

Systemx Corporation and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2025 and 2024 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Systex Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Systex Corporation and its subsidiaries (collectively, the “Group”) as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2025 and 2024, the combined total assets of these subsidiaries were \$9,019,375 thousand and \$7,728,703 thousand, representing 26.58% and 25.71%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were \$4,446,302 thousand and \$3,364,724 thousand, representing 29.34% and 23.40%, respectively, of the consolidated liabilities. For the three months ended March 31, 2025 and 2024, the amounts of combined total comprehensive income of these subsidiaries were \$121,527 thousand and \$166,254 thousand, representing 33.94% and 18.47%, respectively, of the consolidated total comprehensive income. In addition, as disclosed in Note 14 to the consolidated financial statements, as of March 31, 2025 and 2024, the investments accounted for using the equity method of the Group were \$2,194,193 thousand and \$2,026,764 thousand, respectively; for the three months ended March 31, 2025 and 2024, the amounts of the share in total comprehensive (loss) income recognized were \$(5,176) thousand and \$96,947 thousand, respectively; such amounts were based on the investees’ unreviewed financial statements for the same reporting periods. The related information on investments in subsidiaries and associates stated above, as shown in Note 35 to the consolidated financial statements, was also unreviewed.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Hui-Min Huang and Shiow-Ming Shue.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated 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 review such consolidated financial statements are those generally applied in the Republic of China.

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

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

| ASSETS | March 31, 2025 | | December 31, 2024 | | March 31, 2024 | |
|------------------------------------------------------------------------------------------|----------------------|------------|----------------------|------------|----------------------|------------|
| | Amount | % | Amount | % | Amount | % |
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents (Note 6) | \$ 5,375,453 | 16 | \$ 6,196,885 | 18 | \$ 5,131,544 | 17 |
| Financial assets at fair value through profit or loss - current (Note 7) | 5,042,932 | 15 | 5,902,720 | 17 | 3,091,481 | 10 |
| Financial assets at amortized cost - current (Note 9) | 30,000 | - | 30,000 | - | - | - |
| Contract assets (Note 21) | 80,016 | - | 39,534 | - | - | - |
| Notes receivable, net (Notes 11, 21 and 30) | 60,154 | - | 100,404 | - | 101,045 | 1 |
| Accounts receivable, net (Notes 11, 21 and 30) | 5,506,286 | 16 | 5,336,572 | 15 | 6,190,213 | 21 |
| Other receivables | 144,875 | - | 162,089 | 1 | 99,542 | - |
| Inventories (Note 12) | 5,600,562 | 17 | 5,100,321 | 15 | 4,203,816 | 14 |
| Prepayments | 1,518,835 | 5 | 1,530,443 | 5 | 1,687,044 | 6 |
| Other financial assets - current (Notes 31 and 32) | 406,170 | 1 | 451,461 | 1 | 369,224 | 1 |
| Refundable deposits - current | 487,068 | 2 | 482,152 | 1 | 399,790 | 1 |
| Other current assets (Note 30) | 90,554 | - | 54,981 | - | 61,919 | - |
| Total current assets | <u>24,342,905</u> | <u>72</u> | <u>25,387,562</u> | <u>73</u> | <u>21,335,618</u> | <u>71</u> |
| NON-CURRENT ASSETS | | | | | | |
| Financial assets at fair value through profit or loss - non-current (Note 7) | 2,718,639 | 8 | 2,772,979 | 8 | 2,291,304 | 8 |
| Financial assets at fair value through other comprehensive income - non-current (Note 8) | 240,513 | 1 | 197,745 | 1 | 296,779 | 1 |
| Financial assets at amortized cost - non-current (Notes 9 and 10) | 500,000 | 1 | 500,000 | 2 | 500,000 | 2 |
| Investments accounted for using the equity method (Note 14) | 2,194,193 | 6 | 2,187,582 | 6 | 2,026,764 | 7 |
| Property, plant and equipment (Notes 15 and 31) | 2,300,644 | 7 | 2,302,975 | 7 | 2,258,803 | 7 |
| Right-of-use assets (Note 16) | 545,201 | 2 | 480,496 | 1 | 505,381 | 2 |
| Intangible assets | 564,312 | 2 | 382,042 | 1 | 260,174 | 1 |
| Deferred tax assets | 40,222 | - | 38,082 | - | 45,384 | - |
| Refundable deposits - non-current | 266,310 | 1 | 291,349 | 1 | 284,604 | 1 |
| Long-term receivables (Note 11) | - | - | - | - | 3,028 | - |
| Other financial assets - non-current (Notes 31 and 32) | 108,953 | - | 95,522 | - | 103,782 | - |
| Other non-current assets (Note 30) | 106,708 | - | 95,786 | - | 148,029 | - |
| Total non-current assets | <u>9,585,695</u> | <u>28</u> | <u>9,344,558</u> | <u>27</u> | <u>8,724,032</u> | <u>29</u> |
| TOTAL | <u>\$ 33,928,600</u> | <u>100</u> | <u>\$ 34,732,120</u> | <u>100</u> | <u>\$ 30,059,650</u> | <u>100</u> |
| LIABILITIES AND EQUITY | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Short-term loans (Notes 17 and 31) | \$ 2,011,403 | 6 | \$ 2,101,186 | 6 | \$ 1,642,063 | 5 |
| Financial liabilities at fair value through profit or loss - current (Note 7) | 9,810 | - | 9,734 | - | - | - |
| Contract liabilities (Note 21) | 2,842,027 | 8 | 2,657,016 | 8 | 2,138,016 | 7 |
| Notes and accounts payable | 4,707,301 | 14 | 5,358,043 | 15 | 5,301,231 | 18 |
| Payables to related parties (Note 30) | 8,263 | - | 13,400 | - | 12,698 | - |
| Other payables | 1,035,652 | 3 | 1,846,584 | 5 | 827,487 | 3 |
| Current tax liabilities (Note 4) | 396,010 | 1 | 368,746 | 1 | 325,306 | 1 |
| Lease liabilities - current (Note 16) | 220,532 | 1 | 193,671 | 1 | 196,579 | 1 |
| Current portion of long-term borrowings (Notes 17 and 31) | 10,244 | - | 14,104 | - | 10,138 | - |
| Other current liabilities | 371,080 | 1 | 339,761 | 1 | 421,695 | 1 |
| Total current liabilities | <u>11,612,322</u> | <u>34</u> | <u>12,902,245</u> | <u>37</u> | <u>10,875,213</u> | <u>36</u> |
| NON-CURRENT LIABILITIES | | | | | | |
| Bonds payable (Note 18) | 2,998,165 | 9 | 2,997,857 | 9 | 2,996,938 | 10 |
| Long-term borrowings (Notes 17 and 31) | 106,356 | 1 | 97,479 | - | 91,972 | 1 |
| Deferred tax liabilities | 12,225 | - | 6,825 | - | 6,346 | - |
| Lease liabilities - non-current (Note 16) | 335,870 | 1 | 298,305 | 1 | 319,557 | 1 |
| Investment payable - non-current (Note 7) | 29,080 | - | 34,982 | - | - | - |
| Net defined benefit liabilities - non-current (Note 4) | 53,005 | - | 53,888 | - | 83,996 | - |
| Other non-current liabilities (Note 21) | 8,539 | - | 10,836 | - | 7,831 | - |
| Total non-current liabilities | <u>3,543,240</u> | <u>11</u> | <u>3,500,172</u> | <u>10</u> | <u>3,506,640</u> | <u>12</u> |
| Total liabilities | <u>15,155,562</u> | <u>45</u> | <u>16,402,417</u> | <u>47</u> | <u>14,381,853</u> | <u>48</u> |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 20 and 25) | | | | | | |
| Share capital | 2,722,431 | 8 | 2,722,654 | 8 | 2,723,033 | 9 |
| Capital surplus | 8,710,185 | 26 | 8,692,447 | 25 | 6,969,779 | 23 |
| Retained earnings | | | | | | |
| Legal reserve | 1,836,979 | 5 | 1,836,979 | 5 | 1,691,083 | 6 |
| Special reserve | 402,170 | 1 | 402,170 | 1 | 308,124 | 1 |
| Unappropriated earnings | 4,565,106 | 14 | 4,291,181 | 13 | 4,631,639 | 15 |
| Total retained earnings | 6,804,255 | 20 | 6,530,330 | 19 | 6,630,846 | 22 |
| Other equity | (156,861) | (1) | (215,049) | (1) | (237,372) | (1) |
| Treasury shares | - | - | - | - | (928,443) | (3) |
| Total equity attributable to owners of the Corporation | 18,080,010 | 53 | 17,730,382 | 51 | 15,157,843 | 50 |
| NON-CONTROLLING INTERESTS (Notes 20 and 27) | 693,028 | 2 | 599,321 | 2 | 519,954 | 2 |
| Total equity | <u>18,773,038</u> | <u>55</u> | <u>18,329,703</u> | <u>53</u> | <u>15,677,797</u> | <u>52</u> |
| TOTAL | <u>\$ 33,928,600</u> | <u>100</u> | <u>\$ 34,732,120</u> | <u>100</u> | <u>\$ 30,059,650</u> | <u>100</u> |

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated May 7, 2025)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | For the Three Months Ended March 31 | | | |
|--------------------------------------------------------------------------------|-------------------------------------|------------|-------------------|------------|
| | 2025 | | 2024 | |
| | Amount | % | Amount | % |
| OPERATING REVENUE (Notes 21 and 30) | | | | |
| Sales | \$ 7,828,091 | 79 | \$ 8,295,488 | 81 |
| Less: Sales returns and allowances | <u>25,935</u> | - | <u>19,017</u> | - |
| Net sales | 7,802,156 | 79 | 8,276,471 | 81 |
| Service revenue | 2,005,684 | 21 | 1,890,555 | 19 |
| Other operating revenue | <u>27,579</u> | - | <u>20,323</u> | - |
| Total operating revenue | <u>9,835,419</u> | <u>100</u> | <u>10,187,349</u> | <u>100</u> |
| OPERATING COSTS (Notes 12, 22 and 30) | | | | |
| Cost of goods sold | 6,732,779 | 69 | 7,276,257 | 71 |
| Service costs | 1,003,483 | 10 | 875,472 | 9 |
| Other operating costs | <u>10,937</u> | - | <u>5,104</u> | - |
| Total operating costs | <u>7,747,199</u> | <u>79</u> | <u>8,156,833</u> | <u>80</u> |
| GROSS PROFIT | <u>2,088,220</u> | <u>21</u> | <u>2,030,516</u> | <u>20</u> |
| OPERATING EXPENSES (Notes 11, 19, 22, 25 and 30) | | | | |
| Selling expenses | 1,230,503 | 12 | 1,212,292 | 12 |
| General and administrative expenses | 183,129 | 2 | 183,859 | 2 |
| Research and development expenses | 184,978 | 2 | 159,964 | 1 |
| Expected credit gain | <u>(863)</u> | - | <u>(4,752)</u> | - |
| Total operating expenses | <u>1,597,747</u> | <u>16</u> | <u>1,551,363</u> | <u>15</u> |
| PROFIT FROM OPERATIONS | <u>490,473</u> | <u>5</u> | <u>479,153</u> | <u>5</u> |
| NON-OPERATING INCOME AND EXPENSES | | | | |
| Share of profit of associates (Note 14) | 26,756 | - | 26,953 | - |
| Interest income | 22,150 | - | 26,044 | - |
| Dividend income | - | - | 1,188 | - |
| Other income, net | 10,408 | - | 14,277 | - |
| Gain on disposal of property, plant and equipment, net | - | - | 51 | - |
| Gain on disposal of investment, net (Note 22) | 25,853 | - | 3,846 | - |
| Foreign exchange gain (loss) | 11,621 | - | (751) | - |
| (Loss) gain on financial instruments at fair value through profit or loss, net | (138,166) | (1) | 271,612 | 3 |
| Interest expense | (23,942) | - | (21,860) | - |
| Other expenses | <u>(2,433)</u> | - | <u>(2,352)</u> | - |
| Total non-operating income and expenses | <u>(67,753)</u> | <u>(1)</u> | <u>319,008</u> | <u>3</u> |

(Continued)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | For the Three Months Ended March 31 | | | |
|----------------------------------------------------------------------------------------------------------|-------------------------------------|----------|-------------------|----------|
| | 2025 | | 2024 | |
| | Amount | % | Amount | % |
| INCOME BEFORE INCOME TAX | \$ 422,720 | 4 | \$ 798,161 | 8 |
| INCOME TAX EXPENSE (Notes 4 and 23) | <u>120,630</u> | <u>1</u> | <u>112,170</u> | <u>1</u> |
| NET INCOME | <u>302,090</u> | <u>3</u> | <u>685,991</u> | <u>7</u> |
| OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Unrealized gain on investments in equity instruments at fair value through other comprehensive income | 40,738 | - | 10,732 | - |
| Share of other comprehensive (loss) income of associates accounted for using the equity method (Note 14) | <u>(39,341)</u> | <u>-</u> | <u>67,606</u> | <u>1</u> |
| | <u>1,397</u> | <u>-</u> | <u>78,338</u> | <u>1</u> |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translation of foreign operations | 47,214 | 1 | 133,600 | 1 |
| Share of other comprehensive income of associates accounted for using the equity method (Note 14) | <u>7,409</u> | <u>-</u> | <u>2,388</u> | <u>-</u> |
| | <u>54,623</u> | <u>1</u> | <u>135,988</u> | <u>1</u> |
| Other comprehensive income (loss) for the period, net of income tax | <u>56,020</u> | <u>1</u> | <u>214,326</u> | <u>2</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | <u>\$ 358,110</u> | <u>4</u> | <u>\$ 900,317</u> | <u>9</u> |
| NET INCOME ATTRIBUTABLE TO: | | | | |
| Owners of the Corporation | \$ 271,571 | 3 | \$ 654,638 | 7 |
| Non-controlling interests | <u>30,519</u> | <u>-</u> | <u>31,353</u> | <u>-</u> |
| | <u>\$ 302,090</u> | <u>3</u> | <u>\$ 685,991</u> | <u>7</u> |

(Continued)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | For the Three Months Ended March 31 | | | |
|------------------------------|-------------------------------------|----------|-------------------|----------|
| | 2025 | | 2024 | |
| | Amount | % | Amount | % |
| TOTAL COMPREHENSIVE INCOME | | | | |
| ATTRIBUTABLE TO: | | | | |
| Owners of the Corporation | \$ 326,232 | 3 | \$ 868,483 | 9 |
| Non-controlling interests | <u>31,878</u> | <u>1</u> | <u>31,834</u> | <u>-</u> |
| | <u>\$ 358,110</u> | <u>4</u> | <u>\$ 900,317</u> | <u>9</u> |
| EARNINGS PER SHARE (Note 24) | | | | |
| Basic | <u>\$ 1.00</u> | | <u>\$ 2.63</u> | |
| Diluted | <u>\$ 1.00</u> | | <u>\$ 2.62</u> | |

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated May 7, 2025)

(Concluded)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

| | Equity Attributable to Owners of the Corporation | | | | | | | | | | | | Non-controlling Interests | Total Equity |
|-----------------------------------------------------------------------------------|--------------------------------------------------|---------------------|---------------------|-------------------|-------------------------|---------------------|-----------------------------------------------------------|---------------------------------------------------------------------------------------------|----------------------------|---------------------|----------------------|-------------------|---------------------------|--------------|
| | Share Capital | Capital Surplus | Retained Earnings | | | | Exchange Differences on Translation of Foreign Operations | Other Equity | | Treasury Shares | Total | | | |
| | | | Legal Reserve | Special Reserve | Unappropriated Earnings | Total | | Unrealized (Loss) Gain on Financial Assets at Fair Value Through Other Comprehensive Income | Unearned Employee Benefits | | | | | |
| BALANCE AT JANUARY 1, 2024 | \$ 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 | \$ 500,003 | \$ 14,772,510 | |
| Net profit for the three months ended March 31, 2024 | - | - | - | - | 654,638 | 654,638 | - | - | - | - | 654,638 | 31,353 | 685,991 | |
| Other comprehensive income for the three months ended March 31, 2024 | - | - | - | - | 269 | 269 | 135,507 | 78,069 | - | - | 213,845 | 481 | 214,326 | |
| Total comprehensive income for the three months ended March 31, 2024 | - | - | - | - | 654,907 | 654,907 | 135,507 | 78,069 | - | - | 868,483 | 31,834 | 900,317 | |
| Share of change in equities of subsidiaries and associates | - | 2,165 | - | - | - | - | - | - | - | - | 2,165 | - | 2,165 | |
| Share-based payment transaction - restricted shares for employees | - | (114) | - | - | - | - | - | - | 14,802 | - | 14,688 | 114 | 14,802 | |
| Decrease in non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | (11,997) | (11,997) | |
| BALANCE AT MARCH 31, 2024 | <u>\$ 2,723,033</u> | <u>\$ 6,969,779</u> | <u>\$ 1,691,083</u> | <u>\$ 308,124</u> | <u>\$ 4,631,639</u> | <u>\$ 6,630,846</u> | <u>\$ (164,529)</u> | <u>\$ (24,065)</u> | <u>\$ (48,778)</u> | <u>\$ (928,443)</u> | <u>\$ 15,157,843</u> | <u>\$ 519,954</u> | <u>\$ 15,677,797</u> | |
| BALANCE AT JANUARY 1, 2025 | \$ 2,722,654 | \$ 8,692,447 | \$ 1,836,979 | \$ 402,170 | \$ 4,291,181 | \$ 6,530,330 | \$ (83,820) | \$ (115,366) | \$ (15,863) | \$ - | \$ 17,730,382 | \$ 599,321 | \$ 18,329,703 | |
| Net profit for the three months ended March 31, 2025 | - | - | - | - | 271,571 | 271,571 | - | - | - | - | 271,571 | 30,519 | 302,090 | |
| Other comprehensive income for the three months ended March 31, 2025 | - | - | - | - | 883 | 883 | 53,264 | 514 | - | - | 54,661 | 1,359 | 56,020 | |
| Total comprehensive income for the three months ended March 31, 2025 | - | - | - | - | 272,454 | 272,454 | 53,264 | 514 | - | - | 326,232 | 31,878 | 358,110 | |
| Share of changes in equities of subsidiaries and associates | - | 475 | - | - | - | - | - | - | - | - | 475 | - | 475 | |
| Issuance of employee share options by the subsidiaries | - | 18,727 | - | - | - | - | - | - | - | - | 18,727 | 1,073 | 19,800 | |
| Share-based payment transaction - restricted shares for employees | - | (56) | - | - | - | - | - | - | 4,395 | - | 4,339 | 56 | 4,395 | |
| Share-based payment transaction - cancellation of restricted shares for employees | (223) | (1,408) | - | - | - | - | - | - | 1,631 | - | - | - | - | |
| Disposal of investments accounted for using the equity method | - | - | - | - | 1,471 | 1,471 | (145) | (1,471) | - | - | (145) | - | (145) | |
| Increase in non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | 60,700 | 60,700 | |
| BALANCE AT MARCH 31, 2025 | <u>\$ 2,722,431</u> | <u>\$ 8,710,185</u> | <u>\$ 1,836,979</u> | <u>\$ 402,170</u> | <u>\$ 4,565,106</u> | <u>\$ 6,804,255</u> | <u>\$ (30,701)</u> | <u>\$ (116,323)</u> | <u>\$ (9,837)</u> | <u>\$ -</u> | <u>\$ 18,080,010</u> | <u>\$ 693,028</u> | <u>\$ 18,773,038</u> | |

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated May 7, 2025)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

| | For the Three Months Ended March 31 | |
|---------------------------------------------------------------------------------|----------------------------------------|-------------|
| | 2025 | 2024 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax | \$ 422,720 | \$ 798,161 |
| Adjustments for: | | |
| Depreciation expense | 110,565 | 96,732 |
| Amortization expense | 14,166 | 11,037 |
| Reversal of expected credit loss recognized | (863) | (4,752) |
| Loss (gain) on financial instruments at fair value through profit or loss, net | 138,166 | (271,612) |
| Compensation cost of share-based payment | 24,195 | 14,802 |
| Interest expense | 23,942 | 21,860 |
| Interest income | (22,150) | (26,044) |
| Dividend income | - | (1,188) |
| Share of profit of associates | (26,756) | (26,953) |
| Gain on disposal of property, plant and equipment, net | - | (51) |
| Gain on disposal of investment accounted for using the equity method | (25,853) | (3,846) |
| Write-down (reversal of write-down) of inventories | 831 | (20,912) |
| Changes in operating assets and liabilities | | |
| Financial assets mandatorily classified as at fair value through profit or loss | 588,349 | (2,394,057) |
| Contract assets | (40,482) | - |
| Notes receivable | 40,676 | 83,022 |
| Accounts receivable | 55,793 | (33,406) |
| Other receivables | 31,469 | 57,997 |
| Inventories | (498,621) | 361,595 |
| Prepayments | 46,714 | 111,848 |
| Other current assets | (33,429) | (17,106) |
| Contract liabilities | 182,503 | (222,586) |
| Notes and accounts payable | (831,314) | (215,855) |
| Payables to related parties | (6,637) | (11,294) |
| Other payables | (892,438) | (863,700) |
| Other current liabilities | 6,860 | 121,195 |
| Net defined benefit liabilities | (883) | (46,493) |
| Cash used in operations | (692,477) | (2,481,606) |
| Interest paid | (23,913) | (21,810) |
| Income tax received (paid) | 4,817 | (3,554) |
| Net cash used in operating activities | (711,573) | (2,506,970) |

(Continued)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

| | For the Three Months Ended March 31 | |
|-------------------------------------------------------------------------------------------|----------------------------------------|---------------------|
| | 2025 | 2024 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of financial assets at fair value through other comprehensive income | \$ - | \$ (1,524) |
| Decrease in financial assets at amortized cost | - | 870,318 |
| Proceeds from disposal of investments accounted for using the equity method | 54,033 | 7,317 |
| Net cash outflow on acquisition of subsidiaries (Note 26) | (54,375) | - |
| Net cash outflow on disposal of subsidiaries | (4,697) | - |
| Payments for property, plant and equipment | (17,432) | (36,460) |
| Proceeds from disposal of property, plant and equipment | - | 51 |
| Decrease in refundable deposits | 24,198 | 30,731 |
| Payments for intangible assets | (9,662) | (7,942) |
| Decrease in long-term receivables | - | 1,140 |
| Decrease in pledged time deposits | 31,860 | 13,930 |
| Increase in other non-current assets | (21,474) | (3,726) |
| Interest received | 17,308 | 31,921 |
| Dividends received | - | 1,188 |
| Net cash generated from investing activities | <u>19,759</u> | <u>906,944</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Decrease in short-term loans | (95,896) | (400,040) |
| Repayment of long-term borrowings | (4,988) | (2,512) |
| Decrease in guarantee deposits received | (250) | (273) |
| Repayment of the principal portion of lease liabilities | (57,839) | (50,922) |
| Changes in non-controlling interests | <u>150</u> | <u>(11,997)</u> |
| Net cash used in financing activities | <u>(158,823)</u> | <u>(465,744)</u> |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES | <u>29,205</u> | <u>87,251</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | <u>(821,432)</u> | <u>(1,978,519)</u> |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | <u>6,196,885</u> | <u>7,110,063</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | <u>\$ 5,375,453</u> | <u>\$ 5,131,544</u> |

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated May 7, 2025)

(Concluded)

SYSTEX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (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 have 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 consolidated financial statements of the Corporation and its subsidiaries (collectively referred to as the “Group”) are presented in the Corporation’s functional currency, the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on May 7, 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)

Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

| <u>New, Amended and Revised Standards and Interpretations</u> | <u>Effective Date Announced by IASB</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets | January 1, 2026 (Note) |

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impacts of the above application of the amendments on the Group'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 consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of above standards and interpretations on the Group'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

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

- b. Basis of preparation

The consolidated 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, which 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.

c. Basis of consolidation

See Note 13, Table 8 and Table 9 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other material accounting policies

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

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to the statements of material accounting judgments and key sources of estimation uncertainty of the consolidated financial statements for the year ended December 31, 2024.

6. CASH AND CASH EQUIVALENTS

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------------------------------------------|---------------------|----------------------|---------------------|
| Cash on hand | \$ 558 | \$ 457 | \$ 652 |
| Checking accounts and demand deposits | 4,676,343 | 5,312,436 | 4,351,831 |
| Cash equivalents | | | |
| Time deposits with original maturities of less than 3 months | <u>698,552</u> | <u>883,992</u> | <u>779,061</u> |
| | <u>\$ 5,375,453</u> | <u>\$ 6,196,885</u> | <u>\$ 5,131,544</u> |
| Interest rate interval | | | |
| Time deposits with original maturities of less than 3 months | 4.10%-4.38% | 4.30%-4.91% | 4.90%-5.00% |

7. FINANCIAL INSTRUMENTS AT FVTPL

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-----------------------------------------------------|---------------------|----------------------|---------------------|
| <u>Financial assets - current</u> | | | |
| Financial assets mandatorily classified as at FVTPL | | | |
| Mutual funds | \$ 4,998,232 | \$ 5,857,930 | \$ 3,052,322 |
| Listed shares | <u>44,700</u> | <u>44,790</u> | <u>39,159</u> |
| | <u>\$ 5,042,932</u> | <u>\$ 5,902,720</u> | <u>\$ 3,091,481</u> |
| <u>Financial assets - non-current</u> | | | |
| Financial assets mandatorily classified as at FVTPL | | | |
| Unlisted shares | \$ 2,487,845 | \$ 2,571,991 | \$ 2,106,707 |
| Unlisted preferred shares | 74,847 | 69,442 | 73,649 |
| Others | <u>155,947</u> | <u>131,546</u> | <u>110,948</u> |
| | <u>\$ 2,718,639</u> | <u>\$ 2,772,979</u> | <u>\$ 2,291,304</u> |
| <u>Financial liabilities (Note 26)</u> | | | |
| Contingent consideration - current | \$ 9,810 | \$ 9,734 | \$ - |
| Contingent consideration - non-current | <u>\$ 29,080</u> | <u>\$ 34,982</u> | <u>\$ -</u> |

8. FINANCIAL ASSETS AT FVTOCI - NON-CURRENT

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-----------------------------------|-------------------|----------------------|-------------------|
| Investments in equity instruments | | | |
| Unlisted shares | \$ 204,298 | \$ 162,033 | \$ 253,249 |
| Unlisted preferred shares | 1,955 | 2,232 | 1,110 |
| Listed shares | <u>34,260</u> | <u>33,480</u> | <u>42,420</u> |
| | <u>\$ 240,513</u> | <u>\$ 197,745</u> | <u>\$ 296,779</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 Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------------------------------------------|----------------|----------------------|----------------|
| <u>Current</u> | | | |
| Time deposits with original maturities of more than 3 months | \$ 30,000 | \$ 30,000 | \$ - |
| Range of interest rates per annum | 1.46% | 1.46% | - |
| <u>Non-current</u> | | | |
| Domestic corporate bonds | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Interest rate | 3.5% | 3.5% | 3.5% |

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost.

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-------------------------------------|----------------|----------------------|----------------|
| Gross carrying amount | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Less: Allowance for impairment loss | - | - | - |
| Amortized cost | \$ 500,000 | \$ 500,000 | \$ 500,000 |

The Group's exposure and the external credit ratings are continuously monitored. The Group reviews changes in bond yields and other public information and makes an assessment whether there has been a significant increase in credit risk since initial recognition.

The Group considers the historical default rates of each credit rating supplied by external rating agencies, the current financial condition of debtors, and industry forecast to estimate 12-month or lifetime expected credit losses. The Group's current credit risk grading framework comprises the following categories:

| Category | Description | Basis for Recognizing Expected Credit Losses | Expected Loss Rate | Gross Carrying Amount at | | |
|------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------|--------------------------|----------------------|-------------------|
| | | | | March 31, 2025 | December 31, 2024 | March 31, 2024 |
| Performing | The counterparty has a low risk of default and a strong capacity to meet contractual cash flows | 12m ECL | 0% | \$ 500,000 | \$ 500,000 | \$ 500,000 |

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---------------------------------------|---------------------|----------------------|---------------------|
| Notes receivable | \$ 60,326 | \$ 100,576 | \$ 101,217 |
| Less: Allowance for doubtful accounts | <u>(172)</u> | <u>(172)</u> | <u>(172)</u> |
| | <u>\$ 60,154</u> | <u>\$ 100,404</u> | <u>\$ 101,045</u> |
| Accounts receivable | \$ 5,589,348 | \$ 5,417,135 | \$ 6,291,617 |
| Less: Allowance for doubtful accounts | <u>(83,062)</u> | <u>(80,563)</u> | <u>(101,404)</u> |
| | <u>\$ 5,506,286</u> | <u>\$ 5,336,572</u> | <u>\$ 6,190,213</u> |
| Long-term receivables | \$ - | \$ - | \$ 3,118 |
| Less: Unrealized interest income | <u>-</u> | <u>-</u> | <u>(90)</u> |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,028</u> |

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

The Group 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 Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a receivable when there is evidence 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 Group 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 Group's provision matrix.

March 31, 2025

| | Not Past Due | Less than 90 Days | 91 to 180 Days | 181 to 270 Days | Over 271 Days | Total |
|-------------------------------|---------------------|----------------------|-------------------|--------------------|------------------|---------------------|
| Gross carrying amount | \$ 4,802,080 | \$ 654,762 | \$ 108,243 | \$ 15,759 | \$ 68,830 | \$ 5,649,674 |
| Loss allowance (Lifetime ECL) | <u>(1)</u> | <u>(12,754)</u> | <u>(4,391)</u> | <u>(7,367)</u> | <u>(58,721)</u> | <u>(83,234)</u> |
| Amortized cost | <u>\$ 4,802,079</u> | <u>\$ 642,008</u> | <u>\$ 103,852</u> | <u>\$ 8,392</u> | <u>\$ 10,109</u> | <u>\$ 5,566,440</u> |

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 | \$ 4,383,358 | \$ 876,545 | \$ 169,429 | \$ 32,035 | \$ 56,344 | \$ 5,517,711 |
| Loss allowance (Lifetime ECL) | <u>-</u> | <u>(3,729)</u> | <u>(15,142)</u> | <u>(10,489)</u> | <u>(51,375)</u> | <u>(80,735)</u> |
| Amortized cost | <u>\$ 4,383,358</u> | <u>\$ 872,816</u> | <u>\$ 154,287</u> | <u>\$ 21,546</u> | <u>\$ 4,969</u> | <u>\$ 5,436,976</u> |

March 31, 2024

| | Not Past Due | Less than 90 Days | 91 to 180 Days | 181 to 270 Days | Over 271 Days | Total |
|-------------------------------|---------------------|-------------------|------------------|------------------|------------------|---------------------|
| Gross carrying amount | \$ 5,482,849 | \$ 675,836 | \$ 112,188 | \$ 27,371 | \$ 94,590 | \$ 6,392,834 |
| Loss allowance (Lifetime ECL) | <u>-</u> | <u>(3,182)</u> | <u>(12,219)</u> | <u>(3,094)</u> | <u>(83,081)</u> | <u>(101,576)</u> |
| Amortized cost | <u>\$ 5,482,849</u> | <u>\$ 672,654</u> | <u>\$ 99,969</u> | <u>\$ 24,277</u> | <u>\$ 11,509</u> | <u>\$ 6,291,258</u> |

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

| | For the Three Months Ended March 31 | |
|---------------------------------|----------------------------------------|-------------------|
| | 2025 | 2024 |
| Balance on January 1 | \$ 80,735 | \$ 105,996 |
| Reversal of loss allowance | (863) | (4,752) |
| Written off bad debts recovered | 861 | - |
| Amount written off | - | (1,386) |
| Business combinations | 1,663 | - |
| Foreign exchange | <u>838</u> | <u>1,718</u> |
| Balance on March 31 | <u>\$ 83,234</u> | <u>\$ 101,576</u> |

12. INVENTORIES

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-------------------|---------------------|---------------------|---------------------|
| Merchandise | \$ 5,586,172 | \$ 5,086,153 | \$ 4,183,922 |
| Maintenance parts | <u>14,390</u> | <u>14,168</u> | <u>19,894</u> |
| | <u>\$ 5,600,562</u> | <u>\$ 5,100,321</u> | <u>\$ 4,203,816</u> |

| | For the Three Months Ended March 31 | |
|-----------------------------------------------------------------------|----------------------------------------|------------------|
| | 2025 | 2024 |
| (Write-down) reversal of inventory (recognized as cost of goods sold) | <u>\$ (831)</u> | <u>\$ 20,912</u> |

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

13. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

| Investor | Investee | Main Business | % of Ownership | | | Remark |
|-----------------------------------|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------|----------------|--------|
| | | | March 31, 2025 | December 31, 2024 | March 31, 2024 | |
| The Corporation | Concord System Management Corporation (CSMC) | 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 | 100.00 | 100.00 | 100.00 | |
| The Corporation | Systex Capital Group, Inc. (SCGI) | Investment activities including financial trust and holding | 100.00 | 100.00 | 100.00 | |
| The Corporation | Hanmore Investment Corporation (Hanmore) | General investment activities | 48.92 | 48.92 | 48.92 | a |
| The Corporation | Systex Software & Service Corporation (SSSC) | Sale and development of computer software, data-processing services | 100.00 | 100.00 | 100.00 | |
| The Corporation | Golden Bridge Corporation (GBC) | General investment activities | 100.00 | 100.00 | 100.00 | |
| The Corporation | Taifon Computer Co., Ltd. (Taifon) | Design of computer hardware and software equipment system, computer room installation, and maintenance, sale, lease and consultation | 100.00 | 100.00 | 100.00 | |
| The Corporation | Ching Pu Investment Corporation (Ching Pu) | General investment activities | 100.00 | 100.00 | 100.00 | |
| The Corporation | Kimo.com (BVI) Corporation (Kimo BVI) | Investment activities including financial trust and holding | 100.00 | 100.00 | 100.00 | |
| The Corporation, Ching Pu and GBC | Syspower Corporation (Syspower) | Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software | 87.32 | 87.32 | 87.32 | |
| The Corporation | Systex Fintech Corporation (SFC) | 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 | 63.73 | 63.73 | 70.00 | b |
| The Corporation | Systex Solutions Corporation (Systex Solutions) | Design, construction and sale of telecom instrument, electronic calculator and computer | 100.00 | 100.00 | 100.00 | |
| The Corporation | Naturint Corporation (Naturint) | Installation, sale, information software, data processing and other consultation on computer software and related equipment, network certification and software publication | 100.00 | 100.00 | 100.00 | |
| The Corporation | E-Service Information Corporation (E-Service) | Information software service, intellectual property rights, printing and data storage media manufacturing and copying | 100.00 | 100.00 | 100.00 | |
| The Corporation | Taiwan Information Service Technology Corporation (TIST) | Installation, sale, information software, data processing and other consultation on computer software and related equipment | 67.38 | 67.38 | 67.38 | |
| The Corporation | UniXecure Corporation (UniXecure) | Design, construction and sale of telecom instrument, electronic calculator and computer | 96.25 | 96.25 | 100.00 | c |
| The Corporation | Docutek Solutions, Inc. (Docutek Solutions) | Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software | 54.92 | 54.92 | 54.92 | d |
| The Corporation | MISYS Corporation (MISYS) | Information software service | - | 100.00 | 100.00 | e |
| The Corporation | Systex Vietnam Company Limited (SVCL) | 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 | 100.00 | 100.00 | - | f |
| GBC | Softmobile Technology Corporation (Softmobile) | 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 | 100.00 | 100.00 | 100.00 | |
| Ching Pu | Taiwan Electronic Data Processing Corporation (TEDP) | 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 | 69.59 | 69.59 | 69.59 | g |
| CSMC | Top Information Technologies Co., Ltd. (Top Information) | Sale of computer peripheral equipment and office machines, design of computer system and professional repairs services | 100.00 | 100.00 | 100.00 | |
| Docutek Solutions | ANSecurity Inc. (ANSecurity) | Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software | - | - | 100.00 | d |
| ANSecurity | Docutek Services Corporation (Docutek Services) | Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software | - | - | 100.00 | d |
| Kimo BVI | Systex Information (HK) Limited (Systex HK) | Sale of computer and peripheral equipment, retailing and processing of information of software | 100.00 | 100.00 | 100.00 | |
| Kimo BVI | Systex Information (Shanghai) Corporation (Systek) | Sale of computer and peripheral equipment, retailing and processing of information software | 100.00 | 100.00 | 100.00 | |

(Continued)

| Investor | Investee | Main Business | % of Ownership | | | Remark |
|-------------------|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------|----------------|--------|
| | | | March 31, 2025 | December 31, 2024 | March 31, 2024 | |
| Kimo BVI | Rainbow Tech Information (HK) Ltd. (RTIHK) | Sale of computer and peripheral equipment, retailing and processing of information software | 92.00 | 92.00 | 92.00 | |
| Kimo BVI | Systex Solutions (HK) Limited (SSHK) | Investment activities including financial trust and holding | 100.00 | 100.00 | 100.00 | |
| Kimo BVI | Gemini Data (Gemini Data) | IT services, software development, wholesale and retail of computers and related equipment, electronic data processing and related services | 100.00 | 100.00 | 100.00 | |
| Kimo BVI | SYSTEXASIA PTE. LTD.(STS) | IT solutions and consulting services | 50.00 | - | - | h |
| Kimo BVI and SCGI | Syscore Corporation (Syscore) | General investment activities | 100.00 | 100.00 | 100.00 | |
| Syscore | Syslink Corporation (Syslink) | General Investment activities | 100.00 | 100.00 | 100.00 | |
| Syscore | Syslong Corporation (Syslong) | General Investment activities | 100.00 | 100.00 | 100.00 | |
| Syslink | Dawning Technology Inc. (Dawning) | Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software | 91.60 | 91.60 | 91.60 | |
| Syslink | Palsys Digital Technology Corporation (Palsys) | Sale of computer peripheral equipment and office machines, design of computer system and professional repairs services | 79.26 | 79.26 | 79.26 | |
| Syslink | Syswiser Technology Corporation (Syswiser) | Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software | 100.00 | 100.00 | 100.00 | |
| Syslink | Caresys Information, Inc. (Caresys) | 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 | 70.00 | 70.00 | - | i |
| Syslink and SSSC | Smartsys Technology Corporation (Smartsys) | Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software | 100.00 | 100.00 | 100.00 | j |
| Systex HK | Systex Group (China) Ltd. (Systex China) | Management consultation, marketing and sale, and capital and operation financial management | 100.00 | 100.00 | 100.00 | |
| Systex China | Systex Rainbow Tech Inc. (Systex Rainbow) | Research, development, installation and wholesale of software and hardware technique and internet system | 100.00 | 100.00 | 100.00 | |
| Systex China | Systex Ucom (Shanghai) Information Co., Ltd. (Systex Ucom) | Software design and data processing, retailing and service of software | 100.00 | 100.00 | 100.00 | |
| Systex Ucom | Systex Rainbow (Shanghai) Tech Inc. (Rainbow Shanghai) | Research, development, installation and wholesale of software and hardware technique and internet system | 100.00 | 100.00 | 100.00 | |
| STS | SYSTEX ASIA SDN. BHD.(STM) | Development of online and web-based business application software and websites, as well as computer operation and software consulting services | 100.00 | - | - | h |
| STS | PT SYSTEX ASIA INDONESIA (STI) | Computer software and related consulting services | 100.00 | - | - | h |
| STS | Ark Virtualization Pte. Ltd. (ARKV) | Information technology staffing, outsourcing services, and IT consulting services | 100.00 | - | - | h |
| STS | CXA Global Pte. Ltd. (CXA) | Agency and consulting services for computer software systems | 100.00 | - | - | h |

(Concluded)

- The Group holds 48.92% interest in Hanmore. Since the Group is considered to have the practical power to direct the relevant activities of Hanmore, Hanmore is identified as a subsidiary. Since January 2025, the Group no longer possesses the practical power to direct the relevant activities of Hanmore. Accordingly, the investment in Hanmore is accounted for using the equity method and is no longer included in the consolidated financial statements. The Group measured its investment in Hanmore at fair value on the date control was lost, and no gain or loss on disposal was recognized.
- SFC issued new shares in May 2024 due to the exercise of employee share options. The Corporation did not subscribe for new shares issued by SFC and reduced its interest in SFC to 63.73%.
- UniXecure issued new shares in December 2024. The Corporation did not subscribe for new shares issued by UniXecure and reduced its interest in UniXecure to 96.25%.
- Docutek Solutions, ANSecurities and Docutek Services completed their merger in September 2024. Docutek Solutions as the surviving entity, while ANSecurities and Docutek Services is designated as the dissolved company.
- The Corporation and MISYS completed the merger in March 2025. The Corporation as the surviving entity, while MISYS is designated as the dissolved company.

- f. SVCL was incorporated in May 2024.
- g. TEDP has been under dissolution and liquidation processes after the approval of shareholders in their meeting in December 2020. As of March 31, 2025 the liquidation procedures have not been completed.
- h. In February 2025, Kimo BVI acquired 50% interest and 52.5% of the voting rights in STS. Accordingly, STS and its subsidiaries, STM, STI, ARKV, and CXA, were included in the consolidated financial statements starting from the acquisition date.
- i. Syslink acquired 70% interest in Caresys in July 2024. Caresys was included in the consolidated financial statements starting from the acquisition date.
- j. In December 2024, Systex Software & Service disposed of 50% interest in Smartsys to Syslink; since the transaction was under common control, no gains or losses were recognized.

All accounts of subsidiaries were included in the consolidated financial statements for the three months ended March 31, 2025 and 2024.

The financial statements of subsidiaries included in the consolidated financial statements mentioned above were not reviewed except for those of the Corporation, SSSC, SCGI, Kimo BVI and its subsidiaries (Caresys, Palsys and Dawning excluded) for the three months ended March 31, 2025 and 2024. As of March 31, 2025 and 2024, the combined total assets of these unreviewed subsidiaries were \$9,019,375 thousand and \$7,728,703 thousand, respectively, representing 26.58% and 25.71%, respectively, of the consolidated total assets, and the combined total liabilities of these unreviewed subsidiaries were \$4,446,302 thousand and \$3,364,724 thousand, respectively, representing 29.34% and 23.40%, respectively, of the consolidated total liabilities. For the three months ended March 31, 2025 and 2024, the amounts of combined total comprehensive income of these unreviewed subsidiaries were \$121,527 thousand and \$166,254 thousand, respectively, representing 33.94% and 18.47%, respectively, of the consolidated total comprehensive income.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---------------------------|---------------------|----------------------|---------------------|
| Investments in associates | <u>\$ 2,194,193</u> | <u>\$ 2,187,582</u> | <u>\$ 2,026,764</u> |

Aggregate information of associates:

| | For the Three Months Ended March 31 | |
|--------------------------------------------------|----------------------------------------|------------------|
| | 2025 | 2024 |
| The Group's share of: | | |
| Net profit for the period | \$ 26,756 | \$ 26,953 |
| Other comprehensive (loss) income for the period | <u>(31,932)</u> | <u>69,994</u> |
| Total comprehensive (loss) income for the period | <u>\$ (5,176)</u> | <u>\$ 96,947</u> |

Investments accounted for using the equity method and the Group's share of profit or loss and other comprehensive (loss) income were calculated based on the financial statements that have not been reviewed.

15. PROPERTY, PLANT AND EQUIPMENT

| | Land | Buildings | Computer Equipment | Transportation Equipment | Lease Equipment | Leasehold Improvements | Other Equipment | Total |
|----------------------------------------------------------|---------------------|---------------------|--------------------|--------------------------|------------------|------------------------|-------------------|---------------------|
| <u>Cost</u> | | | | | | | | |
| Balance at January 1, 2024 | \$ 1,016,441 | \$ 1,462,603 | \$ 422,355 | \$ 2,067 | \$ 52,910 | \$ 103,952 | \$ 158,052 | \$ 3,218,380 |
| Additions | - | - | 23,293 | - | - | 6,848 | 6,319 | 36,460 |
| Disposals | - | - | (9,110) | - | (4,848) | - | - | (13,958) |
| Reclassification | - | - | 3,850 | - | 5,618 | 14,277 | 16,380 | 40,125 |
| Foreign exchange | - | 10,646 | 1,448 | 65 | - | 243 | 632 | 13,034 |
| Balance at March 31, 2024 | <u>\$ 1,016,441</u> | <u>\$ 1,473,249</u> | <u>\$ 441,836</u> | <u>\$ 2,132</u> | <u>\$ 53,680</u> | <u>\$ 125,320</u> | <u>\$ 181,383</u> | <u>\$ 3,294,041</u> |
| <u>Accumulated depreciation and impairment</u> | | | | | | | | |
| Balance at January 1, 2024 | \$ 7,694 | \$ 620,579 | \$ 219,015 | \$ 1,775 | \$ 23,545 | \$ 57,159 | \$ 69,483 | \$ 999,250 |
| Depreciation expense | - | 5,792 | 22,496 | 64 | 3,938 | 5,002 | 7,480 | 44,772 |
| Disposals | - | - | (9,110) | - | (4,848) | - | - | (13,958) |
| Foreign exchange | - | 3,418 | 1,134 | 63 | - | 240 | 319 | 5,174 |
| Balance at March 31, 2024 | <u>\$ 7,694</u> | <u>\$ 629,789</u> | <u>\$ 233,535</u> | <u>\$ 1,902</u> | <u>\$ 22,635</u> | <u>\$ 62,401</u> | <u>\$ 77,282</u> | <u>\$ 1,035,238</u> |
| Carrying amount at March 31, 2024 | <u>\$ 1,008,747</u> | <u>\$ 843,460</u> | <u>\$ 208,301</u> | <u>\$ 230</u> | <u>\$ 31,045</u> | <u>\$ 62,919</u> | <u>\$ 104,101</u> | <u>\$ 2,258,803</u> |
| <u>Cost</u> | | | | | | | | |
| Balance at January 1, 2025 | \$ 1,016,441 | \$ 1,476,329 | \$ 476,085 | \$ 2,151 | \$ 62,664 | \$ 175,229 | \$ 208,102 | \$ 3,417,001 |
| Additions | - | - | 13,101 | - | - | 1,839 | 2,492 | 17,432 |
| Disposals | - | - | (805) | - | (104) | - | (18) | (927) |
| Acquisitions through business combinations | - | 17,839 | 15,694 | 328 | - | 8,201 | 1,453 | 43,515 |
| Reclassification | - | - | 1,606 | - | 6,309 | 3,405 | 549 | 11,869 |
| Foreign exchange | - | 4,159 | 613 | 28 | - | 169 | 243 | 5,212 |
| Balance at March 31, 2025 | <u>\$ 1,016,441</u> | <u>\$ 1,498,327</u> | <u>\$ 506,294</u> | <u>\$ 2,507</u> | <u>\$ 68,869</u> | <u>\$ 188,843</u> | <u>\$ 212,821</u> | <u>\$ 3,494,102</u> |
| <u>Accumulated depreciation and impairment</u> | | | | | | | | |
| Balance at January 1, 2025 | \$ 7,694 | \$ 648,283 | \$ 259,612 | \$ 2,019 | \$ 32,568 | \$ 74,087 | \$ 89,763 | \$ 1,114,026 |
| Depreciation expense | - | 5,865 | 24,554 | 29 | 4,935 | 8,060 | 9,171 | 52,614 |
| Disposals | - | - | (805) | - | (104) | - | (18) | (927) |
| Acquisitions through business combinations | - | 3,449 | 12,371 | 235 | - | 7,386 | 923 | 24,364 |
| Reclassification | - | - | 75 | - | (1) | 1,066 | - | 1,140 |
| Foreign exchange | - | 1,393 | 503 | 26 | - | 159 | 160 | 2,241 |
| Balance at March 31, 2025 | <u>\$ 7,694</u> | <u>\$ 658,990</u> | <u>\$ 296,310</u> | <u>\$ 2,309</u> | <u>\$ 37,398</u> | <u>\$ 90,758</u> | <u>\$ 99,999</u> | <u>\$ 1,193,458</u> |
| Carrying amount at December 31, 2024 and January 1, 2025 | <u>\$ 1,008,747</u> | <u>\$ 828,046</u> | <u>\$ 216,473</u> | <u>\$ 132</u> | <u>\$ 30,096</u> | <u>\$ 101,142</u> | <u>\$ 118,339</u> | <u>\$ 2,302,975</u> |
| Carrying amount at March 31, 2025 | <u>\$ 1,008,747</u> | <u>\$ 839,337</u> | <u>\$ 209,984</u> | <u>\$ 198</u> | <u>\$ 31,471</u> | <u>\$ 98,085</u> | <u>\$ 112,822</u> | <u>\$ 2,300,644</u> |

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

| | |
|--------------------------------------------|-------------|
| Buildings | 19-60 years |
| Computer equipment and other equipment | 3-7 years |
| Transportation equipment | 5-6 years |
| Lease equipment and leasehold improvements | 2-5 years |

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 31.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---------------------------------------------|-------------------|------------------------------------------------|-------------------|
| <u>Carrying amount</u> | | | |
| Buildings | \$ 468,616 | \$ 393,229 | \$ 414,958 |
| Machinery | 73,528 | 83,548 | 87,098 |
| Transportation equipment | <u>3,057</u> | <u>3,719</u> | <u>3,325</u> |
| | <u>\$ 545,201</u> | <u>\$ 480,496</u> | <u>\$ 505,381</u> |
| | | For the Three Months Ended March 31 | |
| | | 2025 | 2024 |
| Additions to right-of-use assets | | <u>\$ 111,108</u> | <u>\$ 67,399</u> |
| Depreciation charge for right-of-use assets | | | |
| Buildings | | \$ 47,270 | \$ 41,703 |
| Machinery | | 10,020 | 9,611 |
| Transportation equipment | | <u>661</u> | <u>646</u> |
| | | <u>\$ 57,951</u> | <u>\$ 51,960</u> |

b. Lease liabilities

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|------------------------|-------------------|----------------------|-------------------|
| <u>Carrying amount</u> | | | |
| Current | <u>\$ 220,532</u> | <u>\$ 193,671</u> | <u>\$ 196,579</u> |
| Non-current | <u>\$ 335,870</u> | <u>\$ 298,305</u> | <u>\$ 319,557</u> |

Range of discount rates for lease liabilities was as follows:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------|----------------|----------------------|----------------|
| Buildings | 1.00%-8.84% | 1.00%-4.50% | 1.00%-4.50% |
| Machinery | 1.00%-1.75% | 1.00%-1.75% | 1.00%-1.25% |
| Transportation equipment | 1.00%-1.75% | 1.00%-1.75% | 1.00%-1.75% |

c. Material leasing activities and terms

The Group leases buildings for the use of offices and machinery and transportation equipment for the use of operation with lease terms of 1 to 7 years. The Group 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 Three Months Ended March 31 | |
|-------------------------------------------------------------------|------------------------------------------------|------------------|
| | 2025 | 2024 |
| Expenses relating to short-term leases and low-value asset leases | <u>\$ 15,804</u> | <u>\$ 14,521</u> |
| Total cash outflow for leases | <u>\$ 75,636</u> | <u>\$ 67,039</u> |

The Group 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 amounts of lease commitments for which the recognition exemption was applied were \$10,277 thousand and \$11,000 thousand as of March 31, 2025 and 2024, respectively.

17. BANK LOANS

a. Short-term loans

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|----------------------|-----------------------|------------------------------|-----------------------|
| Unsecured loans | \$ 1,573,879 | \$ 1,690,000 | \$ 1,167,658 |
| Secured loans | <u>437,524</u> | <u>411,186</u> | <u>474,405</u> |
| | <u>\$ 2,011,403</u> | <u>\$ 2,101,186</u> | <u>\$ 1,642,063</u> |
| Annual interest rate | | | |
| Unsecured loans | 1.80%-3.35% | 1.88%-2.69% | 1.64%-3.04% |
| Secured loans | 2.36%-3.50% | 2.36%-3.50% | 3.55%-3.85% |

Refer to Note 31 for the carrying amounts of property, plant and equipment - land and buildings provided as collaterals for the above secured bank loans.

b. Long-term loans

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-----------------------|-----------------------|------------------------------|-----------------------|
| Secured loans | \$ 100,560 | \$ 111,583 | \$ 102,110 |
| Unsecured loans | 16,040 | - | - |
| Less: Current portion | <u>(10,244)</u> | <u>(14,104)</u> | <u>(10,138)</u> |
| | <u>\$ 106,356</u> | <u>\$ 97,479</u> | <u>\$ 91,972</u> |
| Annual interest rate | 0.50%-4.38% | 0.50%-2.56% | 2.03%-2.43% |

Refer to Note 31 for the carrying amounts of property, plant and equipment - land and buildings provided as collaterals for the above secured bank loans.

18. BONDS PAYABLE

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---------------------------------|---------------------|----------------------|---------------------|
| Unsecured domestic bonds | \$ 3,000,000 | \$ 3,000,000 | \$ 3,000,000 |
| Less: Discount on bonds payable | <u>(1,835)</u> | <u>(2,143)</u> | <u>(3,062)</u> |
| | <u>\$ 2,998,165</u> | <u>\$ 2,997,857</u> | <u>\$ 2,996,938</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.

19. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2025 and 2024, the pension expenses of defined benefit plans were \$285 thousand and \$553 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

20. EQUITY

a. Share capital

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------------------------------------|---------------------|----------------------|---------------------|
| Number of shares authorized (in thousands) | <u>400,000</u> | <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> | <u>\$ 4,000,000</u> |
| Number of shares issued (in thousands) | <u>272,243</u> | <u>272,265</u> | <u>272,303</u> |
| Share capital issued | <u>\$ 2,722,431</u> | <u>\$ 2,722,654</u> | <u>\$ 2,723,033</u> |

b. Capital surplus

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------|----------------|
| May be used to offset a deficit, distribute as cash dividends, or transfer to share capital (1) | | | |
| Issuance of shares | \$ 4,548,396 | \$ 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 | 193,977 |
| Donations | 1,624 | 1,624 | 544 |
| Treasury share transactions | 3,847,584 | 3,847,584 | 2,159,112 |

(Continued)

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------------------------------------------------------------|----------------|----------------------|----------------|
| <u>May only be used to offset a deficit</u> | | | |
| Changes in percentage of ownership interest in subsidiaries and associates (2) | \$ 49,562 | \$ 30,416 | \$ 2,060 |
| Gain on sale of property, plant and equipment | 4,493 | 4,493 | 4,493 |

May not be used for any purpose

| | | | |
|----------------------------|---------------------|---------------------|---------------------|
| Employee restricted shares | <u>64,549</u> | <u>65,957</u> | <u>123,026</u> |
| | <u>\$ 8,710,185</u> | <u>\$ 8,692,447</u> | <u>\$ 6,969,779</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 resulted from equity transactions other than actual disposal on acquisition, or from changes in capital surplus of subsidiaries and associates accounted for 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 22 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 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 2024 and 2023, were as follows:

| | Appropriation of Earnings | |
|---------------------------------------------|---------------------------------------|--------------|
| | For the Year Ended December 31 | |
| | 2024 | 2023 |
| Legal reserve | \$ 197,037 | \$ 145,896 |
| (Reversal) appropriation of special reserve | \$ (202,984) | \$ 94,046 |
| Cash dividends | \$ 1,415,664 | \$ 1,415,977 |
| Cash dividends per share (NT\$) | \$ 5.2 | \$ 5.2 |

The above cash dividends were approved by the board of directors on April 9, 2025 and April 10, 2024, respectively.

The appropriation of earnings for 2023 were resolved by the shareholders in their meeting on May 29, 2024.

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 Three Months Ended March 31 | |
|-------------------------------------------------------------------------------------------|------------------------------------------------|---------------------|
| | 2025 | 2024 |
| Balance on January 1 | \$ (83,820) | \$ (300,036) |
| Exchange differences on translation of foreign operations | 45,855 | 133,119 |
| Share of associates accounted for using the equity method | 7,409 | 2,388 |
| Reclassification of disposal of share of associates accounted for using the equity method | <u>(145)</u> | <u>-</u> |
| Balance on March 31 | <u>\$ (30,701)</u> | <u>\$ (164,529)</u> |

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

| | For the Three Months Ended March 31 | |
|------------------------------------------------------------------------------------------------------------|------------------------------------------------|--------------------|
| | 2025 | 2024 |
| Balance on January 1 | \$ (115,366) | \$ (102,134) |
| Unrealized gain on equity investments | 40,738 | 10,732 |
| Share of associates accounted for using the equity method | (40,224) | 67,337 |
| Share of associates accounted for using the equity method transferred to retained earnings due to disposal | <u>(1,471)</u> | <u>-</u> |
| Balance on March 31 | <u>\$ (116,323)</u> | <u>\$ (24,065)</u> |

3) Unearned employee benefits

| | For the Three Months Ended March 31 | |
|---------------------------------------------------------|------------------------------------------------|--------------------|
| | 2025 | 2024 |
| Balance on January 1 | \$ (15,863) | \$ (63,580) |
| Share-based payment expenses recognized | 3,431 | 12,437 |
| Share-based payment expenses recognized by subsidiaries | 964 | 2,365 |
| Cancellation of restricted shares for employees | <u>1,631</u> | <u>-</u> |
| Balance on March 31 | <u>\$ (9,837)</u> | <u>\$ (48,778)</u> |

Please refer to Note 25 for the issuance of restricted shares for employees.

e. Treasury shares

| Purpose of Treasury Share | Number of Shares at January 1 | Increase During the Period | Decrease During the Period | Number of Shares at March 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>-</u> | <u>21,410</u> |

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|----------------------|----------------|----------------------|---------------------|
| <u>Hanmore</u> | | | |
| Share (in thousands) | <u>-</u> | <u>-</u> | <u>21,317</u> |
| Investment cost | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 738,426</u> |
| Market value | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,526,026</u> |
| <u>Ching Pu</u> | | | |
| Share (in thousands) | <u>-</u> | <u>-</u> | <u>10,982</u> |
| Investment cost | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 237,308</u> |
| Market value | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,301,305</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 March 31, 2024. The remaining was treated as recoveries from Hanmore's non-controlling interests, which were accounted for as deductions to non-controlling interests in balance sheets.

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.

f. Non-controlling interests

| | For the Three Months Ended March 31 | |
|----------------------------------------------------------------------------------------------------------------|------------------------------------------------|-------------------|
| | 2025 | 2024 |
| Balance on January 1 | \$ 599,321 | \$ 500,003 |
| Attributable to non-controlling interests: | | |
| Share of profit for the period | 30,519 | 31,353 |
| Exchange differences on translation of foreign operations | 1,359 | 481 |
| Non-controlling interests arising from acquisition of subsidiaries (Note 26) | 101,945 | - |
| Partial disposal of subsidiaries | (41,395) | - |
| Issuance of employee share options by the subsidiaries | 1,073 | - |
| Capital collected in advance for issuance of employee share options by the subsidiaries | 150 | - |
| Cash dividends distributed by subsidiaries | - | (11,997) |
| Non-controlling interests related to recognition of share-based payment transactions by subsidiaries (Note 25) | <u>56</u> | <u>114</u> |
| Balance on March 31 | <u>\$ 693,028</u> | <u>\$ 519,954</u> |

21. REVENUE

| | For the Three Months Ended March 31 | |
|----------------------------------------|------------------------------------------------|----------------------|
| | 2025 | 2024 |
| Revenue from contracts with customers | | |
| Revenue from the sale of goods | \$ 7,802,156 | \$ 8,276,471 |
| Revenue from the rendering of services | 2,005,684 | 1,890,555 |
| Other operating revenue | <u>27,579</u> | <u>20,323</u> |
| | <u>\$ 9,835,419</u> | <u>\$ 10,187,349</u> |

Contract Balances

| | March 31, 2025 | December 31, 2024 | March 31, 2024 | January 31, 2024 |
|-----------------------------------------------------------------------------------|---------------------------|------------------------------|---------------------------|-----------------------------|
| Notes and accounts receivable (Including related parties) (Notes 11 and 30) | <u>\$ 5,566,440</u> | <u>\$ 5,436,976</u> | <u>\$ 6,291,258</u> | <u>\$ 6,268,637</u> |
| Contract assets | <u>\$ 80,016</u> | <u>\$ 39,534</u> | <u>\$ -</u> | <u>\$ -</u> |
| Contract liabilities | <u>\$ 2,842,027</u> | <u>\$ 2,658,884</u> | <u>\$ 2,138,016</u> | <u>\$ 2,360,602</u> |

The Group measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The contract assets will be transferred to accounts receivable when the corresponding invoice is billed to the client, and the contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables can be applied to the contract assets.

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

22. NET PROFIT

a. Depreciation and amortization

| | For the Three Months Ended March 31 | |
|-----------------------------------------|------------------------------------------------|-------------------|
| | 2025 | 2024 |
| Property, plant and equipment | \$ 52,614 | \$ 44,772 |
| Right-of-use assets | 57,951 | 51,960 |
| Intangible assets | <u>14,166</u> | <u>11,037</u> |
| | <u>\$ 124,731</u> | <u>\$ 107,769</u> |
| An analysis of depreciation by function | | |
| Operating costs | \$ 26,850 | \$ 23,933 |
| Operating expenses | <u>83,715</u> | <u>72,799</u> |
| | <u>\$ 110,565</u> | <u>\$ 96,732</u> |
| An analysis of amortization by function | | |
| Operating costs | \$ - | \$ 7 |
| Operating expenses | <u>14,166</u> | <u>11,030</u> |
| | <u>\$ 14,166</u> | <u>\$ 11,037</u> |

b. Employee benefits expenses

| | For the Three Months Ended March 31 | |
|-------------------------------------------------------|------------------------------------------------|---------------------|
| | 2025 | 2024 |
| Post-employment benefits | | |
| Defined contribution plans | \$ 62,468 | \$ 58,160 |
| Defined benefit plans (Note 19) | <u>285</u> | <u>553</u> |
| | 62,753 | 58,713 |
| Compensation costs of share-based payment | 24,195 | 14,802 |
| Payroll | 1,078,385 | 1,084,965 |
| Labor and health insurance | 109,720 | 104,250 |
| Other employee benefits | <u>54,909</u> | <u>68,366</u> |
| | <u>\$ 1,329,962</u> | <u>\$ 1,331,096</u> |
| An analysis of employee benefits expenses by function | | |
| Operating costs | \$ 87,282 | \$ 69,115 |
| Operating expenses | <u>1,242,680</u> | <u>1,261,981</u> |
| | <u>\$ 1,329,962</u> | <u>\$ 1,331,096</u> |

As of March 31, 2025 and 2024, the Group had 4,809 and 4,535 employees, respectively.

c. Compensation of employees and remuneration of directors

The Corporation accrues compensation of employees and remuneration of directors at the rates 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 estimated amounts of compensation of employees and remuneration of directors for the three months ended March 31, 2025 and 2024 were as follows:

| | For the Three Months Ended March 31 | |
|---------------------------|------------------------------------------------|------------------|
| | 2025 | 2024 |
| | Cash | Cash |
| Compensation of employees | <u>\$ 9,615</u> | <u>\$ 19,753</u> |
| Remuneration of directors | <u>\$ 6,410</u> | <u>13,169</u> |

The compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Corporation's board of directors on February 26, 2025 and February 27, 2024, respectively, were as follows:

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

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

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

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 on sale of investments, net

| | For the Three Months Ended March 31 | |
|-----------------------------------------------------------|------------------------------------------------|-----------------|
| | 2025 | 2024 |
| | | |
| Disposal of investments accounted for using equity method | <u>\$ 25,853</u> | <u>\$ 3,846</u> |

23. INCOME TAXES

- a. The main components of tax expenses recognized in profit or loss

| | For the Three Months Ended March 31 | |
|--------------------------------------------------|----------------------------------------|-------------------|
| | 2025 | 2024 |
| Current tax | | |
| In respect of the current period | \$ 121,762 | \$ 100,057 |
| Additional income tax on unappropriated earnings | 4,962 | 7,868 |
| Adjustments for prior years | <u>(6,263)</u> | <u>203</u> |
| | <u>120,461</u> | <u>108,128</u> |
| Deferred tax | | |
| In respect of the current period | <u>169</u> | <u>4,042</u> |
| Income tax expense recognized in profit or loss | <u>\$ 120,630</u> | <u>\$ 112,170</u> |

- b. Income tax assessments

Income tax returns through 2020 and undistributed earnings through 2019 of TEDP; income tax returns through 2022 and undistributed earnings through 2021 of the Corporation, Dawning, SSSC, SFC, Syspower, Taifon, CSMC, MISYS, Softmobile, Systex Solutions, TIST, UniXecure, Palsys, GBC, Top Information, E-service, Docutek Solutions, ANSecurity, Docutek Services, and Caresys; and income tax returns through 2023 and undistributed earnings through 2022 of Ching Pu, Syslink, Smartsys, Syslong, Syscore, Syswiser and Naturint, have been assessed by the tax authorities.

24. EARNINGS PER SHARE

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

| | For the Three Months Ended March 31 | |
|---------------------------------------------------------------------------------------------|----------------------------------------|-------------------|
| | 2025 | 2024 |
| <u>Net income for the period</u> | | |
| Net income for the period attributable to owners of the Corporation | <u>\$ 271,571</u> | <u>\$ 654,638</u> |
| <u>Number of shares (in thousands)</u> | | |
| Weighted average number of ordinary shares in the computation of basic earnings per share | 271,220 | 248,944 |
| Effect of potentially dilutive ordinary shares: | | |
| Compensation of employees | 368 | 436 |
| Employee restricted shares | <u>1,023</u> | <u>700</u> |
| Weighted average number of ordinary shares in the computation of diluted earnings per share | <u>272,611</u> | <u>250,080</u> |
| <u>Earnings per share (NT\$)</u> | | |
| Basic earnings per share | <u>\$ 1.00</u> | <u>\$ 2.63</u> |
| Diluted earnings per share | <u>\$ 1.00</u> | <u>\$ 2.62</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, are 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 Three
Months Ended
March 31, 2024**

Net income for the period

| | |
|---------------------------------------------------------------------|-------------------|
| Net income for the period attributable to owners of the Corporation | <u>\$ 654,638</u> |
|---------------------------------------------------------------------|-------------------|

Number of shares (in thousands)

| | |
|-----------------------------------------------------------------------------------------------------|---------|
| Weighted average number of ordinary shares in the computation of pro forma basic earnings per share | 270,354 |
| Effect of potentially dilutive ordinary shares: | |
| Compensation of employees | 436 |
| Employee restricted shares | 700 |

| | |
|-------------------------------------------------------------------------------------------------------|----------------|
| Weighted average number of ordinary shares in the computation of pro forma diluted earnings per share | <u>271,490</u> |
|-------------------------------------------------------------------------------------------------------|----------------|

Earnings per share (NT\$)

| | |
|----------------------------|----------------|
| Basic earnings per share | <u>\$ 2.42</u> |
| Diluted earnings per share | <u>\$ 2.41</u> |

25. SHARE-BASED PAYMENT ARRANGEMENTS

- a. For the three months ended March 31, 2025, the Group did not issue restricted shares for employees. Refer to Note 25 to the Corporation's consolidated financial statements for the year ended December 31, 2024 in relation to the information of the restricted share awards plan.
- b. For the restricted shares for employees issued in September 2022; the vested shares amounted to 1,827 thousand shares, while 1,023 thousand shares were not yet vested as of March 31, 2025.
- c. In 2024, Dawning, a subsidiary of the Corporation granted 4,400 units of employee share options. Each unit can subscribe for 1,000 ordinary shares of Dawning. The recipients include employees of the Corporation and Dawning who meet certain criteria. The options are vested upon granted and exercisable after the grant date with an exercise price of \$15. The fair value of the options is \$4.5 per share.

d. Compensation costs of share-based payment

| | For the Three Months Ended March 31 | |
|---------------------------------|------------------------------------------------|------------------|
| | 2025 | 2024 |
| Restricted shares for employees | \$ 4,395 | \$ 14,802 |
| Employee share options | <u>19,800</u> | <u>-</u> |
| | <u>\$ 24,195</u> | <u>\$ 14,802</u> |

26. BUSINESS COMBINATIONS

a. Subsidiaries acquired

| Subsidiary | Principal Activity | Date of Acquisition | Proportion of Voting Equity Interests Acquired (%) |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------------------------------------------------|
| Caresys Information, Inc. (Caresys) | 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 | July 2024 | 70 |
| SYSTEXASIA PTE. LTD. (STS) | IT solutions and consulting services | February 2025 | 52.5/50 |

Caresys and STS were acquired in order to continue the expansion of the Group's operations.

b. Consideration transferred

| | Caresys | STS |
|-------------------------------------------------------------------------|-------------------|-------------------|
| Cash | \$ 94,286 | \$ 277,290 |
| Investment payable | 24,634 | - |
| Contingent consideration arrangement (recognized as investment payable) | <u>43,497</u> | <u>-</u> |
| | <u>\$ 162,417</u> | <u>\$ 277,290</u> |

The contingent consideration, based on the acquisition agreement, is calculated according to Caresys' net profit performance from 2024 to 2026. On the acquisition date, the fair value of the estimated contingent consideration was \$43,497 thousand.

c. Assets acquired and liabilities assumed at the date of acquisition

| | Caresys | STS |
|-----------------------------------------------|-------------------|-------------------|
| Current assets | | |
| Cash and cash equivalents | \$ 57,561 | \$ 222,915 |
| Accounts receivable | 62,874 | 201,657 |
| Inventories | 30,225 | - |
| Prepayments | - | 31,964 |
| Other current assets | 176 | 9,757 |
| Non-current assets | | |
| Investments accounted for using equity method | - | 2 |
| Property, plant and equipment | 329 | 19,151 |
| Right-of-use assets | - | 11,044 |
| Intangible assets | 37,238 | 4,903 |
| Deferred tax assets | - | 2,289 |
| Other non-current assets | 7,730 | 3,995 |
| Current liabilities | | |
| Accounts payable | 59,862 | 165,308 |
| Other payables and other current liabilities | 10,755 | 103,228 |
| Current tax liabilities | - | 18,298 |
| Lease liabilities - current | - | 10,707 |
| Non-current liabilities | | |
| Long-term borrowings | 19,012 | 9,909 |
| Deferred tax liabilities | - | 70 |
| Other non-current liabilities | <u>24</u> | <u>1</u> |
| | <u>\$ 106,480</u> | <u>\$ 200,156</u> |

d. Goodwill recognized on acquisitions

| | Caresys | STS |
|------------------------------------------------------|------------------|-------------------|
| Consideration transferred | \$ 162,417 | \$ 277,290 |
| Add: Non-controlling interests | 21,176 | 101,945 |
| Less: Fair value of identifiable net assets acquired | <u>(106,480)</u> | <u>(200,156)</u> |
| Goodwill recognized on acquisitions | <u>\$ 77,113</u> | <u>\$ 179,079</u> |

e. Net cash outflow on the acquisition of subsidiaries

| | Caresys | STS |
|-----------------------------------|--------------------|--------------------|
| Cash and cash equivalent acquired | \$ 57,561 | \$ 222,915 |
| Less: Consideration paid in cash | <u>94,286</u> | <u>277,290</u> |
| | <u>\$ (36,725)</u> | <u>\$ (54,375)</u> |

f. Impact of acquisitions on the results of the Group

As of the date the consolidated financial statements were authorized for issue, the financial results of the acquirees since the acquisition dates have no significant impact on the results of the Group.

27. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

- a. As described in Note 13b, SFC issued new shares in May 2024 due to the exercise of employee share options, which decreased the Group's interest in SFC from 70% to 63.73%. The transaction was accounted for as equity transactions since the Group did not cease to have control over the subsidiary.

| | Amount |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Consideration paid in cash | \$ 43,307 |
| The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests | <u>(38,243)</u> |
| Differences recognized from equity transaction (recognized as capital surplus) | <u>\$ 5,064</u> |

- b. As described in Note 13c, the Group for new shares issued by UniXecure at a percentage different from its original ownership percentage in December 2024 and reduced its interest in UniXecure from 100% to 96.25%.the Group recognized an increase in capital surplus - changes in percentage of ownership interests in subsidiaries of \$2,679 thousand.

28. CAPITAL MANAGEMENT

The capital structure of the Group consists of debt and equity of the Group (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.

29. 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 consolidated financial statements approximate their fair values.

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

1) Fair value hierarchy

March 31, 2025

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------------------------------------------|---------------------|-------------|---------------------|---------------------|
| Financial assets at FVTPL | | | | |
| Listed shares | \$ 44,700 | \$ - | \$ - | \$ 44,700 |
| Unlisted shares | - | - | 2,487,845 | 2,487,845 |
| Unlisted preferred shares | - | - | 74,847 | 74,847 |
| Mutual funds | 4,998,232 | - | - | 4,998,232 |
| Others | <u>-</u> | <u>-</u> | <u>155,947</u> | <u>155,947</u> |
| | <u>\$ 5,042,932</u> | <u>\$ -</u> | <u>\$ 2,718,639</u> | <u>\$ 7,761,571</u> |
| Financial liabilities at FVTPL | | | | |
| Contingent consideration arising from business combination | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 38,890</u> | <u>\$ 38,890</u> |
| Financial assets at FVTOCI | | | | |
| Listed shares | \$ 34,260 | \$ - | \$ - | \$ 34,260 |
| Unlisted shares | - | - | 204,298 | 204,298 |
| Unlisted preferred shares | <u>-</u> | <u>-</u> | <u>1,955</u> | <u>1,955</u> |
| | <u>\$ 34,260</u> | <u>\$ -</u> | <u>\$ 206,253</u> | <u>\$ 240,513</u> |

December 31, 2024

| | Level 1 | Level 2 | Level 3 | Total |
|------------------------------------------------------------|---------------------|-------------|---------------------|---------------------|
| Financial assets at FVTPL | | | | |
| Listed shares | \$ 44,790 | \$ - | \$ - | \$ 44,790 |
| Unlisted shares | - | - | 2,571,991 | 2,571,991 |
| Unlisted preferred shares | - | - | 69,442 | 69,442 |
| Mutual funds | 5,857,930 | - | - | 5,857,930 |
| Others | <u>-</u> | <u>-</u> | <u>131,546</u> | <u>131,546</u> |
| | <u>\$ 5,902,720</u> | <u>\$ -</u> | <u>\$ 2,772,979</u> | <u>\$ 8,675,699</u> |
| Financial liabilities at FVTPL | | | | |
| Contingent consideration arising from business combination | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 44,716</u> | <u>\$ 44,716</u> |
| Financial assets at FVTOCI | | | | |
| Listed shares | \$ 33,480 | \$ - | \$ - | \$ 33,480 |
| Unlisted shares | - | - | 162,033 | 162,033 |
| Unlisted preferred shares | <u>-</u> | <u>-</u> | <u>2,232</u> | <u>2,232</u> |
| | <u>\$ 33,480</u> | <u>\$ -</u> | <u>\$ 164,265</u> | <u>\$ 197,745</u> |

March 31, 2024

| | Level 1 | Level 2 | Level 3 | Total |
|----------------------------|---------------------|-------------|---------------------|---------------------|
| Financial assets at FVTPL | | | | |
| Listed shares | \$ 39,159 | \$ - | \$ - | \$ 39,159 |
| Unlisted shares | - | - | 2,106,707 | 2,106,707 |
| Unlisted preferred shares | - | - | 73,649 | 73,649 |
| Mutual funds | 3,052,322 | - | - | 3,052,322 |
| Others | <u>-</u> | <u>-</u> | <u>110,948</u> | <u>110,948</u> |
| | <u>\$ 3,091,481</u> | <u>\$ -</u> | <u>\$ 2,291,304</u> | <u>\$ 5,382,785</u> |
| Financial assets at FVTOCI | | | | |
| Listed shares | \$ 42,420 | \$ - | \$ - | \$ 42,420 |
| Unlisted shares | - | - | 253,249 | 253,249 |
| Unlisted preferred shares | <u>-</u> | <u>-</u> | <u>1,110</u> | <u>1,110</u> |
| | <u>\$ 42,420</u> | <u>\$ -</u> | <u>\$ 254,359</u> | <u>\$ 296,779</u> |

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2025 and 2024.

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

For the three months ended March 31, 2025

| Financial Assets | Financial Assets at FVTPL Equity Instruments | Financial Assets at FVTOCI Equity Instruments | Total |
|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------|---------------------|
| Balance on January 1 | \$ 2,772,979 | \$ 164,265 | \$ 2,937,244 |
| Recognized in profit or loss | (75,572) | - | (75,572) |
| Recognized in other comprehensive income | - | 39,958 | 39,958 |
| Purchases | 29,979 | - | 29,979 |
| Disposals | (10,106) | - | (10,106) |
| Net exchange differences | <u>1,359</u> | <u>2,030</u> | <u>3,389</u> |
| Balance on March 31 | <u>\$ 2,718,639</u> | <u>\$ 206,253</u> | <u>\$ 2,924,892</u> |
| Unrealized gain for the current period recognized in profit or loss relating to assets held at the end of the period | <u>\$ (74,831)</u> | | <u>\$ (74,831)</u> |

| | Contingent Consideration Arising from Business Combination |
|---------------------------------------|-----------------------------------------------------------------------------------|
| Financial Liabilities at FVTPL | |
| Balance on January 1 | \$ 44,716 |
| Recognized in profit or loss | <u>(5,826)</u> |
| Balance on March 31 | <u>\$ 38,890</u> |

For the three months ended March 31, 2024

| Financial Assets | Financial Assets at FVTPL Equity Instruments | Financial Assets at FVTOCI Equity Instruments | Total |
|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------|---------------------|
| Balance on January 1 | \$ 2,097,060 | \$ 238,889 | \$ 2,335,949 |
| Recognized in profit or loss | 194,511 | - | 194,511 |
| Recognized in other comprehensive income | - | 8,031 | 8,031 |
| Purchases | - | 1,524 | 1,524 |
| Disposals | (3,589) | - | (3,589) |
| Net exchange differences | <u>3,322</u> | <u>5,915</u> | <u>9,237</u> |
| Balance on March 31 | <u>\$ 2,291,304</u> | <u>\$ 254,359</u> | <u>\$ 2,545,663</u> |
| Unrealized gain for the current period recognized in profit or loss relating to assets held at the end of the period | <u>\$ 195,755</u> | | <u>\$ 195,755</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 stock 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. |
| Contingent consideration arising from business combinations | Monte Carlo method: The contingent liability amount for payments based on net income is discounted at the applicable rate, calculating the net present value of contingent liabilities for each payment period. |

c. Categories of financial instruments

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|------------------------------|----------------|----------------------|----------------|
| <u>Financial assets</u> | | | |
| FVTPL | \$ 7,761,571 | \$ 8,675,699 | \$ 5,382,785 |
| Amortized cost (1) | \$ 12,969,996 | \$ 13,732,773 | \$ 13,250,188 |
| FVTOCI | \$ 240,513 | \$ 197,745 | \$ 296,779 |
| <u>Financial liabilities</u> | | | |
| FVTPL (2) | \$ 38,890 | \$ 44,716 | \$ - |
| Amortized cost (3) | \$ 10,885,923 | \$ 12,437,271 | \$ 10,890,358 |

- 1) The balances comprise cash and cash equivalents, notes receivable, accounts receivable, refundable deposits, other receivables, lease receivables (included in other current assets and other non-current assets), long-term receivables, pledged time deposits (included in other financial assets), and debt investment (included in financial assets at amortized cost).
- 2) The balances comprise the contingent consideration arising from business combinations (included in financial liabilities at FVTPL - current and investment payable - non-current).
- 3) The balances comprise short-term loans, notes and accounts payable, accounts payable to related parties, other payables, guarantee deposits received (included in other non-current liabilities), bonds payable, current portion of long-term borrowings and long-term borrowings.

d. Financial risk management objectives and policies

The Group'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 Group's financial performance, the Group endeavors to identify, estimate and hedge the uncertainties of the market.

The Group'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 Group has foreign currency sales, purchases and borrowings, which were exposed to foreign currency risk. The Group 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 and RMB) at the end of the reporting period. A positive number below indicates an increase/decrease in pre-tax net income associated with New Taiwan dollars strengthening/weakening 5% against the relevant currency.

| | For the Three Months Ended March 31 | |
|-------------------|------------------------------------------------|------------------|
| | 2025 | 2024 |
| Increase/decrease | <u>\$ 80,299</u> | <u>\$ 10,301</u> |

b) Interest rate risk

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-------------------------------|-----------------------|------------------------------|-----------------------|
| Fair value interest rate risk | | | |
| Financial assets | <u>\$ 1,743,675</u> | <u>\$ 1,960,975</u> | <u>\$ 1,752,067</u> |
| Financial liabilities | <u>\$ 5,009,568</u> | <u>\$ 5,099,043</u> | <u>\$ 4,639,001</u> |
| Cash flow interest rate risk | | | |
| Financial assets | <u>\$ 4,676,343</u> | <u>\$ 5,312,436</u> | <u>\$ 4,351,831</u> |
| Financial liabilities | <u>\$ 116,600</u> | <u>\$ 111,583</u> | <u>\$ 102,110</u> |

The Group 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 Group's pre-tax net income effect would have been as follows:

| | For the Three Months Ended March 31 | |
|-------------------|------------------------------------------------|-----------------|
| | 2025 | 2024 |
| Increase/decrease | <u>\$ 1,140</u> | <u>\$ 1,062</u> |

c) Other price risk

The Group was exposed to price risk through its investments in listed shares, corporate bonds and mutual funds. The Group 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 Group's pre-tax net income and other comprehensive income would have been as follows:

| | For the Three Months Ended March 31 | |
|----------------------------|------------------------------------------------|-------------------|
| | 2025 | 2024 |
| Pre-tax net income | | |
| Increase/decrease | <u>\$ 388,079</u> | <u>\$ 269,139</u> |
| Other comprehensive income | | |
| Increase/decrease | <u>\$ 12,026</u> | <u>\$ 14,839</u> |

2) Credit risk

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

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 Group 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 Group invests idle funds in short-term investments under consideration of liquidity, security and profitability. The Group also maintains banking facilities to ensure the liquidity of cash.

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

In addition, the Group'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 Group also invested in unlisted shares and corporate bonds without quoted market prices in an active market, and higher liquidity risk is anticipated.

30. TRANSACTIONS WITH RELATED PARTIES

Balances, transactions, revenue and expense between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated upon consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related parties and their relationship with the Group

| Related Party | Relationship with the Group |
|------------------------------------------|----------------------------------------------------------------------|
| Systemweb Technologies Co., Ltd. | Associate |
| Sanfran Technologies Inc. | Associate |
| Investment Media Ltd. | Associate |
| Frog-jump Information Co., Ltd. | Associate |
| Neweb Information Co., Ltd. | Associate |
| Gensys Technology International. Ltd. | Associate |
| Fuco Technology Co., Ltd. | Associate |
| AIWin Technology Co., Ltd. | Associate (a non-related party to the Group starting in March 2024) |
| Genesis Technology Inc. | Associate |
| Bao Ruh Electronic Co., Ltd. | Associate |
| Teamplus Technology Inc. | Associate |
| Neo Trend Tech Corporation | Associate (a non-related party to the Group starting in August 2024) |
| Mohist Web Technology Co., Ltd. | Associate |
| Hanmore Investment Corporation (Hanmore) | Associate (a related party to the Group starting in January 2025) |

(Continued)

| Related Party | Relationship with the Group |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Taiwan Mobile Co., Ltd. (Taiwan Mobile) | 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 |
| Green World FinTech Service Co., Ltd. | Director of subsidiary |
| | (Concluded) |

b. Operating revenue

| Line Item | Related Party Category | For the Three Months Ended March 31 | |
|-------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------|------------------|
| | | 2025 | 2024 |
| Sales | Investors and subsidiaries of the investors that have significant influence over the Group | <u>\$ 210,481</u> | <u>\$ -</u> |
| | Associates | <u>\$ 33,226</u> | <u>\$ 87,238</u> |
| | Director of subsidiary | <u>\$ 19,826</u> | <u>\$ 2,165</u> |
| Service revenue | Investors and subsidiaries of the investors that have significant influence over the Group | <u>\$ 17,650</u> | <u>\$ -</u> |
| | Associates | <u>\$ 1,878</u> | <u>\$ 2,541</u> |
| | Director of subsidiary | <u>\$ 112</u> | <u>\$ 38</u> |
| Other operating revenue | Investors and subsidiaries of the investors that have significant influence over the Group | <u>\$ 1,441</u> | <u>\$ -</u> |
| | Director of subsidiary | <u>\$ 223</u> | <u>\$ 106</u> |

c. Purchases

| Related Party Category | For the Three Months Ended March 31 | |
|--------------------------------------------------------------------------------------------|----------------------------------------|----------|
| | 2025 | 2024 |
| Investors and subsidiaries of the investors that have significant influence over the Group | \$ 7,354 | \$ - |
| Associates | \$ 4,233 | \$ 7,390 |

d. Receivables from related parties

| Line Item | Related Party Category | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-------------------|----------------------|-------------------|
| Notes and accounts receivable | Associates | \$ 44,406 | \$ 72,600 | \$ 98,487 |
| | Investors and subsidiaries of the investors that have significant influence over the Group | \$ 28,537 | \$ 11,143 | \$ - |
| | Director of subsidiary | \$ 1,045 | \$ 495 | \$ 347 |
| Lease receivables - current (included in other current assets) | Director of subsidiary | \$ 3,343 | \$ 3,319 | \$ 2,483 |
| Lease receivables - non-current (included in other non-current assets) | Director of subsidiary | \$ 10,046 | \$ 9,135 | \$ 3,755 |

e. Payables to related parties

| Line Item | Related Party Category | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-----------------------------|--------------------------------------------------------------------------------------------|-------------------|----------------------|-------------------|
| Payables to related parties | Associates | \$ 7,286 | \$ 12,409 | \$ 12,698 |
| | Investors and subsidiaries of the investors that have significant influence over the Group | \$ 977 | \$ 991 | \$ - |
| | | | | |

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. Other transactions with related parties

| Line Item | Related Party Category | For the Three Months Ended March 31 | |
|--------------------|--------------------------------------------------------------------------------------------|----------------------------------------|----------|
| | | 2025 | 2024 |
| Service cost | Associates | \$ 4,844 | \$ 4,143 |
| | Director of subsidiary | \$ 3,165 | \$ 783 |
| Operating expenses | Associates | \$ 568 | \$ 27 |
| | Director of subsidiary | \$ 62 | \$ 20 |
| | Investors and subsidiaries of the investors that have significant influence over the Group | \$ 12 | \$ - |
| Rental revenue | Associates | \$ 42 | \$ - |

g. Compensation of key management personnel

| | For the Three Months Ended March 31 | |
|------------------------------|----------------------------------------|------------------|
| | 2025 | 2024 |
| Short-term employee benefits | \$ 42,741 | \$ 29,952 |
| Share-based payment | 11,620 | 11,724 |
| Post-employment benefits | 721 | 5,796 |
| | <u>\$ 55,082</u> | <u>\$ 47,472</u> |

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

31. PLEDGED ASSETS

The following assets were pledged as the Group's collateral for bank loans, contract guarantees, collateral for issuance of gift vouchers and cards and import duty guarantee, etc.:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------------------------------------------------------------------|-------------------|----------------------|---------------------|
| Property, plant and equipment - land and buildings, net | \$ 442,350 | \$ 426,874 | \$ 429,732 |
| Pledged time deposits - current (included in other financial assets - current) | 400,992 | 434,543 | 369,224 |
| Pledged time deposits - non-current (included in other financial assets non-current) | 108,953 | 95,522 | 103,782 |
| The shares of the Corporation (Note) | <u>-</u> | <u>-</u> | <u>592,500</u> |
| | <u>\$ 952,295</u> | <u>\$ 956,939</u> | <u>\$ 1,495,238</u> |

Note: Hanmore pledged 5,000 thousand shares of the Corporation as of March 31, 2024, and it was eliminated upon consolidation.

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

| March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-----------------------|------------------------------|-----------------------|
| <u>\$ 725</u> | <u>\$ 728</u> | <u>\$ 723</u> |

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

| March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-----------------------|------------------------------|-----------------------|
| <u>\$ 17,826,006</u> | <u>\$ 13,603,372</u> | <u>\$ 16,147,372</u> |

- c. The Group provided endorsements for others in Table 3.
- d. The Group issues gift certificates and gift cards. For the handling of advance receipts from customers for sold gift certificates and gift cards, the Group 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 Group 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 Group 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 March 31, 2025, the Group’s assets in the trust account amounted to \$182,924 thousand (included in other financial assets).
- e. The Group develops services for online games and virtual product industry point recharge or exchange. According to the “Mandatory and Prohibitory Provisions of Standard Form Contracts for Online Game Point Cards” issued by the Ministry of Digital Affairs, the Group designated CTBC Bank Co., Ltd. To provide a performance guarantee for the Group’s issuance of digital serial game points (serial numbers/cards) within a guaranteed limit of \$30,000 thousand. As of March 31, 2025, the Group had pledged a time deposit of \$15,000 thousand as collateral (included in other financial assets current).

The Group develops services for the third party payment, the Group opened a trust property account in CTBC Bank Co., Ltd., the service payments were collected and disbursed by the dedicated account. As of March 31, 2025, the balance of the dedicated account amounted to \$5,178 thousand (included in other financial assets - current).

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

The Group'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:

March 31, 2025

| | Foreign Currency | Exchange Rate | Carrying Amount |
|------------------------------|-----------------------------|----------------------|----------------------------|
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 58,680 | 33.205 | \$ 1,948,469 |
| RMB | 8,295 | 4.6258 | 38,371 |
| Non-monetary items | | | |
| Financial assets at FVTPL | | | |
| HKD | 10,428 | 4.268 | 44,508 |
| <u>Financial liabilities</u> | | | |
| Monetary items | | | |
| USD | 11,462 | 33.205 | 380,596 |
| RMB | 57 | 4.6258 | 264 |

December 31, 2024

| | Foreign Currency | Exchange Rate | Carrying Amount |
|------------------------------|-----------------------------|----------------------|----------------------------|
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 26,546 | 32.785 | \$ 870,311 |
| RMB | 13,316 | 4.56 | 60,721 |
| Non-monetary items | | | |
| Financial assets at FVTPL | | | |
| HKD | 10,552 | 4.22 | 44,528 |
| <u>Financial liabilities</u> | | | |
| Monetary items | | | |
| USD | 16,077 | 32.785 | 527,084 |

March 31, 2024

| | Foreign Currency | Exchange Rate | Carrying Amount |
|------------------------------|-----------------------------|----------------------|----------------------------|
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 22,610 | 32 | \$ 723,520 |
| RMB | 13,716 | 4.51 | 61,862 |
| Non-monetary items | | | |
| Financial assets at FVTPL | | | |
| HKD | 9,510 | 4.09 | 38,886 |
| <u>Financial liabilities</u> | | | |
| Monetary items | | | |
| USD | 18,105 | 32 | 579,360 |

For the three months ended March 31, 2025 and 2024, realized and unrealized net foreign exchange gains (losses) were \$11,621 thousand and \$(751) 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 and functional currencies of the entities in the Group.

34. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on financial information. The Group's reportable segments were as follows:

In accordance with the manner in which the chief operating decision maker allocates resources and assesses performance, the consolidated group has reorganized its operating model into three major ecosystems based on the industrial structure of the domestic information service sector and evolving customer service demands. This restructuring is intended to align more closely with market trends and business fundamentals, and to reflect distinct operational focuses and financial performance. The three ecosystems are: "Industry Application Services," "Value-Added Distribution (VAD) Services," and "System Integration (S) Value-Added Services." In addition, an "Investment Segment" is designated as a separate reportable segment to provide clearer disclosure of financial information and performance for each operating model.

The "Industry Ecosystem" focuses on addressing the specialized needs of clients in specific industries. By leveraging deep industry expertise and integrating digital technologies, it delivers industry-specific solutions such as financial transaction cloud services, smart manufacturing solutions, investor integration services, enhanced wealth management platforms, e-government services, and new retail O2O integration. This ecosystem primarily serves vertical sectors including finance, government, manufacturing, and retail, with an emphasis on in-depth integration and practical industry knowledge application.

The "VAD Ecosystem" centers on value-added distribution services, offering sales, implementation, and technical support for hardware and software products from both domestic and international vendors. It also encompasses cloud platform deployment, enterprise cloud applications, IT professional training, and publishing services-meeting enterprise clients' demand for rapid access to information technology infrastructure and capabilities. Through a broad product portfolio and technical service expertise, it establishes a comprehensive IT product supply chain and value chain.

The “SI Ecosystem” is dedicated to system integration value-added services, providing end-to-end IT solutions from consulting and system planning to implementation and maintenance. Its service offerings include big data platform development, cloud value-added services, cybersecurity, mobile application development, and e-commerce platform operation support. These services help clients integrate heterogeneous systems and create high-efficiency, secure IT environments that support business intelligence and sustainable development goals.

The Investment Segment primarily engages in financial investment activities.

Consolidated revenues and results

| | System Integration and Value-added Services | Agency Distribution Value-Added Services | Industry Application Services | Investment Department | Adjustment and Elimination | Total |
|----------------------------------------------------|------------------------------------------------------|---------------------------------------------------|-------------------------------------|--------------------------|-------------------------------|----------------------|
| <u>For the three months ended March 31, 2025</u> | | | | | | |
| Sales to customers | \$ 2,069,618 | \$ 5,650,791 | \$ 2,115,010 | \$ - | \$ - | \$ 9,835,419 |
| Sales to other segments | <u>75,360</u> | <u>886,208</u> | <u>40,470</u> | <u>-</u> | <u>(1,002,038)</u> | <u>-</u> |
| Total sales | <u>\$ 2,144,978</u> | <u>\$ 6,536,999</u> | <u>\$ 2,155,480</u> | <u>\$ -</u> | <u>\$ (1,002,038)</u> | <u>\$ 9,835,419</u> |
| Segment income | <u>\$ 199,914</u> | <u>\$ 256,743</u> | <u>\$ 236,188</u> | <u>\$ (147,881)</u> | <u>\$ -</u> | <u>\$ 544,964</u> |
| Corporate general expenses | | | | | | <u>(122,244)</u> |
| Income before income tax | | | | | | <u>\$ 422,720</u> |
| Segment depreciation and amortization expenses | <u>\$ 24,987</u> | <u>\$ 34,609</u> | <u>\$ 19,895</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 79,491</u> |
| Non-segment depreciation and amortization expenses | | | | | | <u>45,240</u> |
| Total depreciation and amortization expenses | | | | | | <u>\$ 124,731</u> |
| Segment assets | <u>\$ 7,934,479</u> | <u>\$ 8,890,821</u> | <u>\$ 4,021,236</u> | <u>\$ 10,951,131</u> | <u>\$ -</u> | <u>\$ 31,797,667</u> |
| General assets | | | | | | <u>2,130,933</u> |
| Total assets | | | | | | <u>\$ 33,928,600</u> |
| <u>For the three months ended March 31, 2024</u> | | | | | | |
| Sales to customers | \$ 1,922,095 | \$ 6,238,365 | \$ 2,026,889 | \$ - | \$ - | \$ 10,187,349 |
| Sales to other segments | <u>136,540</u> | <u>899,043</u> | <u>78,869</u> | <u>-</u> | <u>(1,114,452)</u> | <u>-</u> |
| Total sales | <u>\$ 2,058,635</u> | <u>\$ 7,137,408</u> | <u>\$ 2,105,758</u> | <u>\$ -</u> | <u>\$ (1,114,452)</u> | <u>\$ 10,187,349</u> |
| Segment income | <u>\$ 122,205</u> | <u>\$ 334,334</u> | <u>\$ 200,348</u> | <u>\$ 268,057</u> | <u>\$ -</u> | <u>\$ 924,944</u> |
| Corporate general expenses | | | | | | <u>(126,783)</u> |
| Income before income tax | | | | | | <u>\$ 798,161</u> |
| Segment depreciation and amortization expenses | <u>\$ 32,751</u> | <u>\$ 18,037</u> | <u>\$ 15,893</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 66,681</u> |
| Non-segment depreciation and amortization expenses | | | | | | <u>41,088</u> |
| Total depreciation and amortization expenses | | | | | | <u>\$ 107,769</u> |
| Segment assets | <u>\$ 5,882,441</u> | <u>\$ 8,743,337</u> | <u>\$ 4,249,649</u> | <u>\$ 9,094,132</u> | <u>\$ -</u> | <u>\$ 27,969,559</u> |
| General assets | | | | | | <u>2,090,091</u> |
| Total assets | | | | | | <u>\$ 30,059,650</u> |

Segment income (loss) refers to the profits and losses incurred by each segment, excluding headquarter management cost, remuneration of directors, rental revenue, interest income, gain or loss on disposal of property, plant and equipment, foreign exchange gain, interest expense and income tax expense.

35. SEPARATELY DISCLOSED ITEMS

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

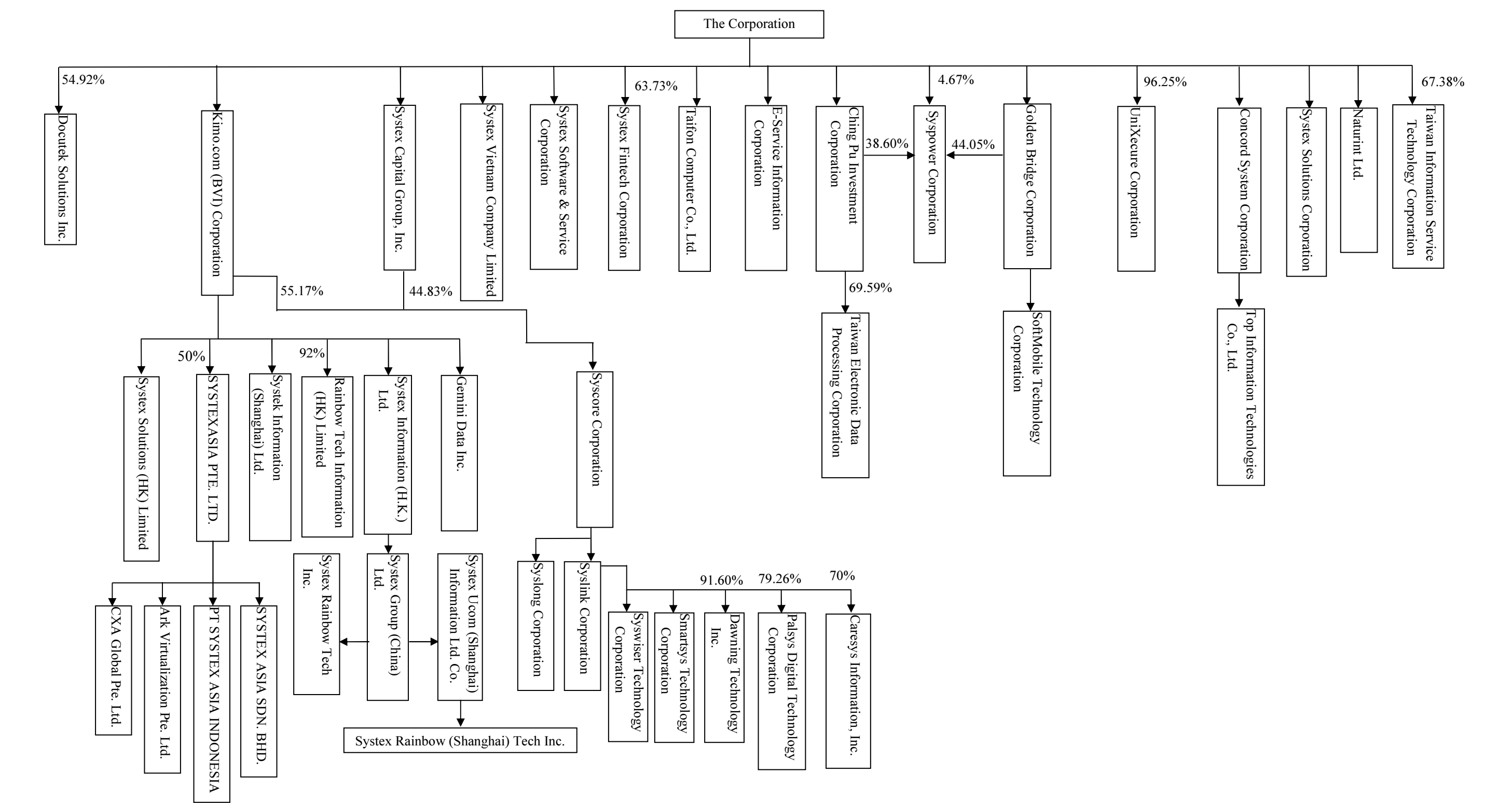
- 1) Financing provided to others (Table 2)
- 2) Endorsements/guarantees provided (Table 3)
- 3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 4)

- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
 - 6) Other: Intercompany relationships and significant intercompany transactions (Table 7)
 - 7) Information on investees (Table 8)
- 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 9)
 - 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 7):
 - 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

TABLE 1

SYSTEX CORPORATION AND SUBSIDIARIES

THE RELATIONSHIP AND PERCENTAGE OF OWNERSHIP OF COMPANIES IN THE GROUP
MARCH 31, 2025



Note: Percentage of ownership is 100% unless noted on the chart.

TABLE 2

SYSTEX CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(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 11) | 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 | \$ 138,774 | \$ 138,774 | \$ - | 1-6.16 | Short-term financing | \$ - | Operating capital | \$ - | - | \$ - | \$ 3,616,002 | \$ 7,232,004 | (Note 3) |
| | | Systex Rainbow Tech Inc. | Receivables from related parties | Y | 231,290 | 231,290 | 55,510 | 1-6.16 | Short-term financing | - | Operating capital | - | - | - | 3,616,002 | 7,232,004 | (Note 4) |
| | | Systex Ucom (Shanghai) Information Ltd. Co. | Receivables from related parties | Y | 231,290 | 231,290 | - | 1-6.16 | Short-term financing | - | Operating capital | - | - | - | 3,616,002 | 7,232,004 | (Note 5) |
| 2 | Systek Information (Shanghai) Ltd. | Systex Group (China) Ltd. | Receivables from related parties | Y | 277,548 | 277,548 | - | 1-6.16 | Short-term financing | - | Operating capital | - | - | - | 3,616,002 | 7,232,004 | (Note 6) |
| | | Systex Rainbow Tech Inc. | Receivables from related parties | Y | 46,258 | 46,258 | - | 1-6.16 | Short-term financing | - | Operating capital | - | - | - | 3,616,002 | 7,232,004 | (Note 7) |
| 3 | Systex Rainbow Tech Inc. | Systex Group (China) Ltd. | Receivables from related parties | Y | 92,516 | 92,516 | - | 1-6.16 | Short-term financing | - | Operating capital | - | - | - | 3,616,002 | 7,232,004 | (Note 8) |
| | | Systek Information (Shanghai) Ltd. | Receivables from related parties | Y | 46,258 | 46,258 | - | 1-6.16 | Short-term financing | - | Operating capital | - | - | - | 3,616,002 | 7,232,004 | (Note 9) |
| 4 | Syscore Corporation | UniXecure Corporation | Receivables from related parties | Y | 50,000 | 50,000 | 50,000 | 2.00 | Short-term financing | - | Operating capital | - | - | - | 1,479,316 | 1,479,316 | (Note 10) |
| 5 | SYSTEXASIA PTE. LTD. | Ark Virtualization Pte. Ltd. | Receivables from related parties | Y | 12,385 | 12,385 | 4,975 | 4.38 | Short-term financing | - | Operating capital | - | - | - | 43,098 | 43,098 | (Note 11) |
| | | PT SYSTEX ASIA INDONESIA | Receivables from related parties | Y | 17,339 | 17,339 | - | 4.38 | Short-term financing | - | Operating capital | - | - | - | 43,098 | 43,098 | (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 SYSTEXASIA PTE. LTD. 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 \$138,774 thousand (RMB30,000 thousand). The ending balance is \$138,774 thousand (RMB30,000 thousand) which has not been withdrawn.
- Note 4: The highest balance for the period is \$231,290 thousand (RMB50,000 thousand). The ending balance is \$231,290 thousand (RMB50,000 thousand), including \$175,780 thousand (RMB38,000 thousand) which has not been withdrawn.
- Note 5: The highest balance for the period is \$231,290 thousand (RMB50,000 thousand). The ending balance is \$231,290 thousand (RMB50,000 thousand) which has not been withdrawn.
- Note 6: The highest balance for the period is \$277,548 thousand (RMB60,000 thousand). The ending balance is \$277,548 thousand (RMB60,000 thousand) which has not been withdrawn.
- Note 7: The highest balance for the period is \$46,258 thousand (RMB10,000 thousand). The ending balance is \$46,258 thousand (RMB10,000 thousand) which has not been withdrawn.
- Note 8: The highest balance for the period is \$92,516 thousand (RMB20,000 thousand). The ending balance is \$92,516 thousand (RMB20,000 thousand) which has not been withdrawn.
- Note 9: The highest balance for the period is \$46,258 thousand (RMB10,000 thousand). The ending balance is \$46,258 thousand (RMB10,000 thousand) which has not been withdrawn.
- Note 10: The highest balance for the period is \$50,000 thousand. The ending balance is \$50,000 thousand which has been withdrawn.
- Note 11: The highest balance for the period is \$12,385 thousand (SGD500 thousand). The ending balance is \$12,385 thousand (SGD500 thousand), including \$7,410 thousand (SGD299 thousand) which has not been withdrawn.
- Note 12: The highest balance for the period is \$17,339 thousand (SGD700 thousand). The ending balance is \$17,339 thousand (SGD700 thousand) which has not been withdrawn.
- Note 13: The ending balance of actual amount borrowed has been eliminated in the consolidated financial statements.

TABLE 3

SYSTEX CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(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 | Endorsements and Guarantees Secured by Pledged Assets | 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 | \$ 4,520,003 | \$ 415,063 | \$ 415,063 | \$ 70,760 | \$ - | 2.30 | \$ 9,040,005 | Y | N | N | (Notes 2 and 3) |
| | | Systex Group (China) Ltd. | b | 4,520,003 | 2,152,600 | 2,152,600 | 528,740 | - | 11.91 | 9,040,005 | Y | N | Y | (Notes 2 and 3) |
| | | Systex Ucom (Shanghai) Information Ltd. Co. | b | 4,520,003 | 138,774 | 138,774 | 35 | - | 0.77 | 9,040,005 | Y | N | Y | (Notes 2 and 3) |
| 1 | Systek Information (Shanghai) Ltd. | Systex Group (China) Ltd. | d | 376,476 | 231,290 | 231,290 | 208,161 | 231,290 | 122.87 | 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 equity of the provider.

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

Note 4: Limits on endorsements/guarantees amount shall not exceed 200% of the net equity in the most recent financial statement of the provider.

Note 5: The maximum balance for the period shall not exceed 200% of the net equity in the most recent financial statement of the provider.

TABLE 4

SYSTEX CORPORATION AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
MARCH 31, 2025
(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 | March 31, 2025 | | | | Note |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------|---------------------|--------------------|--------------------------------------|--------------|------|
| | | | | Number of Shares | Carrying Amount | Percentage of Ownership (%) | Fair Value | |
| Controlling company - Systex Corporation | <u>Ordinary shares</u> Taiwan Futures Exchange Corporation Far Eastern Electronic Toll Collection Co., Ltd. | | Financial assets at FVTPL - non-current | 20,427,987 | \$ 1,910,902 | 3.28 | \$ 1,910,902 | |
| | | | " | 25,263,076 | 383,604 | 8.42 | 383,604 | |
| Subordinate company - Syscore Corporation | <u>Mutual funds</u> UPAMC James Bond Money Market Fund | | Financial assets at FVTPL - current | 17,266,620 | 301,480 | - | 301,480 | |
| | | | Financial assets at FVTPL - current | 14,900,000 | 444,020 | - | 444,020 | |
| | <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 | - | 500,851 | - | 500,851 | |

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: The carrying amount includes the unamortized bond premium of \$851 thousand generated from acquiring the bonds from the Corporation. In preparing the consolidated financial statements, the amount was eliminated.

Note 3: Disclosure of the significant marketable securities held above is decided by the Company based on the materiality principle.

Note 4: Refer to Tables 8 and 9 for information on investment in subsidiaries and associates.

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 THREE MONTHS ENDED MARCH 31, 2025
(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 | Subsidiary | Purchase | \$ 235,761 | 12 | 78 days after transaction month | \$ - | - | \$ (247,619) | 13 |
| | Palsys Digital Technology Corporation | Subsidiary | Purchase | 292,012 | 15 | 78 days after transaction month | - | - | (31,867) | 2 |
| Subordinate company - Systex Software & Service Corporation | Systex Corporation | Parent company | Sale | (235,761) | 9 | 78 days after transaction month | - | - | 247,619 | 15 |
| Subordinate company - Palsys Digital Technology Corporation | Systex Corporation | Parent company | Sale | (292,012) | 47 | 78 days after transaction month | - | - | 31,867 | 7 |

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

SYSTEX CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2025
(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 | | |
| Subordinate company - Systex Software & Service Corporation | Systex Corporation | Parent company (Note) | \$ 247,619 | 1.52 | \$ - | - | \$ 114,247 | \$ - |

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

TABLE 7

SYSTEX CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars)**

| No. (Note 1) | Investee Company | Counterparty | Relationship (Note 2) | Transaction Details | | | |
|-----------------|------------------------------------------|---------------------------------------|--------------------------|----------------------------------------------------------------------|-----------|-----------------------------------------------|-------------------------------------------|
| | | | | Financial Statement Account | Amount | Payment Terms | % of Total Sales or Assets (Note 3) |
| 0 | Systex Corporation | Systex Software & Service Corporation | a | Sales | \$ 21,870 | Net 78 days | - |
| | | Systex Software & Service Corporation | a | Cost of goods sold | 235,761 | Net 78 days | 2 |
| | | Systex Software & Service Corporation | a | Receivables from related parties | 35,122 | Net 78 days | - |
| | | Systex Software & Service Corporation | a | Payables to related parties | 247,619 | Net 78 days | 1 |
| | | Syspower Corporation | a | Receivables from related parties | 10,602 | Net 78 days | - |
| | | Concord System Management Corporation | a | Sales | 18,948 | Net 78 days | - |
| | | Concord System Management Corporation | a | Receivables from related parties | 23,967 | Net 78 days | - |
| | | Dawning Technology Inc. | a | Cost of goods sold | 59,898 | Net 78 days | 1 |
| | | Dawning Technology Inc. | a | Payables to related parties | 58,982 | Net 78 days | - |
| | | Palsys Digital Technology Corporation | a | Cost of goods sold | 292,012 | Net 78 days | 3 |
| | | Palsys Digital Technology Corporation | a | Payables to related parties | 31,867 | Net 78 days | - |
| | | Docutek Solutions, Inc. | a | Cost of goods sold | 10,695 | Net 78 days | - |
| | | Docutek Solutions, Inc. | a | Payables to related parties | 11,230 | Net 78 days | - |
| 1 | Systex Software & Service Corporation | Systex Group (China) Ltd. | b | Receivables from related parties | 18,050 | Net 90 days | - |
| 2 | Concord System Management Corporation | Palsys Digital Technology Corporation | b | Cost of goods sold | 75,867 | Net 78 days | 1 |
| | | Palsys Digital Technology Corporation | b | Payables to related parties | 73,307 | Net 78 days | - |
| 3 | Systex Solutions Corporation | Dawning Technology Inc. | b | Cost of goods sold | 12,966 | Net 78 days | - |
| | | Dawning Technology Inc. | b | Payables to related parties | 13,848 | Net 78 days | - |
| 4 | Top Information Technologies Corporation | Palsys Digital Technology Corporation | b | Cost of goods sold | 29,529 | Net 78 days | - |
| 5 | Syscore Corporation | UniXecure Corporation | b | Receivables from related parties (including interest receivables) | 50,711 | Short-term financing, with a term of one year | - |
| 6 | UniXecure Corporation | Docutek Solutions, Inc. | b | Cost of goods sold | 16,401 | Net 78 days | - |
| | | Docutek Solutions, Inc. | b | Payables to related parties | 17,326 | Net 78 days | - |
| 7 | Systex Group (China) Ltd. | Systex Rainbow Tech Inc. | b | Receivables from related parties (including interest receivables) | 55,510 | Short-term financing, with a term of one year | - |
| | | Systex Rainbow (Shanghai) Tech Inc. | b | Service cost | 10,953 | Net 120 days | - |
| | | Systex Rainbow (Shanghai) Tech Inc. | b | Payables to related parties | 29,375 | Net 120 days | - |

(Continued)

| No. (Note 1) | Investee Company | Counterparty | Relationship (Note 2) | Transaction Details | | | |
|-----------------|-------------------------------------|-------------------------------------------|--------------------------|----------------------------------|-----------|---------------|-------------------------------------------|
| | | | | Financial Statement Account | Amount | Payment Terms | % of Total Sales or Assets (Note 3) |
| 8 | Systex Rainbow Tech Inc. | Systex Rainbow (Shanghai) Tech Inc. | b | Receivables from related parties | \$ 68,136 | Net 120 days | - |
| 9 | Systex Information (HK) Corporation | Rainbow Tech Information (HK) Corporation | b | Sales | 61,826 | Net 30 days | 1 |
| | | Rainbow Tech Information (HK) Corporation | b | Receivables from related parties | 13,644 | Net 30 days | - |

Note 1: The method of filling in the number:

- a. Parent is numbered 0.
- b. Subsidiaries are sequentially numbered starting from 1.

Note 2: Categories of relationships:

- a. Parent to subsidiary.
- b. Between subsidiaries.

Note 3: Percentage of transaction amount to total consolidated operating revenue or assets is calculated as follows:

For balance sheet accounts: Transaction amount ÷ Total consolidated assets
For income statement accounts: Accumulated transaction amount in current period ÷ Total consolidated operating revenues.

(Concluded)

TABLE 8

SYSTEX CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Investor Company | Name of Investee | Location | Main Businesses and Products | Original Investment Amount | | As of March 31, 2025 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Note |
|--------------------|------------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------|----------------------|-----------|-----------------|--------------------------------------|---------------------------|------------------------|
| | | | | March 31, 2025 | December 31, 2024 | 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 | \$ 4,024 | \$ - | \$ - | - |
| | Hanmore Investment Corporation | Taiwan | General investment activities | 47,125 | 47,125 | 964,068 | 48.92 | 39,785 | 306 | 150 | - |
| | Ching Pu Investment Corporation | Taiwan | General investment activities | 30,775 | 30,775 | 23,437,500 | 100.00 | 403,566 | 198 | 384 | Subsidiary (Note 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 | 637,406 | 38,382 | 37,603 | Subsidiary (Note 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 | 46,398 | (18,071) | (5,099) | - |
| | 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 | 295,989 | 17,106 | 16,658 | Subsidiary (Note 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 | 69,440 | 24,511 | 3,204 | - |
| | Golden Bridge Corporation | Taiwan | General investment activities | 230,000 | 230,000 | 23,000,000 | 100.00 | 279,782 | 6,237 | 5,560 | Subsidiary (Note 1) |
| | Systex Software & Service Corporation | Taiwan | Sale and development of computer software, data-processing services | 400,000 | 400,000 | 40,000,000 | 100.00 | 926,228 | 147,007 | 145,502 | Subsidiary (Note 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 | 22,645 | 10,263 | 462 | Subsidiary (Note 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 | 324,137 | 25,635 | 25,207 | Subsidiary (Note 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 | 279,634 | 7,025 | 4,604 | Subsidiary (Note 1) |
| | Systex Capital Group, Inc. | British Virgin Island | Investment activities including financial trust and holding | 91,695 | 91,695 | 550 | 100.00 | 2,847,489 | (20,805) | (26,416) | Subsidiary (Note 1) |
| | Kimo.com (BVI) Corporation | British Virgin Island | Investment activities including financial trust and holding | 13,185 | 13,185 | 500,000 | 100.00 | 4,478,058 | (23,937) | (30,934) | Subsidiary (Note 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 | 5,560 | (3,250) | (3,250) | Subsidiary (Note 1) |
| | FinRobo Advisor Securities Investment Consulting Co., Ltd. | Taiwan | Securities investment advisor | 23,272 | 23,272 | 1,500,000 | 30.00 | 3,965 | (955) | (287) | - |
| | 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 | 5,145 | (707) | (659) | - |

(Continued)

| Investor Company | Name of Investee | Location | Main Businesses and Products | Original Investment Amount | | As of March 31, 2025 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Note |
|---------------------------------|---------------------------------------------------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------|----------------------|-----------|-----------------|--------------------------------------|---------------------------|---------------------|
| | | | | March 31, 2025 | December 31, 2024 | Number of Shares | Ratio (%) | Carrying Amount | | | |
| | Frog-jump Information Co., Ltd. | Taiwan | Information software service | \$ 18,969 | \$ 18,969 | 913,202 | 10.00 | \$ 15,159 | \$ 3,148 | \$ 431 | - |
| | 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 | - | (1,254) | - | - |
| | 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 | 779,254 | 798,172 | 33,776,846 | 27.08 | 1,151,567 | 98,103 | 18,932 | - |
| | 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 | 95,244 | 6,495 | 6,495 | Subsidiary (Note 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 | 109,797 | 11,373 | 3,312 | - |
| | 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 | 47,698 | 724 | 488 | Subsidiary (Note 1) |
| | Collaboration Co., Ltd. | Taiwan | General investment activities | 200,015 | 200,015 | 6,160,000 | 44.55 | 135,030 | 3,613 | 1,188 | - |
| | UniXecure Corporation | Taiwan | Design, construction and sale of telecom instrument, electronic calculator and computer | 192,500 | 192,500 | 19,250,000 | 96.25 | 132,639 | (8,358) | (9,643) | Subsidiary (Note 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 | 309,504 | 46,681 | 24,481 | Subsidiary (Note 1) |
| | MISYS Corporation | Taiwan | Information software service | - | 100,000 | - | - | - | 1,197 | 1,197 | (Note 2) |
| | 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 | 9,675 | - | 100.00 | 9,314 | (337) | (337) | Subsidiary (Note 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 | 140,375 | 1,949,647 | 15.91 | 151,240 | 16,883 | 2,685 | - |
| 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 | 25,192 | 21 | - | Subsidiary (Note 1) |
| | Investment Media Ltd. | Taiwan | Magazine and book publishing | 95,600 | 95,600 | 4,000,000 | 40.00 | 82,020 | (15,929) | - | - |
| | 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 | 187,159 | 10,263 | - | Subsidiary (Note 1) |

(Continued)

| Investor Company | Name of Investee | Location | Main Businesses and Products | Original Investment Amount | | As of March 31, 2025 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Note |
|---------------------------------------|----------------------------------------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------|----------------------|-----------|-----------------|--------------------------------------|---------------------------|------------------------|
| | | | | March 31, 2025 | December 31, 2024 | 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 | \$ 213,583 | \$ 10,263 | \$ - | Subsidiary (Note 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 | 73,674 | 1,670 | - | Subsidiary (Note 1) |
| Syscore Corporation | Syslink Corporation | Taiwan | General investment activities | 1,400,000 | 1,400,000 | 140,000,000 | 100.00 | 1,411,463 | 5,931 | - | Subsidiary (Note 1) |
| | Syslong Corporation | Taiwan | General investment activities | 250,000 | 250,000 | 25,000,000 | 100.00 | 241,947 | 1,445 | - | Subsidiary (Note 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 | 98,530 | 3,452,877 | 28.17 | 85,996 | 16,883 | - | - |
| | 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 | 27,483 | 6,237 | - | - |
| | 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 | 162,880 | 98,103 | - | - |
| 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 | 30,000 | 3,000,000 | 100.00 | 24,438 | 27 | - | Subsidiary (Note 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 | 20,000 | 2,000,000 | 100.00 | 11,005 | (576) | - | Subsidiary (Note 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 | 162,417 | 1,400,000 | 70.00 | 173,274 | 8,636 | - | Subsidiary (Note 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 | 692,582 | (2,307) | - | Subsidiary (Note 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 | 291,522 | (3,881) | - | Subsidiary (Note 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 | 37,630 | 518,041 | 4.23 | 40,960 | 16,883 | - | - |
| 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 | 193,841 | (2,740) | - | Subsidiary (Note 1) |

(Continued)

| Investor Company | Name of Investee | Location | Main Businesses and Products | Original Investment Amount | | As of March 31, 2025 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Note |
|------------------------------|------------------------------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------|----------------------|-----------|-----------------|--------------------------------------|---------------------------|---------------------|
| | | | | March 31, 2025 | December 31, 2024 | 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 | \$ 996,539 | \$ 6,265 | \$ - | Subsidiary (Note 1) |
| | Systex Solutions (HK) Limited | Hong Kong | Investment activities including financial trust and holding | 316,050 | 316,050 | 10,400,000 | 100.00 | 406,050 | 3,931 | - | Subsidiary (Note 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 | 183,464 | 4,070 | - | Subsidiary (Note 1) |
| | Syscore Corporation | Taiwan | General investment activities | 1,600,000 | 1,600,000 | 160,000,000 | 55.17 | 2,040,436 | (46,469) | - | Subsidiary (Note 1) |
| | Gemini Data | Japan | IT services, software development, wholesale and retail of computers and related equipment, electronic data processing and related services | 73,184 | 73,184 | 33,500 | 100.00 | 43,052 | (5,044) | - | Subsidiary (Note 1) |
| | Aillumission Co., Ltd. | Japan | Mobile Network Construction, ICT infrastructure Construction, DX/ICT solution services, AI consultations | 106,435 | 106,435 | 200 | 20.00 | 17,076 | (1,766) | - | - |
| | SYSTEXASIA PTE. LTD. | Singapore | IT solutions and consulting services | 278,007 | - | 178,602 | 50.00 | 284,263 | 58,820 | - | - |
| 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 | 143,350 | 85,834 | 28.61 | 35,592 | 8,146 | - | - |
| | Spread-it Limited | Hong Kong | Social Media Marketing | 2,959 | 2,959 | 85,834 | 28.61 | 10,633 | 560 | - | - |
| Systex Capital Group, Inc. | Syscore Corporation | Taiwan | General investment activities | 1,300,000 | 1,300,000 | 130,000,000 | 44.83 | 1,657,855 | (46,469) | - | Subsidiary (Note 1) |
| SYSTEXASIA PTE. LTD. | SYSTEX ASIA SDN. BHD. | Malaysia | Development of online and web-based business application software and websites, as well as computer operation and software consulting services | 32,375 | 18,870 | 4,300,000 | 100.00 | 26,628 | 7 | - | Subsidiary (Note 1) |
| | PT SYSTEX ASIA INDONESIA | Indonesia | Computer software-related and consulting services | 13,406 | 11,356 | 481,000 | 100.00 | 9,680 | (744) | - | Subsidiary (Note 1) |
| | Ark Virtualization Pte. Ltd. | Singapore | Information technology staffing, outsourcing services, and IT consulting services | 123 | 123 | 10,000 | 100.00 | (5,028) | (71) | - | Subsidiary (Note 1) |
| | CXA Global Pte. Ltd. | Singapore | Agency and consulting services for computer software systems | 241 | 241 | 10,000 | 100.00 | 150,836 | 72,166 | - | Subsidiary (Note 1) |
| | Noventiq Singapore Private Ltd. | Singapore | Agency services for computer software systems | 2 | 2 | 50,000 | 50.00 | 2 | - | - | - |

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

Note 2: Systex Corporation and MISYS Corporation completed their merger in March 2025. Systex Corporation stands as the surviving entity, while MISYS Corporation is designated as the dissolved company.

Note 3: Refer to Table 9 for information on investments in Mainland China.

(Concluded)

TABLE 9

SYSTEX CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(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, 2025 | Remittance of Funds | | Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2025 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) | Carrying Amount as of March 31, 2025 | Accumulated Repatriation of Investment Income as of March 31, 2025 | 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 | (1,262) | 100.00 | (1,262) | 189,646 | - | 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 | (12,217) | 100.00 | (12,217) | 301,404 | - | Subsidiary (Note 2) |
| Systex Rainbow Tech Inc. | Research, development, installation and wholesale of software and hardware technique and internet system | - | b | - | - | - | - | (6,015) | 100.00 | (6,015) | 310,891 | - | Subsidiary (Note 2) |
| Systex Ucom (Shanghai) Information Ltd. Co. | Software design and data processing, retailing and service of software | - | b | - | - | - | - | (1,092) | 100.00 | (1,092) | 32,716 | - | 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 | - | - | - | - | (135) | 29.62 | - | - | - | - |
| Systex Rainbow (Shanghai) Tech Inc. | Research, development, installation and wholesale of software and hardware technique and internet system | - | b | - | - | - | - | 728 | 100.00 | 728 | 2,716 | - | Subsidiary (Note 2) |

| Accumulated Investment in Mainland China as of March 31, 2025 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on Investment |
|---------------------------------------------------------------|--------------------------------------------------------------|---------------------------|
| \$1,695,816 | \$1,920,903 | \$10,848,006 |

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.