783	500,000	30,451,783	500,944	500,000	944	-	-
	FSITC Taiwan Money Market Fund	"	-	-	-	-	31,450,695	500,000	31,450,695	500,972	500,000	972	-	-
	FSITC Money Market Fund	"	-	-	-	-	2,703,302	500,000	2,703,302	500,925	500,000	925	-	-
Subordinate company - Ching Pu Investment Corporation	<u>Ordinary shares</u> Systex Corporation	Financial assets at FVTOCI - non-current	-	Parent company	10,981,476	1,229,925	-	-	10,981,476	1,345,285	212,239	1,133,046	-	-
	<u>Mutual funds</u> Hua Nan Kirin Money Market Fund	Financial assets at FVTPL - current	-	-	-	-	40,270,294	500,000	40,270,294	500,495	500,000	495	-	-

Note 1: Financial assets at fair value through profit or loss and investments accounted for using equity method are measured at acquisition costs.

Note 2: The carrying cost of shares of the Corporation disposed of by Hanmore and Ching Pu represents the original acquisition cost before revaluation adjustments. The gain on disposal was not recognized in profit or loss but was directly transferred to retained earnings.

TABLE 5

SYSTEX CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)	
			Purchase/ Sale	Amount (Note)	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note)	% of Total
Controlling company - Systex Corporation	Systex Software & Service Corporation Dawning Technology Inc. Palsys Digital Technology Corporation	Subsidiary	Purchase	\$ 1,377,894	21	78 days after transaction month	\$ -	-	\$ (996,347)	41
		Subsidiary	Purchase	173,884	2	78 days after transaction month	-	-	(44,206)	2
		Subsidiary	Purchase	375,215	6	78 days after transaction month	-	-	(54,206)	2
Subordinate company - Systex Software & Service Corporation	Systex Corporation Dawning Technology Inc.	Parent company	Sale	(1,377,894)	14	78 days after transaction month	-	-	996,347	55
		Associate	Purchase	176,538	2	78 days after transaction month	-	-	(30,439)	3
Subordinate company - Dawning Technology Inc.	Systex Corporation Systex Software & Service Corporation	Parent company	Sale	(173,884)	5	78 days after transaction month	-	-	44,206	5
		Associate	Sale	(176,538)	5	78 days after transaction month	-	-	30,439	3
Subordinate company - Palsys Digital Technology Corporation	Systex Corporation Concord System Management Corporation	Parent company	Sale	(375,215)	17	78 days after transaction month	-	-	54,206	14
		Associate	Sale	(568,746)	26	78 days after transaction month	-	-	167,580	43
Subordinate company - Concord System Management Corporation	Palsys Digital Technology Corporation	Associate	Purchase	568,746	28	78 days after transaction month	-	-	(167,580)	27
Subordinate company - Systex Group (China) Ltd.	Systex Ucom (Shanghai) Information Ltd. Co.	Associate	Purchase	192,307	7	120 days after transaction month	-	-	(9,263)	1
Subordinate company - Systex Ucom (Shanghai) Information Ltd. Co.	Systex Group (China) Ltd.	Associate	Sale	(192,307)	69	120 days after transaction month	-	-	9,263	20
Subordinate company - Rainbow Tech Information (HK) Ltd.	Systex Information (HK) Ltd.	Associate	Purchase	307,305	55	30 days after transaction month	-	-	(48,998)	34
Subordinate company - Systex Information (HK) Ltd.	Rainbow Tech Information (HK) Ltd.	Associate	Sale	(307,305)	21	30 days after transaction month	-	-	48,998	11

Note: In preparing the consolidated financial statements, the transactions were eliminated.

TABLE 6

SYSTEX CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
<u>Subordinate company</u> Systex Software & Service Corporation Palsys Digital Technology Corporation	Systex Corporation Concord System Management Corporation	Parent company (Note) Associate (Note)	\$ 996,347 167,580	1.40 5.29	\$ - -	- -	\$ 37,506 16,725	\$ - -

Note: In preparing the consolidated financial statements, the transactions were eliminated.

TABLE 7

SYSTEX CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Name of Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	Ratio (%)	Carrying Amount			
Systex Corporation	Systex Infopro Co., Ltd.	Thailand	Sale of computer and peripheral equipment	\$ 2,200	\$ 2,200	20,000	20.00	\$ 3,935	\$ -	\$ -	-
	Hanmore Investment Corporation	Taiwan	General investment activities	47,125	47,125	964,068	48.92	39,635	111,592	365	Subsidiary (1)
	Ching Pu Investment Corporation	Taiwan	General investment activities	30,775	30,775	23,437,500	100.00	403,182	101,499	45,165	Subsidiary (1)
	Concord System Management Corporation	Taiwan	Design, assessment and planning of computer system and application software and data-processing system, sale and lease of computer hardware, peripheral equipment and spare parts, and repairs and maintenance services	485,393	485,393	30,413,372	100.00	660,630	114,322	109,662	Subsidiary (1)
	Systemweb Technologies Co.	Taiwan	Data storage media units manufacturing, installation of computer, and sale and development of computer software	86,950	86,950	3,245,000	28.22	51,498	5,243	2,016	-
	Taifon Computer Co., Ltd.	Taiwan	Design of computer hardware and software equipment system, computer room installation, and maintenance, sale, lease and consultation	220,310	220,310	20,000,000	100.00	336,331	62,640	62,532	Subsidiary (1)
	Sanfran Technologies Inc.	Taiwan	Maintenance and warranty of equipment of internet and information security, and consultation on network infrastructure and information security	20,067	20,067	3,770,880	12.26	66,232	93,305	15,674	-
	Golden Bridge Corporation	Taiwan	General investment activities	230,000	230,000	23,000,000	100.00	324,636	57,776	57,776	Subsidiary (1)
	Systex Software & Service Corporation	Taiwan	Sale and development of computer software, data-processing services	400,000	450,000	40,000,000	100.00	1,260,104	546,365	545,091	Subsidiary (1)
	Syspower Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	15,195	15,195	1,096,200	4.67	22,183	59,959	2,839	Subsidiary (1)
	Systex Solutions Corporation	Taiwan	Design, construction and sale of telecom instrument, electronic calculator and computer	260,000	260,000	26,000,000	100.00	367,570	76,431	76,527	Subsidiary (1)
	Systex Fintech Corporation	Taiwan	Manufacturing of wire communication equipment and apparatus, electronic parts and components, and computers and peripheral equipment, installation of computer, and wholesale and retailing of computer and business machinery equipment	290,500	290,500	13,996,500	63.73	274,931	48,952	24,559	Subsidiary (1)
	Systex Capital Group, Inc.	British Virgin Island	Investment activities including financial trust and holding	91,695	91,695	550	100.00	2,814,813	151,290	151,694	Subsidiary (1)
	Kimo.com (BVI) Corporation	British Virgin Island	Investment activities including financial trust and holding	13,185	13,185	500,000	100.00	4,472,315	94,032	95,159	Subsidiary (1)
	Naturint Corporation	Taiwan	Installation, sale, information software, data processing and other consultation on computer software and related equipment, network certification and software publication	20,000	20,000	2,000,000	100.00	8,810	(4,758)	(4,758)	Subsidiary (1)
	FinRobo Advisor Securities Investment Consulting Co., Ltd.	Taiwan	Securities investment advisor	23,272	23,272	1,500,000	30.00	4,252	(6,140)	(1,842)	-
	Mohist Web Technology Co.	Taiwan	Merchandise gift certificate automatic distribution system, in-time trust electronic (paper) ticket automated sales system, and integrated mobile payment platform	25,600	25,600	400,000	40.00	5,804	2,153	(4,649)	-

(Continued)

Investor Company	Name of Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	Ratio (%)	Carrying Amount			
	Frog-jump Information Co., Ltd.	Taiwan	Information software service	\$ 18,969	\$ 18,969	913,202	10.00	\$ 14,728	\$ 20,997	\$ 2,439	-
	GenSys Technology (International) Ltd.	Hong Kong	Design, assessment and planning of computer system and application software and data-processing system	31,640	31,640	8,000,000	33.60	-	(4,412)	-	-
	Genesis Technology Inc.	Taiwan	Wholesale of electronic apparatus, electronic equipment, computer and computer peripheral equipment, planning, analyzing and design of system, data processing, co-location and internet hosting services	798,172	798,172	34,596,846	27.74	1,190,203	441,141	92,436	-
	E-Service Information Corporation	Taiwan	Information software service, intellectual property rights, printing and data storage media manufacturing and copying	89,500	89,500	8,000,000	100.00	99,149	11,915	6,994	Subsidiary (1)
	Bao Ruh Electronic Co., Ltd.	Taiwan	Manufacturing and sale of ticket system equipment, e-payment machine, IC electronic card, vehicle trip recorder, satellite position system, access control system	128,363	128,363	4,339,500	29.72	106,485	108,931	32,128	-
	Taiwan Information Service Technology Corporation	Taiwan	Installation, sale, information software, data processing and other consultation on computer software and related equipment	89,965	89,965	16,630	67.38	47,210	12,186	8,211	Subsidiary (1)
	Collaboration Co., Ltd.	Taiwan	General investment activities	200,015	200,015	6,160,000	44.55	133,845	36,542	(55,844)	-
	UniXecure Corporation	Taiwan	Design, construction and sale of telecom instrument, electronic calculator and computer	192,500	150,000	19,250,000	96.25	142,282	(11,698)	(11,658)	Subsidiary (1)
	Docutek Solutions, Inc.	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	286,000	286,000	7,568,413	54.92	285,022	86,489	43,239	Subsidiary (1)
	MISYS Corporation	Taiwan	Information software service	100,000	100,000	10,000,000	100.00	(1,365)	(54,311)	(54,311)	Subsidiary (1)
	Systex Vietnam Company Limited	Vietnam	Computer programming, software consulting and system consulting services, information technology service activities and other computer-related services, data processing leasing and related activities, management information services	9,675	-	-	100.00	9,651	(202)	(202)	Subsidiary (1)
	Neweb Information Co., Ltd.	Taiwan	Data center setup and maintenance services, system integration and maintenance services, cloud system integration services, system and database management and maintenance, storage backup and disaster recovery services, network and information security implementation and consulting	140,375	-	1,949,647	15.91	148,399	85,641	7,739	-
Ching Pu Investment Corporation	Taiwan Electronic Data Processing Corporation	Taiwan	Design, installation, maintenance, lease and consultation on computer software and hardware equipment system, computer room engineering, network equipment system integration, and wholesale and retailing of medical appliances	155,131	155,131	2,698,643	69.59	11,260	134	-	Subsidiary (1)
	Investment Media Ltd.	Taiwan	Magazine and book publishing	95,600	95,600	4,000,000	40.00	88,454	17,331	-	-
	Syspower Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	162,789	162,789	9,052,889	38.60	183,197	59,959	-	Subsidiary (1)

(Continued)

Investor Company	Name of Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	Ratio (%)	Carrying Amount			
Golden Bridge Corporation	Syspower Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	\$ 189,023	\$ 189,023	10,331,022	44.05	\$ 209,062	\$ 59,959	\$ -	Subsidiary (1)
	Softmobile Technology Corporation	Taiwan	Manufacturing of wire communication equipment and apparatus, electronic parts and components, and computers and peripheral equipment, installation of computer, and wholesale and retailing of computer and business machinery equipment	80,000	80,000	3,661,875	100.00	84,635	31,136	-	Subsidiary (1)
Syscore Corporation	Syslink Corporation	Taiwan	General investment activities	1,400,000	1,400,000	140,000,000	100.00	1,393,834	41,152	-	Subsidiary (1)
	Syslong Corporation	Taiwan	General investment activities	250,000	250,000	25,000,000	100.00	244,831	5,152	-	Subsidiary (1)
	Neweb Information Co., Ltd.	Taiwan	Setup and maintenance of computer room, maintenance and setup of system integration, cloud system integration service, management and maintenance of system and database, backup storage service, setup and consultation of internet and information security	98,530	103,638	3,452,877	28.17	80,965	85,641	-	-
	Fuco Technology Co., Ltd.	Taiwan	Printing, printed matter binding and processing, and wholesale of computers and peripheral equipment	43,460	43,460	1,640,000	40.00	26,348	13,789	-	-
	Genesis Technology Inc.	Taiwan	Wholesale of electronic apparatus, electronic equipment, computer and computer peripheral equipment, planning, analyzing and design of system, other data processing, co-location and internet hosting services	71,994	71,994	4,880,956	3.91	164,650	441,141	-	-
Syslink Corporation	Smartsys Technology Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	30,000	15,000	3,000,000	100.00	24,411	191	-	Subsidiary (1)
	Syswiser Technology Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	20,000	10,000	2,000,000	100.00	11,580	(2,427)	-	Subsidiary (1)
	Caresys Information, Inc.	Taiwan	Software design and data processing, electronic information service industry, wholesale of computers and office machinery, wholesale of software, wholesale of telecommunication equipment, wholesale of electronic materials	162,417	-	1,400,000	70.00	168,127	29,296	-	Subsidiary (1)
	Dawning Technology Inc.	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	743,963	743,963	32,608,896	91.60	682,997	42,347	-	Subsidiary (1)
	Palsys Digital Technology Corporation	Taiwan	Sale of computer peripheral equipment and office machines, design of computer system and professional repairs services	272,351	272,351	24,794,862	79.26	294,598	(6,330)	-	Subsidiary (1)
Syslong Corporation	Neweb Information Co., Ltd.	Taiwan	Setup and maintenance of computer room, maintenance and setup of system integration, cloud system integration service, management and maintenance of system and database, backup storage service, setup and consultation of internet and information security	37,630	-	518,041	4.23	40,205	85,641	-	-
Concord System Management Corporation	Top Information Technologies Co., Ltd.	Taiwan	Sale of computer peripheral equipment and office machines, design of computer system and professional repairs services	152,608	152,608	18,000,000	100.00	202,881	2,875	-	Subsidiary (1)

(Continued)

Investor Company	Name of Investee	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	Ratio (%)	Carrying Amount			
Kimo.com (BVI) Corporation	Systex Information (HK) Ltd.	Hong Kong	Sale of computer and peripheral equipment, retailing and processing of information of software	\$ 1,081,457	\$ 1,081,457	262,336,600	100.00	\$ 978,511	\$ (92,490)	\$ -	Subsidiary (1)
	Systex Solutions (HK) Limited	Hong Kong	Investment activities including financial trust and holding	316,050	316,050	10,400,000	100.00	396,996	17,906	-	Subsidiary (1)
	Rainbow Tech Information (HK) Ltd.	Hong Kong	Sale of computer and peripheral equipment, retailing and processing of information of software	114,690	114,690	27,426,823	92.00	177,747	38,093	-	Subsidiary (1)
	Syscore Corporation	Taiwan	General investment activities	1,600,000	1,600,000	160,000,000	55.17	2,061,287	246,280	-	Subsidiary (1)
Kimo.com (BVI) Corporation	Gemini Data	Japan	IT services, software development, wholesale and retail of computers and related equipment, electronic data processing and related services	73,184	24,485	33,500	100.00	45,488	(17,217)	-	Subsidiary (1)
	Aillumission Co., Ltd.	Japan	Mobile network construction, ICT infrastructure construction, DX/ICT solution services, AI consultations	106,435	106,435	200	20.00	15,853	368	-	-
	QFPay Haojin FinTech Limited	Hong Kong	Online and offline mobile payment, one-stop smart collection and trade, information technology services	-	143,350	-	-	-	14,974	-	-
	Spread-it Limited	Hong Kong	Social media marketing	-	2,959	-	-	-	1,433	-	-
Systex Information (HK) Ltd.	QFPay Haojin FinTech Limited	Hong Kong	Online and offline mobile payment, one-stop smart collection and trade, information technology services	143,350	-	85,834	28.61	35,208	14,974	-	-
	Spread-it Limited	Hong Kong	Social media marketing	2,959	-	85,834	28.61	10,518	1,433	-	-
Systex Capital Group, Inc.	Syscore Corporation	Taiwan	General investment activities	1,300,000	1,300,000	130,000,000	44.83	1,674,796	246,280	-	Subsidiary (1)
Dawning Technology Inc.	Neo Trend Tech Corporation	Taiwan	Cable installation engineering, other computer-related service, circuit engineering, and wireless communication service	-	20,000	-	-	-	(4,472)	-	-
Systex Software & Service Corporation	Smartsys Technology Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	-	15,000	-	-	-	191	-	Subsidiary (1)
Docutek Solutions, Inc.	ANSecurity Inc.	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	-	10,000	-	-	-	2,981	-	Subsidiary (1 and 2)
ANSecurity Inc.	Docutek Services Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	-	5,800	-	-	-	3,415	-	Subsidiary (1 and 2)

Note 1: In preparing the consolidated financial statements, the transactions has been eliminated.

Note 2: Docutek Solutions, ANSecurity, and Docutek Services completed their merger in September 2024. Docutek Solutions stands as the surviving entity, while ANSecurity and Docutek Services is designated as the dissolved company.

Note 3: Refer to Table 10 for information on investments in Mainland China.

(Concluded)

TABLE 8

SYSTEX CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024	Note
					Outward	Inward							
Changzhou Xinguotai Information Equipment Co., Ltd.	Manufacture, service and sales of software and computer-related products	\$ 21,198	a	\$ 2,780	\$ -	\$ -	\$ 2,780	\$ -	9.10	\$ -	\$ -	\$ -	
Systek Information (Shanghai) Ltd.	Sale of computer and peripheral equipment, retailing and processing of information software	960,402	b	960,402	-	-	960,402	(2,352)	100.00	(2,352)	188,237	-	Subsidiary (Note 2)
Systex Group (China) Ltd.	Management consultation, marketing and sale, and capital and operation financial management	512,150	b	512,150	-	-	512,150	(83,004)	100.00	(83,004)	309,324	-	Subsidiary (Note 2)
Systex Rainbow Tech Inc.	Research, development, installation and wholesale of software and hardware technique and internet system	-	b	-	-	-	-	(4,788)	100.00	(4,788)	312,507	-	Subsidiary (Note 2)
Systex Ucom (Shanghai) Information Ltd. Co.	Software design and data processing, retailing and service of software	-	b	-	-	-	-	(6,914)	100.00	(6,914)	33,343	-	Subsidiary (Note 2)
Sunlight-tech Inc.	Manufacture of Internet-related software and hardware systems, video service systems, audio and video on-demand systems, multimedia and network video equipment	551,210	b	220,484	-	-	220,484	-	40.00	-	-	-	
Shanghai Mudao Financial Information Service Co., Ltd.	Financial information services, computer software development and technology development, technology transfer, technology consulting, technical services, consulting and research in market information, asset management, supply chain management, investment management, investment consulting, business information consulting, financial consulting in the fields of computer technology, information technology and data technology.	14,504	b	-	-	-	-	(790)	29.62	-	-	-	
Systex Rainbow (Shanghai) Tech Inc.	Research, development, installation and wholesale of software and hardware technique and internet system	-	b	-	-	-	-	(3,569)	100.00	(3,569)	1,953	-	Subsidiary (Note 2)

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$1,695,816	\$1,920,903	\$10,638,229

Note 1: The methods of investment are as follows:

- a. Investment in China through remittances from third regions.
- b. Reinvestment in China through the third-region investment companies.

Note 2: In preparing the consolidated financial statements, the transactions were eliminated.

TABLE 9**SYSTEX CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Taiwan Mobile Co., Ltd.	32,298,154	11.86

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Corporation as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

SYSTEX CORPORATION

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

Item	Statement Index
Major Accounting Items in Assets, Liabilities and Equity	
Statement of cash	1
Statement of accounts receivable	2
Statement of inventories	3
Statement of changes in financial assets at fair value through profit or loss - non-current	4
Statement of changes in investments accounted for using the equity method	5
Statement of changes in property, plant and equipment	Note 12
Statement of changes in accumulated depreciation of property, plant and equipment	Note 12
Statement of notes payable and accounts payable	6
Major Accounting Items in Profit or Loss	
Statement of operating revenue	7
Statement of operating cost	8
Statement of operating expenses	9
Statement of employee benefits expenses and depreciation by function	Note 19

SYSTEX CORPORATION**STATEMENT OF CASH****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Item	Amount
Cash on hand	\$ 224
Cash in banks	
Checking accounts and demand deposits	1,572,625
Foreign currency deposits (including US\$107,847, JPY63,481, HK\$50,357, EUR9,324, SGD38,094 and RMB82,516) (Note)	<u>5,375</u>
	<u>\$ 1,578,224</u>

Note: The exchange rates are as follows:

1 US dollar (USD) = NT\$32.785

1 Japanese yen (JPY) = NT\$0.2099

1 Hong Kong dollar (HKD) = NT\$4.222

1 Euro (EUR) = NT\$34.14

1 Singapore dollar (SGD) = NT\$24.13

1 Chinese yuan (RMB) = NT\$4.5608

SYSTEX CORPORATION**STATEMENT OF ACCOUNTS RECEIVABLE****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

Client Name	Amount
A	\$ 130,464
B	104,709
Others (Note)	957,999
Less: Loss allowance	<u>17,410</u>
	<u>\$ 1,175,762</u>

Note: The amount of individual client included in others does not exceed 5% of the account balance.

SYSTEX CORPORATION**STATEMENT OF INVENTORIES****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

Item	Amount	
	Cost	Net Realizable Value
Merchandise	\$ 1,346,754	\$ 1,330,691
Maintenance parts	<u>7,068</u>	<u>4,844</u>
	1,353,822	<u>\$ 1,335,535</u>
Less: Write-down of inventories	<u>22,294</u>	
	<u>\$ 1,331,528</u>	

SYSTEX CORPORATION

**STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FVTPL - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Name of Securities	Balance, January 1, 2024		Increase in Investment		Decrease in Investment		Balance, December 31, 2024		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount		
Taiwan Futures Exchange	17,919,276	\$ 1,493,637	2,508,711	\$ 517,793	-	\$ -	20,427,987	\$ 2,011,430	None	1
Far Eastern Electronic Toll Collection Co., Ltd.	25,263,076	261,588	-	107,097	-	-	25,263,076	368,685	"	2
SysJust Co., Ltd.	1,108,592	22,282	-	2,072	-	-	1,108,592	24,354	"	3
Da Ho Marketing Co., Ltd.	1,260,000	12,428	-	2,431	-	-	1,260,000	14,859	"	4
3Probe Technologies Corp.	205,567	1,523	-	437	-	62	205,567	1,898	"	5
Gemini Data	3,404,000	-	-	-	-	-	3,404,000	-	"	-
Saho Corporation	795,895	-	-	-	-	-	795,895	-	"	-
GCH System	56,226	-	-	-	-	-	56,226	-	"	-
WeGoLuck Co., Ltd.	471,700	-	-	-	-	-	471,700	-	"	-
Princo Corp.	808,415	-	-	-	-	-	808,415	-	"	-
		<u>\$ 1,791,458</u>		<u>\$ 629,830</u>		<u>\$ 62</u>		<u>\$ 2,421,226</u>		

Note 1: Increase in investment includes gain on fair value adjustments of \$517,793 thousand and distribution of share dividends of 2,508,711 shares.

Note 2: Increase in investment includes gain on fair value adjustments of \$107,097 thousand.

Note 3: Increase in investment includes gain on fair value adjustments of \$2,072 thousand.

Note 4: Increase in investment includes gain on fair value adjustments of \$2,431 thousand.

Note 5: Increase in investment includes gain on fair value adjustments of \$437 thousand. Decrease in investment includes distribution in cash from capital surplus of \$62 thousand.

SYSTEX CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee	Balance, January 1, 2024		Increase in Investment		Decrease in Investment		Share of Profit (Loss) and Impairment Loss (Note 26)	Balance, December 31, 2024			Fair Value or Net Assets Value (Note 27)	Note
	Shares	Amount	Shares	Amount	Shares	Amount		Shares	%	Amount		
Unlisted corporation												
Systex Vietnam Company Limited	-	\$ -	730,800	\$ 9,853	-	\$ -	\$ (202)	730,800	100.00	\$ 9,651	\$ 9,651	1
Kimo.com (BVI) Corporation	500,000	4,250,007	-	147,979	-	20,830	95,159	500,000	100.00	4,472,315	4,472,634	2
Systex Capital Group Inc.	550	2,617,752	-	69,718	-	24,351	151,694	550	100.00	2,814,813	2,815,045	3
Systex Software & Service Corporation	54,450,000	1,310,798	-	4,898	14,450,000	600,683	545,091	40,000,000	100.00	1,260,104	1,265,985	4
Ching Pu Investment Corporation	23,437,500	495,388	-	1,339,773	-	1,477,144	45,165	23,437,500	100.00	403,182	403,148	5
Concord System Management Corporation	30,413,372	537,375	-	13,593	-	-	109,662	30,413,372	100.00	660,630	669,009	6
Systex Fintech Corporation	13,996,500	270,030	-	20,901	-	40,559	24,559	13,996,500	63.73	274,931	277,580	7
Systex Solutions Corporation	26,000,000	348,503	-	-	-	57,460	76,527	26,000,000	100.00	367,570	368,821	8
Taifon Computer Co., Ltd.	20,000,000	311,438	-	561	-	38,200	62,532	20,000,000	100.00	336,331	336,910	9
Golden Bridge Corporation	23,000,000	307,454	-	1,469	-	42,063	57,776	23,000,000	100.00	324,636	324,636	10
E-Service Information Co.	8,000,000	101,355	-	-	-	9,200	6,994	8,000,000	100.00	99,149	99,149	11
uniXecure Corporation	15,000,000	108,762	4,250,000	45,178	-	-	(11,658)	19,250,000	96.25	142,282	142,282	12
Taiwan Information Service Technology Co., Ltd.	16,630	44,487	-	-	-	5,488	8,211	16,630	67.38	47,210	47,210	13
Naturint Corporation	2,000,000	13,569	-	-	-	-	(4,759)	2,000,000	100.00	8,810	8,810	-
Syspower Corporation	1,096,200	20,751	-	-	-	1,408	2,840	1,096,200	4.67	22,183	22,183	14
Hanmore Investment Corporation	9,640,680	28,913	-	1,277,142	8,676,612	1,266,785	365	964,068	48.92	39,635	39,639	15
Docutek Solutions, Inc.	7,568,413	274,766	-	-	-	32,983	43,239	7,568,413	54.92	285,022	148,293	16
MISYS Corporation	10,000,000	52,946	-	-	-	-	(54,311)	10,000,000	100.00	(1,365)	(1,365)	-
Genesis Technology Inc.	27,693,289	1,041,002	6,903,557	59,035	-	2,270	92,436	34,596,846	27.74	1,190,203	2,241,876	17
Collaboration Co., Ltd.	6,160,000	201,413	-	1	-	11,725	(55,844)	6,160,000	44.55	133,845	133,845	18
Bao Ruh Electronic Co., Ltd.	4,339,500	83,014	-	22	-	8,679	32,128	4,339,500	29.72	106,485	106,485	19
Systemweb Technologies Co., Ltd.	3,245,000	51,085	-	-	-	1,603	2,016	3,245,000	28.22	51,498	51,498	20
Sanfran Technologies Inc.	2,518,989	50,551	1,251,891	7	-	-	15,674	3,770,880	12.26	66,232	66,232	21
Mohist Web Technology Co., Ltd.	400,000	11,173	-	-	-	720	(4,649)	400,000	40.00	5,804	5,804	22
Frog-jump Information Co., Ltd.	863,202	13,855	50,000	-	-	1,567	2,440	913,202	10.00	14,728	14,728	23
FinRobo Advisor Securities Investment Consulting Co., Ltd.	1,500,000	6,094	-	-	-	-	(1,842)	1,500,000	30.00	4,252	13,697	-
Gensys Technology International. Ltd.	8,000,000	-	-	-	-	-	-	8,000,000	33.60	-	-	-
Systex Infopro Co., Ltd.	20,000	3,687	-	248	-	-	-	20,000	20.00	3,935	3,935	24
Neweb Information Co., Ltd.	-	-	1,949,647	140,660	-	-	7,739	1,949,647	15.91	148,399	45,716	25
		<u>\$ 12,556,168</u>		<u>\$ 3,131,038</u>		<u>\$ 3,643,718</u>	<u>\$ 1,248,982</u>			<u>\$ 13,292,470</u>	<u>\$ 14,133,436</u>	

Note 1: Increase in investment includes purchase of \$9,675 thousand, and exchange differences of \$178 thousand.

Note 2: Increase in investment includes remeasurement of defined benefit plans of \$18 thousand and exchange differences of \$147,961 thousand. Decrease in investment includes adjustments to capital surplus (and retained earnings) of \$1,510 thousand due to changes in the net asset of investee by the equity method, and loss on equity investments at FVTOCI of \$19,320 thousand.

Note 3: Increase in investment includes remeasurement of defined benefit plans of \$15 thousand and exchange differences of \$69,703 thousand. Decrease in investment includes adjustments to capital surplus (and retained earnings) of \$1,166 thousand due to changes in the net asset of investee by the equity method, and loss on equity investments at FVTOCI of \$23,185 thousand.

Note 4: Increase in investment includes capital surplus of \$4,898 thousand for compensation cost of share-based payments. Decrease in investment includes capital reduction of \$144,500 thousand from investee and cash dividends received of \$456,182 thousand.

Note 5: Increase in investment includes capital surplus for cash dividends received by subsidiaries from the Corporation, which are regarded as treasury share and amounted to \$926,947 thousand and proceeds from disposal of the Company’s shares of \$412,826 thousand. Decrease in investment include capital reduction of \$1,476,563 thousand from investee and reassessment of defined benefit plan of \$581 thousand.

Note 6: Increase in investment includes remeasurement of defined benefit plans of \$13,593 thousand.

(Continued)

- Note 7: Increase in investment includes adjustments to capital surplus (and retained earnings) of \$5,065 thousand due to changes in the net asset of investee by the equity method and adjustments to capital surplus of \$15,836 thousand for compensation cost of share-based payment. Decrease in investment includes cash dividends received of \$27,993 thousand and business transfer of \$12,566 thousand.
- Note 8: Decrease in investment includes cash dividends received of \$57,460 thousand.
- Note 9: Increase in investment includes remeasurement of defined benefit plans of \$561 thousand. Decrease in investment includes cash dividends received of \$38,200 thousand.
- Note 10: Increase in investment includes adjustments to capital surplus of \$1,469 thousand for compensation cost of share-based payment. Decrease in investment includes cash dividends received of \$41,400 thousand and remeasurement of defined benefit plans of \$663 thousand.
- Note 11: Decrease in investment includes cash dividends received of \$9,200 thousand.
- Note 12: Increase in investment includes purchase of \$42,500 thousand and adjustments to capital surplus (and retained earnings) of \$2,678 thousand due to changes in the net asset of investee by the equity method.
- Note 13: Decrease in investment included cash dividends received of \$5,488 thousand.
- Note 14: Decrease in investment includes dividends received of \$1,337 thousand and remeasurement of defined benefit plans of \$70 thousand.
- Note 15: Increase in investment includes adjustments to capital surplus of \$761,525 thousand due to changes in the net asset of investee by the equity method and capital surplus for cash dividends received by subsidiaries from the Corporation, which are regarded as treasury share and amounted to \$515,617 thousand. Decrease in investment includes capital reduction of \$86,766 thousand from investee and cash dividends received of \$1,180,019 thousand.
- Note 16: Decrease in investment includes cash dividends received of \$32,983 thousand.
- Note 17: Increase in investment includes remeasurement of defined benefit plans of \$236 thousand and gain on equity investments at FVTOCI of \$58,799 thousand. Decrease in investment includes adjustments to capital surplus of \$405 thousand due to changes in the net asset of investee by the equity method and exchange differences of \$1,865 thousand.
- Note 18: Increase in investment includes exchange differences of \$1 thousand. Decrease in investment includes cash dividends received of \$11,725 thousand.
- Note 19: Increase in investment includes adjustments to capital surplus of \$22 thousand due to changes in the net asset of investee by the equity method. Decrease in investment includes cash dividends received of \$8,679 thousand.
- Note 20: Decrease in investment includes adjustments to capital surplus of \$1,603 thousand due to changes in the net asset of investee by the equity method.
- Note 21: Increase in investment includes adjustments to capital surplus of \$7 thousand due to changes in the net asset of investee by the equity method.
- Note 22: Decrease in investment includes cash dividends received of \$718 thousand, and loss on equity investments at FVTOCI of \$2 thousand.
- Note 23: Decrease in investment includes cash dividends received of \$1,557 thousand and exchange differences of \$9 thousand.
- Note 24: Increase in investment includes exchange difference of \$248 thousand.
- Note 25: Increase in investment includes purchase of \$140,374 thousand and adjustments to capital surplus of \$286 thousand due to changes in the net asset of investee by the equity method.
- Note 26: Except for Genesis Technology Inc., Collaboration Co., Ltd., Bao Ruh Electronic Co., Ltd., Systemweb Technologies Co., Sanfran Technology Inc., Mohist Web Technology Co., Frog-jump Information Co., Ltd., FinRobo Advisor Securities Investment Consulting Co., Ltd., GenSys Technology (International) Ltd., Systex Infopro Co., Ltd. and Neweb Information Co., Ltd. the share of profit or loss of investments accounted for using the equity method for the year ended December 31, 2024 was calculated based on the financial statements that have been audited.
- Note 27: Except for the fair value of Genesis Technology Inc. was calculated based on the closing price at the end of the year, and shares held by the Corporation, net assets values of other investees (unlisted companies) were calculated based on the financial statements of investees and share percentage held by the Corporation.

(Concluded)

SYSTEX CORPORATION**STATEMENT OF NOTES PAYABLE AND ACCOUNTS PAYABLE****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

Vendor Name	Amount
A	\$ 192,816
B	133,137
Others (Note)	<u>921,105</u>
	<u>\$ 1,247,058</u>

Note: The amount of individual vendor included in others does not exceed 5% of the account balance.

SYSTEX CORPORATION**STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Item	Amount
Sales	\$ 7,882,915
Less: Sales returns and allowances	<u>21,748</u>
Net sales	<u>7,861,167</u>
Service revenue	
Maintenance revenue	1,479,758
Education and training revenue	834,416
Data processing revenue	613,398
Value-added internet service revenue	420,209
Other service revenue	<u>720,235</u>
	<u>4,068,016</u>
Other operating revenue	<u>53,807</u>
	<u>\$ 11,982,990</u>

SYSTEX CORPORATION**STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Item	Amount
Merchandise, beginning of year	\$ 1,436,553
Add:	
Merchandise purchased	6,725,197
Write-down of inventories	2,643
Less:	
Merchandise, end of year	1,346,754
Internal usage and others	24,005
Cost of goods sold	<u>6,793,634</u>
Service cost	
Maintenance cost	777,195
Education and training cost	437,212
Data processing cost	353,506
Value-added internet service cost	176,392
Other service cost	<u>219,141</u>
Total service cost	<u>1,963,446</u>
Other operating cost	<u>14,660</u>
	<u>\$ 8,771,740</u>

SYSTEX CORPORATION

STATEMENT OF OPERATING EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2024
 (In Thousands of New Taiwan Dollars)

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Expected Credit Loss	Total
Payroll and post-employment benefits	\$ 1,741,526	\$ 256,223	\$ 399,402	\$ -	\$ 2,397,151
Labor and health insurance	139,106	20,928	36,144	-	196,178
Depreciation	122,150	25,528	9,567	-	157,245
Expected credit loss	-	-	-	2,136	2,136
Others (Note)	<u>266,443</u>	<u>60,795</u>	<u>42,864</u>	<u>-</u>	<u>370,102</u>
	<u>\$ 2,269,225</u>	<u>\$ 363,474</u>	<u>\$ 487,977</u>	<u>\$ 2,136</u>	<u>\$ 3,122,812</u>

Note: The amount of each item in others does not exceed 5% of the account balance.