

METAAGE CORPORATION
(Original Name : SYSAGE TECHNOLOGY CO., LTD.)
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024

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

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Independent Auditors' Review Report

To the Board of Directors of METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.):

Introduction

We have reviewed the accompanying consolidated balance sheets of METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) and its subsidiaries ("the Group") as of March 31, 2025 and 2024, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 ("IAS") 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 Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the 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 conducted in accordance with the Standards on Auditing of the Republic of China 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 Conclusions

As stated in Note 4(b), the consolidated financial statements included in the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$1,502,197 thousand and \$1,947,475 thousand, constituting 11% and 15% of the consolidated total assets as of March 31, 2025 and 2024, respectively; and the total liabilities amounting to \$757,782 thousand and \$919,394 thousand, constituting 9% and 12% of consolidated total liabilities; as well as the absolute value of total comprehensive income amounting to \$46,413 thousand and \$75,345 thousand, constituting 38% and 18% of the absolute value of consolidated total comprehensive income for the three months ended March 31, 2025 and 2024, respectively.

Furthermore, as stated in Note 6(g), the investments accounted for using equity method of the Group in its investee companies of \$1,923 thousand and \$2,129 thousand, as of March 31, 2025 and 2024, respectively, and its related share of loss of associates accounted for using equity method of \$30 thousand and \$980 thousand for the three months ended March 31, 2025 and 2024 respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes 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 of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 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 Fu, Hung-Wen and Chuang, Chun-Wei.

KPMG

Taipei, Taiwan (Republic of China)
April 28, 2025

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) AND SUBSIDIARIES

Consolidated Balance Sheets
March 31, 2025, December 31 and March 31, 2024

(In Thousands of New Taiwan Dollars)

Assets		March 31, 2025		December 31, 2024		March 31, 2024		Liabilities and Equity		March 31, 2025		December 31, 2024		March 31, 2024			
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%		
Current assets:								Current liabilities:									
1100	Cash and cash equivalents (Note 6(a))	\$	1,433,712	11	1,380,992	10	1,181,006	9	2100	Short-term borrowings (Note 6(o))	\$	2,807,143	20	3,051,583	23	2,957,343	23
1110	Current financial assets at fair value through profit or loss								2110	Short-term notes and bills payable (Note 6(p))		99,954	1	199,844	1	-	-
	(Note 6(b))		5,500	-	16,026	-	7,907	-	2120	Current financial liabilities at fair value through profit or							
1141	Current contract assets (Note 6(w))		46,955	-	58,976	1	55,524	-		loss (Note 6(b))		2,011	-	20	-	1,734	-
1170	Notes and accounts receivable, net (Notes 6(d) and (w))		2,879,173	21	2,863,295	21	2,985,029	23	2130	Contract liability (Notes 6(m), (w) and 7)		1,089,747	8	536,446	4	574,582	4
1180	Accounts receivable due from related parties, net (Notes								2170	Notes and accounts payable (Notes 6(n) and 7)		3,164,344	23	2,871,412	21	1,901,228	15
	6(d), (w) and 7)		112,179	1	92,438	1	80,215	1	2200	Other payables (Note 7)		487,158	3	552,650	4	581,620	5
1300	Inventories (Note 6(f))		5,270,642	38	4,875,385	36	3,998,525	31	2216	Dividends payable		137,189	1	-	-	534,099	4
1410	Prepayments (Notes 6(m) and 7)		59,154	-	69,763	1	555,233	4	2280	Current lease liabilities (Notes 6(r) and 7)		86,955	1	82,724	1	104,111	1
1470	Other current assets (Note 6(e))		179,238	1	193,823	1	85,771	1	2320	Long-term borrowings, current portion (Note 6(q))		17,948	-	17,955	-	16,708	-
			9,986,553	72	9,550,698	71	8,949,210	69	2399	Other current liabilities		8,919	-	17,329	-	17,669	-
												7,901,368	57	7,329,963	54	6,689,094	52
Non-current assets:								Non-current liabilities:									
1510	Non-current financial assets at fair value through profit or								2540	Long-term borrowings (Note 6(q))		428,077	3	432,988	3	239,552	2
	loss (Note 6(b))		836,953	6	800,908	6	769,191	6	2580	Non-current lease liabilities (Notes 6(r) and 7)		351,954	3	356,453	3	449,105	3
1517	Non-current financial assets at fair value through other								2600	Other non-current liabilities		208,106	1	219,977	2	253,999	2
	comprehensive income (Note 6(c))		131,747	1	125,119	1	168,389	1				988,137	7	1,009,418	8	942,656	7
1550	Investments accounted for using equity method (Note									Total liabilities		8,889,505	64	8,339,381	62	7,631,750	59
	6(g))		1,923	-	1,953	-	2,129	-		Equity attributable to owners of parent:							
1600	Property, plant and equipment (Notes 6(j) and 8)		953,189	7	956,065	7	960,518	8	3100	Share capital		1,883,573	14	1,883,573	14	1,883,573	15
1755	Right-of-use assets (Note 6(k))		412,196	3	416,666	3	540,842	4	3200	Capital surplus (Note 6(u))		1,223,097	9	1,222,895	9	1,219,903	9
1780	Intangible assets (Notes 6(h) and (l))		986,357	7	1,004,388	8	1,064,655	8	3310	Legal reserve		541,533	4	541,533	4	482,299	4
1840	Deferred income tax assets		351,472	3	343,996	3	221,780	2	3320	Special reserve		-	-	-	-	17,108	-
1931	Long-term notes receivable (Notes 6(d) and (w))		42,869	-	46,415	-	54,320	1	3350	Unappropriated retained earnings (Note 6(u))		315,347	2	372,450	3	492,586	4
1990	Other non-current assets (Note 6(e))		161,734	1	160,082	1	155,382	1	3400	Other equity interest		63,063	-	53,368	-	92,626	1
			3,878,440	28	3,855,592	29	3,937,206	31		Total equity attributable to owners of parent		4,026,613	29	4,073,819	30	4,188,095	33
									36XX	Non-controlling interests (Note 6(i))		948,875	7	993,090	8	1,066,571	8
										Total equity		4,975,488	36	5,066,909	38	5,254,666	41
Total assets		\$	13,864,993	100	13,406,290	100	12,886,416	100		Total liabilities and equity	\$	13,864,993	100	13,406,290	100	12,886,416	100

See accompanying notes to the consolidated financial statements.

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

METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the three months ended March 31, 2025 and 2024****(In Thousands of New Taiwan Dollars)**

		For the three months ended March 31			
		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(w) and 7)	\$ 4,725,036	100	4,749,487	100
5000	Operating costs (Notes 6(f), (s), 7 and 12)	<u>4,049,566</u>	<u>86</u>	<u>4,129,428</u>	<u>87</u>
	Gross profit	<u>675,470</u>	<u>14</u>	<u>620,059</u>	<u>13</u>
	Operating expenses (Notes 6(d), (s), (x), 7 and 12):				
6100	Selling expenses	530,553	11	485,129	10
6200	General and administrative expenses	75,779	2	68,260	2
6300	Research and development expenses	18,723	-	19,237	-
6450	Expected credit loss	<u>1,261</u>	<u>-</u>	<u>11,787</u>	<u>-</u>
		<u>626,316</u>	<u>13</u>	<u>584,413</u>	<u>12</u>
	Net operating income	<u>49,154</u>	<u>1</u>	<u>35,646</u>	<u>1</u>
	Non-operating income and expenses:				
7010	Other income (Note 6(y))	508	-	312	-
7100	Interest income	1,817	-	1,417	-
7020	Other gains and losses (Notes 6(g), (r) and (y))	17,247	-	127,535	3
7050	Finance costs (Notes 6(r), (y) and 7)	(29,282)	-	(24,848)	(1)
7060	Share of profit (loss) of associates accounted for using equity method (Note 6(g))	<u>(30)</u>	<u>-</u>	<u>(980)</u>	<u>-</u>
		<u>(9,740)</u>	<u>-</u>	<u>103,436</u>	<u>2</u>
	Profit before income tax	39,414	1	139,082	3
7950	Less: Income tax expenses(benefits) (Note 6(t))	<u>8,946</u>	<u>-</u>	<u>(1,300)</u>	<u>-</u>
	Profit	<u>30,468</u>	<u>1</u>	<u>140,382</u>	<u>3</u>
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6,628	-	50,200	1
8320	Share of other comprehensive income of associates for using equity method (Note 6(g))	-	-	(274)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Items that may not be reclassified subsequently to profit or loss	<u>6,628</u>	<u>-</u>	<u>49,926</u>	<u>1</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	8,470	-	32,714	1
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Items that may be reclassified subsequently to profit or loss	<u>8,470</u>	<u>-</u>	<u>32,714</u>	<u>1</u>
8300	Other comprehensive income, net of tax	<u>15,098</u>	<u>-</u>	<u>82,640</u>	<u>2</u>
	Total comprehensive income	<u>\$ 45,566</u>	<u>1</u>	<u>223,022</u>	<u>5</u>
	Profit (loss) attributable to:				
8610	Owners of parent	\$ 55,911	1	191,571	4
8620	Non-controlling interests	<u>(25,443)</u>	<u>-</u>	<u>(51,189)</u>	<u>(1)</u>
		<u>\$ 30,468</u>	<u>1</u>	<u>140,382</u>	<u>3</u>
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	\$ 65,606	1	255,072	6
8720	Non-controlling interests	<u>(20,040)</u>	<u>-</u>	<u>(32,050)</u>	<u>(1)</u>
		<u>\$ 45,566</u>	<u>1</u>	<u>223,022</u>	<u>5</u>
	Earnings per share (Note 6(v))				
9750	Basic earnings per share (NT dollars)	<u>\$ 0.30</u>		<u>1.02</u>	
9850	Diluted earnings per share (NT dollars)	<u>\$ 0.30</u>		<u>1.01</u>	

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the three months ended March 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

	Equity Attributable to owners of parent										
			Retained earnings			Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Remeasurements of defined benefit	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings						
Balance on January 1, 2024	\$ 1,883,573	1,219,380	482,299	17,108	819,246	(13,691)	43,111	(41)	4,450,985	843,820	5,294,805
Profit (loss)	-	-	-	-	191,571	-	-	-	191,571	(51,189)	140,382
Other comprehensive income	-	-	-	-	-	13,301	50,200	-	63,501	19,139	82,640
Comprehensive income	-	-	-	-	191,571	13,301	50,200	-	255,072	(32,050)	223,022
Appropriation and distribution of retained earnings:											
Cash dividends	-	-	-	-	(517,983)	-	-	-	(517,983)	-	(517,983)
Distribution of cash dividend by subsidiaries to non-controlling interest	-	-	-	-	-	-	-	-	-	(16,116)	(16,116)
Proceeds from the disposal of forfeited funds from employee stock ownership trust	-	523	-	-	-	-	-	-	523	-	523
Acquisition of non-controlling interests in a business combination	-	-	-	-	-	-	-	-	-	270,917	270,917
Disposal of subsidiaries or investments accounted for using equity method	-	-	-	-	(248)	(502)	248	-	(502)	-	(502)
Balance on March 31, 2024	<u>\$ 1,883,573</u>	<u>1,219,903</u>	<u>482,299</u>	<u>17,108</u>	<u>492,586</u>	<u>(892)</u>	<u>93,559</u>	<u>(41)</u>	<u>4,188,095</u>	<u>1,066,571</u>	<u>5,254,666</u>
Balance on January 1,2025	\$ 1,883,573	1,222,895	541,533	-	372,450	4,324	48,309	735	4,073,819	993,090	5,066,909
Profit (loss)	-	-	-	-	55,911	-	-	-	55,911	(25,443)	30,468
Other comprehensive income	-	-	-	-	-	3,067	6,628	-	9,695	5,403	15,098
Comprehensive income	-	-	-	-	55,911	3,067	6,628	-	65,606	(20,040)	45,566
Appropriation and distribution of retained earnings:											
Cash dividends	-	-	-	-	(113,014)	-	-	-	(113,014)	-	(113,014)
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(24,175)	(24,175)
Proceeds from the disposal of forfeited funds from employee stock ownership trust	-	202	-	-	-	-	-	-	202	-	202
Balance on March 31, 2025	<u>\$ 1,883,573</u>	<u>1,223,097</u>	<u>541,533</u>	<u>-</u>	<u>315,347</u>	<u>7,391</u>	<u>54,937</u>	<u>735</u>	<u>4,026,613</u>	<u>948,875</u>	<u>4,975,488</u>

See accompanying notes to the consolidated financial statements.

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

METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.) AND SUBSIDIARIES**Consolidated Statements of Cash Flows**
For the three months ended March 31, 2025 and 2024**(In Thousands of New Taiwan Dollars)**

	For the three months ended March 31	
	2025	2024
Cash flows from operating activities:		
Profit before income tax	\$ 39,414	139,082
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	37,137	35,890
Amortization expense	22,776	22,432
Losses on disposal of property, plant and equipment	-	20
Expected credit loss	1,261	11,787
Net gains (losses) on valuation of financial assets (liabilities) at fair value through profit or loss	8,772	(103,909)
Share of profit (loss) of associates accounted for using equity method	30	980
Interest expense	29,282	24,848
Interest income	(1,817)	(1,417)
Gains on disposal of investments accounted for using equity method	-	(44,823)
Gains on lease modification	(307)	(706)
Total adjustments to reconcile profit (loss)	97,134	(54,898)
Changes in operating assets and liabilities:		
Total net changes in operating assets:		
Notes and accounts receivable (including long-term and related parties)	(33,806)	(6,547)
Inventories	(411,208)	443,104
Contract assets	12,021	(233)
Prepayments and other current assets	13,551	(67,130)
Other non-current assets	1,702	(9,956)
Total changes in operating assets	(417,740)	359,238
Total net changes in operating liabilities:		
Contract liability	553,301	232,218
Notes and accounts payable	292,932	(434,547)
Other payables	(92,324)	(83,855)
Other current liabilities	(8,410)	(6,028)
Other non-current liabilities	(145)	5,561
Total changes in operating liabilities	745,354	(286,651)
Total changes in operating assets and liabilities	327,614	72,587
Total adjustments	424,748	17,689
Cash inflows generated from operations	464,162	156,771
Interest received	1,796	1,406
Interest paid	(29,296)	(25,430)
Income taxes paid	(3)	-
Net cash inflows from operating activities	436,659	132,747
Cash flows from investing activities:		
Acquisition of non-current financial assets at fair value through profit or loss	(32,300)	-
Net cash inflows from business combination	-	64,605
Acquisition of property, plant and equipment	(4,120)	(32,922)
Proceeds from disposal of property, plant and equipment	331	37
Increase in refundable deposits	(4,097)	(10,317)
Acquisition of intangible assets	-	(106)
Decrease in other current assets	11,657	258
Net cash inflows (outflows) from investing activities	(28,529)	21,555
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	(244,440)	116,807
Decrease in short-term notes and bills payable	(99,890)	-
Repayments of long-term borrowings	(4,918)	(4,148)
Decrease in guarantee deposits	-	(5)
Payments of lease liabilities	(22,641)	(23,477)
Proceeds from the disposal of forfeited funds from employee stock ownership trust	202	523
Net cash inflows (outflows) from financing activities	(371,687)	89,700
Effect of exchange rate changes on cash and cash equivalents	16,277	30,543
Increase in cash and cash equivalents	52,720	274,545
Cash and cash equivalents, beginning of period	1,380,992	906,461
Cash and cash equivalents, end of period	\$ 1,433,712	1,181,006

See accompanying notes to the consolidated financial statements.

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

**METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

March 31, 2025 and 2024

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

(1) Company history

METAAGE CORPORATION (“the Company”), formerly called SYSAGE TECHNOLOGY CO., LTD., was incorporated on April 16, 1998 under the approval of Ministry of Economic Affairs, Republic of China (“R.O.C.”). The Company changed the name to METAAGE CORPORATION in June, 2022. The address of its registered office is 10F, No. 516, Sec. 1, Neihu Rd., Taipei City 114064, Taiwan (R.O.C.). The consolidated financial statements as of March 31, 2025 consist of the Company and its subsidiaries (collectively as “the Group”), and the interests of associates. The Group’s major business activities include distributing and reselling products of software and hardware equipment of ICT Infrastructures from Cisco and other companies, Computing & Data Utilization from Dell and own products from Skytech Gaming, Digitalization from Red hat, Oracle, and other companies, clouds, software and services from Google and other companies. The Group provides integrated planning for the products it sells, including related services of consulting, education and training as well as research, development of software of information applications, services and sales business, and market research.

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

These consolidated financial statements were authorized for issue by the Board of Directors on April 28, 2025.

(3) New standards, amendments, and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRSs endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(Continued)

METAAGE CORPORATION (ORIGINAL NAME : SYSAGE TECHNOLOGY CO., LTD.)
AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The impact of IFRSs issued by International Accounting Standards Board ("IASB") but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the IASB, but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.	January 1, 2027

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Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of significant accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (“the IFRSs endorsed by the FSC”) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2024.

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(b) Basis of consolidation

The subsidiaries included in the consolidated financial statements were as follows:

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	EPIC CLOUD CO., LTD. (EPIC CLOUD)	Data software and data processing services	100.00 %	100.00 %	100.00 %	(Note 1)
The Company	COREX (PTY) LTD (COREX)	Sale, import and export of electronic products	100.00 %	100.00 %	100.00 %	(Note 1)
The Company	Brainstorm Corporation (Brainstorm)	Wholesale and retail of computers and peripheral devices	35.09 %	35.09 %	35.09 %	
The Company	ADVANCEDTEK INTERNATIONAL CORP. (ADVANCEDTEK INTERNATIONAL)	Implementing services of application software	34.09 %	34.09 %	34.09 %	(Note 1)
The Company	Metaguru Corporation (Metaguru)	R&D and sales of computer information systems	100.00 %	100.00 %	100.00 %	(Note 1)
The Company	GRANDSYS INC. (GRANDSYS)	Data software and data processing services	40.15 %	40.15 %	40.15 %	(Note 1)
The Company and EPIC CLOUD	GLOBAL INTELLIGENCE NETWORK CO., LTD. (GLOBAL INTELLIGENCE NETWORK)	Trading in hardware and software for network and communications systems	79.81 %	79.81 %	79.81 %	(Note 1)
The Company and EPIC CLOUD	DSIGroup Co., Ltd. (DSIGroup)	Market research service, marketing consulting, and big data and cloud database, etc.	35.01 %	35.01 %	35.01 %	(Note 1)
DSIGroup	DKABio Co., Ltd. (DKABio)	Market research service, marketing consulting, and big data and cloud database, etc.	100.00 %	100.00 %	100.00 %	(Note 1)
DSIGroup	Owl Consulting Co., Ltd. (Owl)	Market research service, marketing consulting, and big data and cloud database, etc.	100.00 %	100.00 %	-	% (Note 1 and 2)
ADVANCEDTEK INTERNATIONAL	APEO Human Capital Services Corp. (APEO Human Capital)	Applications implementing services	100.00 %	100.00 %	100.00 %	(Note 1)
GRANDSYS	Grandsys Technology & Service Corp. (Grandsys Technology & Service)	Research and development, production of computer hardware and software and peripherals, network technology, system integration and sales of own products and related technical services	100.00 %	100.00 %	100.00 %	(Note 1)

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Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
GRANDSYS	SYSAGE TECHNOLOGY (SHANGHAI) Co., LTD (SYSAGE SHANGHAI)	Research and development, production of computer hardware and software and peripherals, network technology, system integration and sales of own products and related technical services	100.00 %	100.00 %	100.00 %	(Note 1)

Note 1: The compant is a non-significant subsidiary, its financial statements have not been reviewed.

Note 2: On August 1, 2024, the Group acquired 100% of the shares of Owl through a cash transaction, thereby gaining control over the company.

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34, “Interim Financial Reporting”.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(d) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using that actuarially determined pension cost rate at the end of the prior fiscal year adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

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

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except for the following, the preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

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(6) Explanation of significant accounts:

Except for the following disclosures, there were no material difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 6 of the 2024 annual consolidated financial statements.

(a) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and petty cash	\$ 418	436	568
Check and demand deposits	1,332,514	1,289,620	1,081,601
Time deposits	100,780	90,936	98,837
	<u>\$ 1,433,712</u>	<u>1,380,992</u>	<u>1,181,006</u>

(b) Financial assets and liabilities at fair value through profit or loss

(i) Details are set out in the following table:

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets at fair value through profit or loss:			
Current:			
Pre-purchased forward exchange contracts	\$ 5,500	16,026	7,907
Non-current:			
Foreign and domestic unlisted stocks	639,709	586,489	533,685
Foreign and domestic unlisted equities	197,244	214,419	235,506
Total	<u>\$ 842,453</u>	<u>816,934</u>	<u>777,098</u>
	March 31, 2025	December 31, 2024	March 31, 2024
Financial liabilities at fair value through profit or loss:			
Current:			
Pre-purchased/Pre-sold forward exchange contracts	<u>\$ (2,011)</u>	<u>(20)</u>	<u>(1,734)</u>

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As of March 31, 2024, the contingent consideration balance for the Group's mergers with COREX was \$0 thousand. The contingent considerations were generated from the merger of COREX, the Partner Tech's sale and purchase agreement and the related accessory contracts from the prior year. Under the contingent consideration arrangement, the contingent consideration was estimated by the discounted cash flow method based on the future profitability of each subsidiary. On July 31, 2024, the Group terminated the related ancillary agreements assumed during the acquisition of COREX. Consequently, the contingent consideration agreements were also terminated and rendered void on the same day.

- (ii) Derivative financial instruments are used to hedge assets or liabilities denominated in foreign currencies for risks arising from exchange rate fluctuations. The following table sets out the Group's derivatives recognized as held-for-trading financial assets and liabilities to which hedging accounting was not applicable:

Financial instruments	March 31, 2025		
	Nominal amounts	Maturity period	Pre-agreed exchange rate
Pre-purchased forward exchange contracts			
Buy USD/Sell NTD	USD 18,693 thousand	2025.04.01~ 2025.06.24	32.472~33.120
Buy USD/Sell ZAR	USD 6,000 thousand	2025.04.07~ 2025.04.22	18.338~18.378
Financial instruments	December 31, 2024		
	Nominal amounts	Maturity period	Pre-agreed exchange rate
Pre-purchased forward exchange contracts			
Buy USD/Sell NTD	USD 20,067 thousand	2025.01.01~ 2025.03.19	31.704~32.725
Buy USD/Sell ZAR	USD 6,200 thousand	2025.01.06~ 2025.01.13	17.725~18.158

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Financial instruments	March 31, 2024		
	Nominal amounts	Maturity period	Pre-agreed exchange rate
Pre-purchased forward exchange contracts			
Buy USD/Sell NTD	USD 10,338 thousand	2024.04.01~ 2024.06.07	30.957~31.978
Buy USD/Sell ZAR	USD 6,800 thousand	2024.04.02~ 2024.04.26	18.666~19.192
Pre-sold forward exchange contracts			
Buy NTD/Sell ZAR	USD 91,000 thousand	2024.04.01~ 2024.04.26	1.665~1.670

(iii) As of March 31, 2025, December 31, 2024 and March 31, 2024, none of financial assets at fair value through profit or loss was pledged as collateral, or otherwise subject to any restriction.

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

	March 31, 2025	December 31, 2024	March 31, 2024
Non-current financial assets at fair value through other comprehensive income			
Stock listed on domestic emerging markets	\$ 129,777	123,149	168,389
Domestic unlisted stocks	1,970	1,970	-
	\$ 131,747	125,119	168,389

- (i) The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for the long term for strategic instead of trading purposes.
- (ii) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the three months ended March 31, 2025 and 2024.
- (iii) As of March 31, 2025, December 31, 2024 and March 31, 2024, none of financial assets at fair value through other comprehensive income was pledged as collateral, or otherwise subject to any restriction.

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(d) Notes and accounts receivable (including long-term and related parties)

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable (including long-term)	\$ 145,029	115,872	221,002
Accounts receivable (including long-term)	2,806,068	2,826,238	2,858,265
Accounts receivable due from related parties	112,179	92,438	80,215
Less: loss allowance	(29,055)	(32,400)	(39,918)
Total	\$ 3,034,221	3,002,148	3,119,564
Current	\$ 2,991,352	2,955,733	3,065,244
Non-current	42,869	46,415	54,320
Total	\$ 3,034,221	3,002,148	3,119,564

- (i) The Group did not discount or provide any of the notes and accounts receivable (including long-term and related parties) as collateral. The above-mentioned notes and accounts receivable, whose maturity period were less than one year, were not discounted and their carrying amounts were presumed to approximate their fair value.
- (ii) Non-current notes and accounts receivable mainly arose from installment sales.
- (iii) The Group applies the simplified approach to provide for its expected credit losses (“ECL”), the use of lifetime ECL provision for all notes and accounts receivables (including long-term and related parties). To measure the ECL, notes and accounts receivable have been grouped based on shared credit risk characteristics and customer’s ability to pay all the amounts due based on the terms of the contract as well as incorporated forward-looking information. The analysis of ECL on notes and accounts receivable was as follows:

	March 31, 2025		
	Gross carry amount of notes and accounts receivable	Weighted- average loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 2,874,296	0.07%	2,098
1 to 30 days past due	94,054	3.32%	3,121
31 to 60 days past due	36,141	10.59%	3,827
61 to 90 days past due	14,245	26.65%	3,797
91 to 120 days past due	1,409	57.06%	804
More than 121 days past due	43,131	35.72%	15,408
	\$ 3,063,276		29,055

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	December 31, 2024		
	Gross carry amount of accounts and notes receivable	Weighted- average loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 2,790,845	0.06%	1,640
1 to 30 days past due	171,939	3.85%	6,612
31 to 60 days past due	18,676	14.37%	2,684
61 to 90 days past due	2,441	42.56%	1,039
91 to 120 days past due	4,815	52.88%	2,546
More than 121 days past due	45,832	39.01%	17,879
	\$ 3,034,548		32,400
	March 31, 2024		
	Gross carry amount of notes and accounts receivable	Weighted- average loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 2,989,977	0.09%	2,596
1 to 30 days past due	74,380	4.06%	3,020
31 to 60 days past due	30,591	11.82%	3,616
61 to 90 days past due	9,802	3.26%	320
91 to 120 days past due	4,603	35.39%	1,629
More than 121 days past due	50,129	57.33%	28,737
	\$ 3,159,482		39,918

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- (iv) The movements in the loss allowance for notes and accounts receivable (including long-term and related parties) were as follows:

	For the three months ended March 31	
	2025	2024
Beginning balance	\$ 32,400	27,499
Impairment losses	1,261	11,787
Acquisition through business combination	-	321
Write-offs of uncollectible amount for the period	(5,078)	(129)
Transferred from other receivables	-	200
Effects of exchange rate changes	472	240
Ending balance	<u><u>\$ 29,055</u></u>	<u><u>39,918</u></u>

- (e) Other receivables

	March 31, 2025	December 31, 2024	March 31, 2024
Other receivables (including long-term)	\$ 5,386	3,991	26,466
Less: loss allowance	(630)	(630)	(560)
	<u><u>\$ 4,756</u></u>	<u><u>3,361</u></u>	<u><u>25,906</u></u>

- (i) As of March 31, 2025, December 31, 2024 and March 31, 2024, there was no other receivables that was past due but not impaired.
- (ii) The movements in the loss allowance for other receivables were as follows:

	For the three months ended March 31	
	2025	2024
Beginning balance	\$ 630	1,930
Write-offs of uncollectible amount for the period	-	(1,170)
Transferred to accounts receivable	-	(200)
Ending balance	<u><u>\$ 630</u></u>	<u><u>560</u></u>

- (f) Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Merchandise inventory	<u><u>\$ 5,270,642</u></u>	<u><u>4,875,385</u></u>	<u><u>3,998,525</u></u>

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For the three months ended March 31, 2025, the non-existence of the factors that led the cost to exceed the net realizable value of inventories resulted in the increase in net realizable value of inventories, as well as the reversal of write-downs of inventories amounting to \$86,522 thousand, recognized as deduction of operating cost. Moreover, for the three months ended March 31, 2024, the write-down of inventories to net realizable value resulted in a loss on the decline in value of inventories of \$7,814 thousand, recognized as operating costs.

(g) Investments accounted for using equity method

Investments accounted for using the equity method were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Associates	<u>\$ 1,923</u>	<u>1,953</u>	<u>2,129</u>

- (i) The Group originally held 20.96% of the voting shares of GRANDSYS and therefore had a significant influence on the company and thus adopted the equity method. On January 15, 2024 (acquisition date), \$5,170 thousand ordinary shares (19.19% of voting shares) were purchased from its original shareholders by the Group in cash amounting to \$192,066 thousand and a total of 40.15% of voting shares were acquired. It is evaluated that the Group has control over GRANDSYS and its subsidiaries, and which are included in the consolidated financial report. For more details, please refer to Note 6(h). The Group's previously held 20.96% ownership of GRANDSYS was remeasured to fair value at the acquisition date, and recognized gain on disposal of investments accounted for using equity method amounted to \$44,823 thousand, which was recognized as other gains and losses.
- (ii) Aggregate financial information of associates for using equity method that were not individually material was summarized as follows. The financial information was included in the Group's consolidated financial statements.

	For the three months ended March 31	
	2025	2024
Attributable to the Group:		
Loss	\$ (30)	(980)
Other comprehensive income	-	(274)
Total comprehensive income	<u>\$ (30)</u>	<u>(1,254)</u>

The investments accounted for using equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

- (iii) As of March 31, 2025, December 31, 2024 and March 31, 2024, none of the investments accounted for using the equity method was pledged as collateral, or otherwise subject to any restriction.

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(h) Business combinations

(i) Acquisition of the subsidiary-GRANDSYS and its subsidiaries

1) Acquisition of consideration transferred of the subsidiary

The Group originally held 20.96% of the voting shares of GRANDSYS. On January 15, 2024 (acquisition date), \$5,170 thousand ordinary shares (19.19% of voting shares) were purchased from its original shareholders by the Group in cash amounting to \$192,066 thousand and a total of 40.15% of voting shares were acquired. Upon the trading completion, the Group is its single largest shareholder and has the ability to lead one-sided decision in the relevant activities, thereby gaining control over GRANDSYS and its subsidiaries while including it as a consolidated entity from the acquisition date, please refer to note 5. The main services provided by GRANDSYS are voice recognition applications for enterprise customer, big data analytics, CRM applications, and cloud applications. The Group acquired GRANDSYS for the purpose to expand the market of AI intelligent services applications in order to respond to long-term operational development and to achieve synergies of combination.

2) Identifiable net assets acquired

The following table summarized the fair value of GRANDSYS and its subsidiaries identifiable assets acquired and liabilities assumed recognized at January 15, 2024:

Consideration transferred:

Cash	\$	192,066
Fair value of pre-existing interests in GRANDSYS		157,675
Non-controlling interests		270,917

Fair value of identifiable assets and liabilities assumed:

Cash and cash equivalents	\$	256,671
Current contract assets		25,352
Notes and accounts receivable, net		37,251
Inventories		11,862
Other current assets		64,826
Property, plant and equipment		4,205
Right-of-use assets		13,731
Intangible assets		151,592

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Deferred income tax assets	6,061
Other non-current assets	13,679
Short-term borrowings	(1,000)
Contract liabilities	(27,342)
Notes and accounts payable	(18,779)
Other payables	(36,272)
Current lease liabilities	(3,377)
Other current liabilities	(1,649)
Non-current lease liabilities	(10,307)
Deferred income tax liabilities	(30,132)
Other non-current liabilities	(3,565) <u>452,807</u>
Goodwill	<u><u>\$ 167,851</u></u>

3) Intangible assets

The above customer relationships, proprietary technology and others are amortized on a straight-line basis over the estimated future economic useful life of 13.96 years, 5 years, and 5 years, respectively.

Goodwill arising from the acquisition of GRANDSYS is due to the control premium, the synergies of the combination, future market development and value of workforce, neither of which qualifies as an identifiable intangible asset. None of the goodwill recognized is expected to be deductible for income tax purposes.

(i) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Name of subsidiaries	Primary business premises/country of registration	Proportion of non-controlling interests in ownership interests			Proportion of non-controlling interests in voting rights		
		March 31, 2025	December 31, 2024	March 31, 2024	March 31, 2025	December 31, 2024	March 31, 2024
Brainstorm	USA	64.91 %	64.91 %	64.91 %	44.71 %	44.71 %	44.71 %
GRANDSYS	Taiwan	59.85 %	59.85 %	59.85 %	59.85 %	59.85 %	59.85 %

The following information on the aforementioned subsidiaries has been prepared in accordance with the IFRS endorsed by the FSC. Included in these information are the fair value adjustments made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intragroup transactions were not eliminated in this information.

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(i) Brainstorm's collective financial information

	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 1,803,497	1,836,240	1,528,306
Non-current assets	1,068,957	1,088,682	1,125,572
Current liabilities	(1,395,934)	(1,407,038)	(964,532)
Non-current liabilities	(479,012)	(492,189)	(520,717)
Net assets	<u>\$ 997,508</u>	<u>1,025,695</u>	<u>1,168,629</u>
Ending balance of non-controlling interests	<u>\$ 548,184</u>	<u>566,480</u>	<u>659,258</u>

	For the three months ended March 31	
	2025	2024
Operating revenue	\$ <u>1,388,627</u>	<u>1,216,752</u>
Net loss	\$ (35,425)	(67,682)
Other comprehensive income	7,238	28,255
Total comprehensive income	<u>\$ (28,187)</u>	<u>(39,427)</u>
Net loss attributable to non-controlling interests	<u>\$ (22,994)</u>	<u>(43,932)</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ (18,296)</u>	<u>(25,592)</u>

	For the three months ended March 31	
	2025	2024
Cash flows from operating activities	\$ (8,956)	(130,829)
Cash flows from investing activities	(1,322)	(27,380)
Cash flows from financing activities	(9,100)	90,338
Effect of exchange rate changes	9,241	30,506
Decrease in cash and cash equivalents	<u>\$ (10,137)</u>	<u>(37,365)</u>
Dividends paid to non-controlling interests	<u>\$ -</u>	<u>-</u>

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(ii) GRANDSYS's collective financial information

	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 384,183	396,881	362,804
Non-current assets	344,841	351,558	364,812
Current liabilities	(115,013)	(97,671)	(102,231)
Non-current liabilities	(30,759)	(32,691)	(39,077)
Net assets	<u>\$ 583,252</u>	<u>618,077</u>	<u>586,308</u>
Ending balance of non-controlling interests	<u>\$ 248,603</u>	<u>269,444</u>	<u>250,431</u>
		For the three months ended March 31, 2025	January 15, 2024~December 31, 2024
Operating revenue		<u>\$ 70,634</u>	<u>50,963</u>
Net profit (loss)		\$ 4,392	(8,673)
Other comprehensive income		1,178	1,335
Total comprehensive income		<u>\$ 5,570</u>	<u>(7,338)</u>
Net profit (loss) attributable to non-controlling interests		<u>\$ 2,629</u>	<u>(5,191)</u>
Total comprehensive income attributable to non-controlling interests		<u>\$ 3,334</u>	<u>(4,392)</u>
		For the three months ended March 31, 2025	January 15, 2024~December 31, 2024
Cash flows from operating activities		\$ (5,024)	(18,563)
Cash flows from investing activities		9,205	(4,132)
Cash flows from financing activities		(1,979)	(2,174)
Effect of exchange rate changes		1,082	1,518
Increase (decrease) in cash and cash equivalents		<u>\$ 3,284</u>	<u>(23,351)</u>
Dividends paid to non-controlling interests		<u>\$ -</u>	<u>-</u>

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(j) Property, plant and equipment

Information about the movement of costs and accumulated depreciation of property, plant and equipment was presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Office and other equipment</u>	<u>Total</u>
Cost:				
Balance on January 1, 2025	\$ 587,346	374,891	223,882	1,186,119
Additions	-	-	4,120	4,120
Disposal	-	-	(840)	(840)
Transferred from inventories	-	-	2,966	2,966
Effects of exchange rate changes	-	-	2,168	2,168
Balance on March 31, 2025	<u><u>\$ 587,346</u></u>	<u><u>374,891</u></u>	<u><u>232,296</u></u>	<u><u>1,194,533</u></u>
Balance on January 1, 2024	\$ 587,346	374,891	185,897	1,148,134
Acquisition through business combination	-	-	14,976	14,976
Additions	-	-	32,922	32,922
Disposal	-	-	(16,941)	(16,941)
Transferred from inventories	-	-	63	63
Effects of exchange rate changes	-	-	2,202	2,202
Balance on March 31, 2024	<u><u>\$ 587,346</u></u>	<u><u>374,891</u></u>	<u><u>219,119</u></u>	<u><u>1,181,356</u></u>
Accumulated depreciation:				
Balance on January 1, 2025	\$ -	99,922	130,132	230,054
Depreciation	-	1,859	8,499	10,358
Disposal	-	-	(509)	(509)
Effects of exchange rate changes	-	-	1,441	1,441
Balance on March 31, 2025	<u><u>\$ -</u></u>	<u><u>101,781</u></u>	<u><u>139,563</u></u>	<u><u>241,344</u></u>
Balance on January 1, 2024	\$ -	92,487	124,244	216,731
Acquisition through business combination	-	-	10,771	10,771
Depreciation	-	1,859	7,250	9,109
Disposal	-	-	(16,884)	(16,884)
Effects of exchange rate changes	-	-	1,111	1,111
Balance on March 31, 2024	<u><u>\$ -</u></u>	<u><u>94,346</u></u>	<u><u>126,492</u></u>	<u><u>220,838</u></u>

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	<u>Land</u>	<u>Buildings</u>	<u>Office and other equipment</u>	<u>Total</u>
Carrying amounts:				
January 1, 2025	\$ <u>587,346</u>	<u>274,969</u>	<u>93,750</u>	<u>956,065</u>
March 31, 2025	\$ <u>587,346</u>	<u>273,110</u>	<u>92,733</u>	<u>953,189</u>
January 1, 2024	\$ <u>587,346</u>	<u>282,404</u>	<u>61,653</u>	<u>931,403</u>
March 31, 2024	\$ <u>587,346</u>	<u>280,545</u>	<u>92,627</u>	<u>960,518</u>

(i) The Group identified its property, plant, and equipment from the acquisition of GRANDSYS and its subsidiaries for the three months ended March 31, 2024. Please refer to Note 6(h) for details.

(ii) As of March 31, 2025, December 31, 2024 and March 31, 2024, property, plant, and equipment were pledged as collateral for long-term borrowings, please refer to Note 8.

(k) Right-of-use assets

Information about the movement of costs and accumulated depreciation of leases for which the Group as a lessee was presented below:

	<u>Buildings</u>	<u>Others</u>	<u>Total</u>
Cost:			
Balance on January 1, 2025	\$ 607,892	11,161	619,053
Additions	19,976	-	19,976
Decrease	(19,107)	(1,571)	(20,678)
Effects of exchange rate changes	5,561	266	5,827
Balance on March 31, 2025	\$ <u>614,322</u>	<u>9,856</u>	<u>624,178</u>
Balance on January 1, 2024	\$ 442,318	12,759	455,077
Acquisition through business combination	21,686	-	21,686
Additions	361,691	-	361,691
Decrease	(55,268)	(730)	(55,998)
Effects of exchange rate changes	8,055	326	8,381
Balance on March 31, 2024	\$ <u>778,482</u>	<u>12,355</u>	<u>790,837</u>
Accumulated depreciation:			
Balance on January 1, 2025	\$ 195,825	6,562	202,387
Depreciation	26,427	352	26,779
Decrease	(17,768)	(556)	(18,324)
Effects of exchange rate changes	995	145	1,140
Balance on March 31, 2025	\$ <u>205,479</u>	<u>6,503</u>	<u>211,982</u>

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	Buildings	Others	Total
Balance on January 1, 2024	\$ 248,701	7,217	255,918
Acquisition through business combination	7,955	-	7,955
Depreciation	26,000	781	26,781
Decrease	(42,170)	(730)	(42,900)
Effects of exchange rate changes	2,030	211	2,241
Balance on March 31, 2024	<u>\$ 242,516</u>	<u>7,479</u>	<u>249,995</u>
Carrying amount:			
January 1, 2025	<u>\$ 412,067</u>	<u>4,599</u>	<u>416,666</u>
March 31, 2025	<u>\$ 408,843</u>	<u>3,353</u>	<u>412,196</u>
January 1, 2024	<u>\$ 193,617</u>	<u>5,542</u>	<u>199,159</u>
March 31, 2024	<u>\$ 535,966</u>	<u>4,876</u>	<u>540,842</u>

The Group identified its right-of-use assets from the acquisition of GRANDSYS and its subsidiaries for the three months ended March 31, 2025. Please refer to Note 6(h) for details.

(l) Intangible assets

Information about the costs and accumulated impairment losses and amortization of intangible asset was presented below:

	Goodwill	Patents and trademarks	Customer relationships	Others	Total
Cost:					
Balance on January 1, 2025	\$ 482,912	574,759	107,427	114,175	1,279,273
Effects of exchange rate changes	3,956	-	-	506	4,462
Balance on March 31, 2025	<u>\$ 486,868</u>	<u>574,759</u>	<u>107,427</u>	<u>114,681</u>	<u>1,283,735</u>
Balance on January 1, 2024	\$ 308,687	574,759	1,827	58,323	943,596
Acquisition through business combination	167,851	-	105,192	53,435	326,478
Additions	-	-	-	106	106
Disposal	-	-	-	(149)	(149)
Effects of exchange rate changes	1,876	-	-	1,262	3,138
Balance on March 31, 2024	<u>\$ 478,414</u>	<u>574,759</u>	<u>107,019</u>	<u>112,977</u>	<u>1,273,169</u>
Accumulated impairment loss and amortization:					
Balance on January 1, 2025	\$ 1,966	210,866	8,490	53,563	274,885
Amortization	-	14,370	1,991	5,672	22,033
Effects of exchange rate changes	-	-	-	460	460
Balance on March 31, 2025	<u>\$ 1,966</u>	<u>225,236</u>	<u>10,481</u>	<u>59,695</u>	<u>297,378</u>

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	Goodwill	Patents and trademarks	Customer relationships	Others	Total
Balance on January 1, 2024	\$ 1,966	153,387	903	23,166	179,422
Acquisition	-	-	-	7,035	7,035
Amortization through business combination	-	14,370	1,653	5,489	21,512
Disposal	-	-	-	(149)	(149)
Effects of exchange rate changes	-	-	-	694	694
Balance on March 31, 2024	<u>\$ 1,966</u>	<u>167,757</u>	<u>2,556</u>	<u>36,235</u>	<u>208,514</u>
Carrying amount:					
January 1, 2025	<u>\$ 480,946</u>	<u>363,893</u>	<u>98,937</u>	<u>60,612</u>	<u>1,004,388</u>
March 31, 2025	<u>\$ 484,902</u>	<u>349,523</u>	<u>96,946</u>	<u>54,986</u>	<u>986,357</u>
January 1, 2024	<u>\$ 306,721</u>	<u>421,372</u>	<u>924</u>	<u>35,157</u>	<u>764,174</u>
March 31, 2024	<u>\$ 476,448</u>	<u>407,002</u>	<u>104,463</u>	<u>76,742</u>	<u>1,064,655</u>

- (i) The Group identified its intangible assets from the acquisition of GRANDSYS and its subsidiaries for the three months ended March 31, 2025. Please refer to Note 6(h) for details.
- (ii) As of March 31, 2025, December 31, 2024 and March 31, 2024, none of the intangible assets was pledged as collateral.

(m) Prepayments

	March 31, 2025	December 31, 2024	March 31, 2024
Prepayment for purchases	\$ 5,303	11,032	471,213
Prepaid expenses and others	53,851	58,731	84,020
	<u>\$ 59,154</u>	<u>69,763</u>	<u>555,233</u>

In May 2023, due to customer's demand, the Group signed an information and communication equipment purchase contract with a supplier, at a total price of \$700,700 thousand, wherein the Group prepaid the amount of \$385,385 thousand in July 2023 and the amount of \$245,245 thousand in September 2024, respectively. The prepayment for purchase was reclassified as inventory in November 2024, following delivery and acceptance. As of March 31, 2025, December 31, 2024 and March 31, 2024, the prepayments of \$0 thousand, \$0 thousand and \$385,385 thousand, respectively, had been recognized.

As of March 31, 2025, December 31, 2024 and March 31, 2024, the advance receipts deriving from the above transactions of \$509,499 thousand, \$43,671 thousand and \$36,393 thousand, respectively, had been received by the Group from its customer and were recognized as contract liability.

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(n) Notes and accounts payable

There were no significant changes in the information on the supplier finance arrangement as disclosed for the year ended December 31, 2024. For further details, please refer to the consolidated financial statements for the year ended December 31, 2024.

(o) Short-term borrowings

(i) The details of the Group's short-term borrowings were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loans	<u>\$ 2,807,143</u>	<u>3,051,583</u>	<u>2,957,343</u>
Range of interest rates at the end of period	<u>1.81%~10.50%</u>	<u>0.50%~14.75%</u>	<u>0.50%~13.25%</u>

(ii) The Group has no pledged any assets as collateral to guarantee the payment of short-term borrowings.

(p) Short-term notes and bills payable

(i) As of March 31, 2024, there were no short-term notes and bills payable. As of March 31, 2025 and December 31, 2024, the short-term notes and bills payable were summarized as follows:

March 31, 2025				
	Guarantee or acceptance institution	Maturity period	Range of interest rates (%)	Amount
Commercial papers payable	MEGA BILLS FINANCE CO., LTD	2025.04	1.84%	\$ 100,000
Less: Discount on short-term notes and bills payable				(46)
Total				<u>\$ 99,954</u>

December 31, 2024				
	Guarantee or acceptance institution	Contract period	Range of interest rates (%)	Amount
Commercial papers payable	DAH CHUNG BILLS FINANCE CORP.	2025.01	1.99%	\$ 200,000
Less: Discount on short-term notes and bills payable				(156)
Total				<u>\$ 199,844</u>

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(ii) The Group has not pledged any assets as collateral to guarantee the payment of short-term notes and bills payable.

(q) Long-term borrowings

(i) The details of the Group's long-term borrowings were as follows:

March 31, 2025				
	Currency	Range of interest rates	Maturity period	Amount
Secured bank loans	NTD	1.98%~2.13%	2025.04~2039.03	\$ 239,611
Unsecured bank loans	NTD	1.91%	2026.12	200,000
Secured bank loans	USD	7.44%	2025.04~2030.07	6,414
Less: current portion				(17,948)
Total				<u><u>\$ 428,077</u></u>
Unused credit lines				<u><u>\$ -</u></u>
December 31, 2024				
	Currency	Range of interest rates	Maturity period	Amount
Secured bank loans	NTD	1.98%~2.13%	2025.01~2039.03	\$ 243,805
Unsecured bank loans	NTD	1.91%	2026.12	200,000
Secured bank loans	USD	7.44%	2025.01~2030.07	6,572
Secured other loans	USD	11.20%	2025.01~2029.03	566
Less: current portion				(17,955)
Total				<u><u>\$ 432,988</u></u>
Unused credit lines				<u><u>\$ -</u></u>
March 31, 2024				
	Currency	Range of interest rates	Maturity period	Amount
Secured bank loans	NTD	1.85%~2.08%	2024.04~2039.03	\$ 256,260
Less: current portion				(16,708)
Total				<u><u>\$ 239,552</u></u>
Unused credit lines				<u><u>\$ -</u></u>

(ii) For the collateral and pledge for bank loans, please refer to Note 8.

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(r) Lease liabilities

(i) The carrying amounts of the Group's lease liabilities were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	\$ 86,955	82,724	104,111
Non-current	351,954	356,453	449,105
	\$ 438,909	439,177	553,216

(ii) The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2025	2024
Interest on lease liabilities	\$ 7,200	3,147
Income from sub-leasing right-of-use assets	-	(61)
Gains on lease modifications	307	706

(iii) The amounts recognized in the statements of cash flows of the Group were as follows:

	For the three months ended March 31	
	2025	2024
Interest payments for lease liabilities in operating activities	\$ (7,200)	(3,147)
Payments of lease liabilities in financing activities	(22,641)	(23,477)
Total cash outflow for leases	\$ (29,841)	(26,624)

(iv) Real estate leases

The Group leases buildings for its office and warehouse space. The leases typically run for 2 to 10 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(s) Employee benefits

For the three months ended March 31, 2025 and 2024, pension expenses from the defined benefit plans were recognized by the Group amounted to \$6 thousand and \$10 thousand, respectively, which was recognized as operating expenses.

The Group allocates 6% of each employee's monthly wages to the Labor Pension personal account of the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Foreign subsidiaries make contributions in compliance with their respective local regulation. Under these defined contribution plans, the Group allocates a fixed amount to the authorities without additional legal or constructive obligation.

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	For the three months ended March 31	
	2025	2024
Operating costs	\$ 1,467	1,204
Operating expenses	8,334	8,307
	\$ 9,801	9,511

(t) Income taxes

(i) Income tax expenses (benefits):

Income tax expenses (benefits) are summarized as follows:

	For the three months ended March 31	
	2025	2024
Current income tax expenses (benefits)	\$ 8,946	(1,300)

(ii) The Group had no income taxes recognized directly in equity and other comprehensive income for the three months ended March 31, 2025 and 2024, respectively.

(iii) The Company's income tax returns have been assessed and approved by the R.O.C. tax authorities through the years to 2023.

(u) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the three months ended March 31, 2025 and 2024. For related information, please refer to Note 6(x) of the consolidated financial statements for the year ended December 31, 2024.

(i) Capital surplus

The components of capital surplus were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Share capital premium	\$ 1,134,185	1,134,185	1,134,185
Treasury share transactions	54,637	54,637	54,637
Difference arising from subsidiary's share price and its carrying value from acquisition or disposal	28,012	28,012	28,012
Changes in equity of associates accounted for using equity method and others	6,263	6,061	3,069
	\$ 1,223,097	1,222,895	1,219,903

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(ii) Earnings distribution

The cash dividends of earnings distribution for 2024 had been approved and other items of earnings distribution had been proposed at the Board of Director's meeting on February 26, 2025, but have yet to be approved in shareholder's meeting. The cash dividends of earnings distribution for 2023 had been approved at the Board of Director's meeting on February 29, 2024, and other items of earnings distribution had been approved in shareholder's meeting on May 31, 2024.

	For the three months ended March 31	
	2024	2023
Dividends to shareholders - cash, \$0.60 and \$2.75 per share	\$ 113,014	517,983

(v) Earnings per share

The Company's basic and diluted earnings per share were calculated as follows:

	For the three months ended March 31	
	2025	2024
Basic earnings per share:		
Profit attributable to the Company	\$ 55,911	191,571
Weighted-average number of ordinary shares outstanding (basic / thousand shares)	188,357	188,357
Earnings per share (dollars)	\$ 0.30	1.02
	For the three months ended March 31	
	2025	2024
Diluted earnings per share:		
Profit attributable to the Company	\$ 55,911	191,571
Weighted-average number of ordinary shares outstanding (diluted / thousand shares)	188,642	189,243
Earnings per share (dollars)	\$ 0.30	1.01

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(w) Revenue from contracts with customers

(i) Details of revenue

For the three months ended March 31, 2025						
	ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Total
Major products/service lines:						
Sale of goods	\$ 836,807	2,566,510	430,917	507,756	57,575	4,399,565
Services rendered	-	-	-	325,471	-	325,471
Total	<u>\$ 836,807</u>	<u>2,566,510</u>	<u>430,917</u>	<u>833,227</u>	<u>57,575</u>	<u>4,725,036</u>
Timing of revenue recognition						
Products transferred to the customer at a point in time	\$ 836,807	2,566,510	430,917	507,756	57,575	4,399,565
Services transferred over time or by the stage of completion	-	-	-	325,471	-	325,471
Total	<u>\$ 836,807</u>	<u>2,566,510</u>	<u>430,917</u>	<u>833,227</u>	<u>57,575</u>	<u>4,725,036</u>
For the three months ended March 31, 2024						
	ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Total
Major products/service lines:						
Sale of goods	\$ 1,081,608	2,663,974	298,111	409,032	(3,792)	4,448,933
Services rendered	-	-	-	300,554	-	300,554
Total	<u>\$ 1,081,608</u>	<u>2,663,974</u>	<u>298,111</u>	<u>709,586</u>	<u>(3,792)</u>	<u>4,749,487</u>
Timing of revenue recognition						
Products transferred to the customer at a point in time	\$ 1,081,608	2,663,974	298,111	409,032	(3,792)	4,448,933
Services transferred over time or by the stage of completion	-	-	-	300,554	-	300,554
Total	<u>\$ 1,081,608</u>	<u>2,663,974</u>	<u>298,111</u>	<u>709,586</u>	<u>(3,792)</u>	<u>4,749,487</u>

(ii) Contract balances

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable (including long-term)	\$ 145,029	115,872	221,002
Accounts receivable (including long-term and related parties)	2,918,247	2,918,676	2,938,480
Less: loss allowance	(29,055)	(32,400)	(39,918)
	<u>\$ 3,034,221</u>	<u>3,002,148</u>	<u>3,119,564</u>
Contract assets	<u>\$ 46,955</u>	<u>58,976</u>	<u>55,524</u>
Contract liability	<u>\$ 1,089,747</u>	<u>536,446</u>	<u>574,582</u>

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- 1) For the impairment of notes and accounts receivable (including long-term and related parties), please refer to Note 6(d).
- 2) The amounts of contract liability balance, recognized as revenue as of January 1, 2025 and 2024 at the beginning of the period, were as follows:

	For the three months ended	
	March 31	
	2025	2024
Revenue Recognition	\$ 173,541	208,477

- 3) The major changes in the balance of contract asset and liability is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(x) **Remuneration to employees and directors**

In accordance with the Article of Association, once the Company has annual earnings, it should contribute 5% to 20% of the earnings as employee remuneration, and less than 1% as directors' remuneration. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. Employees entitled to receive the aforementioned employee remuneration, in shares or cash, include the employees of the controlling or subsidiaries of the company who meet certain specific requirement. The aforementioned requirement and distribution methods should first be approved by the Company's Board of Directors or its authorized person. The Company estimated its remuneration to employees at \$6,732 thousand and \$18,850 thousand for the three months ended March 31, 2025 and 2024, respectively, and estimated its remuneration to directors at \$631 thousand and \$1,767 thousand, respectively.

The aforementioned amounts were calculated using the Company's net income before tax, without the remunerations to employees and directors for each period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating costs or expenses for each period, related information is available on the website of the Market Observation Post System. The differences between accrual and actual payment, if any, will be treated as the change in accounting estimate and recognized in profit or loss in the following year.

For the years ended December 31, 2024 and 2023, the remunerations to employees amounted to \$14,486 thousand and \$63,591 thousand, respectively. The remunerations to directors amounted to \$1,358 thousand and \$5,962 thousand, respectively. There was no difference from the actual distribution. The information is available on the Market Observation Post System website.

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(y) Non-operating income and expenses

(i) Other income

The Group's other income was as follows:

		For the three months ended March 31	
		2025	2024
Rental income	\$	352	312
Government grants		156	-
	\$	<u>508</u>	<u>312</u>

(ii) Other gains and losses

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

		For the three months ended March 31	
		2025	2024
Net foreign exchange gains (losses)	\$	11,808	(19,607)
Net gains on valuation of financial assets (liabilities) at fair value through profit or loss		(8,772)	103,909
Losses on disposal of property, plant and equipment		-	(20)
Gains on disposal of investment accounted for using equity method		-	44,823
Others		14,211	(1,570)
	\$	<u>17,247</u>	<u>127,535</u>

(iii) Finance costs

The Group's financial costs were as follows:

		For the three months ended March 31	
		2025	2024
Interest on bank loans	\$	22,082	21,701
Interest on lease liabilities		7,200	3,147
	\$	<u>29,282</u>	<u>24,848</u>

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(z) Financial instruments

Except for the following disclosure, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to Note 6(ac) of the consolidated financial statements for the year ended December 31, 2024.

(i) Credit risk

1) The maximum exposure to credit risk

The carrying amount of financial assets represent the maximum amount exposed to credit risk.

2) Concentration of credit risk

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group believes that there is no significant concentration of credit risk due to its customer fragmentation.

3) Credit risk of receivables

For credit risk exposure of note and accounts receivable (including long-term and related parties), please refer to Note 6(d). Other financial assets measured at amortized cost include other receivables. For related information for details and impairment, please refers to Note 6(e).

(ii) Liquidity risk

The followings were the contractual maturities of financial liabilities, including estimated interest payment.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1~5 years</u>	<u>Over 5 years</u>
March 31, 2025					
Non-derivative financial liabilities					
Long-term and short-term borrowings	\$ 3,253,168	3,307,292	2,847,258	294,858	165,176
Short-term notes and bills payable	99,954	100,000	100,000	-	-
Lease liabilities (including non-current)	438,909	527,424	109,475	343,937	74,012
Notes and accounts payable	3,164,344	3,164,344	3,164,344	-	-
Other payables	374,030	374,030	374,030	-	-
Dividends payable	137,189	137,189	137,189	-	-
Refund liabilities	2,347	2,347	2,347	-	-
Guarantee deposits	1,717	1,717	-	1,717	-

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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1~5 years</u>	<u>Over 5 years</u>
Derivative financial liabilities					
Outflow	2,011	239,623	239,623	-	-
Inflow	-	(237,612)	(237,612)	-	-
	<u>\$ 7,473,669</u>	<u>7,616,354</u>	<u>6,736,654</u>	<u>640,512</u>	<u>239,188</u>
December 31, 2024					
Non-derivative financial liabilities					
Long-term and short-term borrowings	\$ 3,502,526	3,557,932	3,090,708	296,330	170,894
Short-term notes and bills payable	199,844	200,000	200,000	-	-
Lease liabilities (including non-current)	439,177	533,108	109,710	330,988	92,410
Notes and accounts payable	2,871,412	2,871,412	2,871,412	-	-
Other payables	466,368	466,368	466,368	-	-
Refund liabilities	13,231	13,231	13,231	-	-
Guarantee deposits	1,717	1,717	-	1,717	-
Derivative financial liabilities					
Outflow	20	14,261	14,261	-	-
Inflow	-	(14,241)	(14,241)	-	-
	<u>\$ 7,494,295</u>	<u>7,643,788</u>	<u>6,751,449</u>	<u>629,035</u>	<u>263,304</u>
March 31, 2024					
Non-derivative financial liabilities					
Long-term and short-term borrowings	\$ 3,213,603	3,262,038	2,990,736	86,012	185,290
Lease liabilities (including non-current)	553,216	665,336	132,611	386,787	145,938
Notes and accounts payable	1,901,228	1,901,228	1,901,228	-	-
Other payables	397,987	397,987	397,987	-	-
Dividends payable	534,099	534,099	534,099	-	-
Refund liabilities	8,701	8,701	8,701	-	-
Guarantee deposits	1,726	1,726	-	1,726	-
Derivative financial liabilities					
Outflow	1,734	206,130	206,130	-	-
Inflow	-	(204,396)	(204,396)	-	-
	<u>\$ 6,612,294</u>	<u>6,772,849</u>	<u>5,967,096</u>	<u>474,525</u>	<u>331,228</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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(iii) Currency risk

1) Exposure to currency risk

The Group's significant exposure of financial assets and liabilities to foreign currency risk was as follows:

	March 31, 2025			December 31, 2024			March 31, 2024		
	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD	Foreign currency (in thousands)	Exchange rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD/NTD	\$ 7,867	33.21	261,239	3,489	32.79	114,376	2,782	32.00	89,035
ZAR/NTD	-	-	-	-	-	-	92,567	1.69	156,401
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD/NTD	\$ 33,612	33.21	1,116,073	29,167	32.79	956,233	18,755	32.00	600,172

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises mainly from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, other receivables, short-term borrowings, notes and accounts payable, and other payables denominated in foreign currency. To avoid the decrease in the value of foreign currency assets and fluctuations of future cash flows resulted from changes in exchange rates, the Group uses derivative instruments to hedge exchange rate risk (see Note 6(b)). An appreciation (depreciation) of 1% of the USD/ZAR against NTD as of March 31, 2025 and 2024 with all other variables including derivative financial instruments remaining constant, would have increased or decreased the profit before income tax by \$349 thousand and decreased or increased \$399 thousand, respectively. The analysis for both periods was performed on the same basis.

3) Foreign exchange gains and losses on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2025 and 2024 foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$11,808 thousand and \$(19,607) thousand, respectively.

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(iv) Fair value of financial instruments

1) Types of financial instrument and fair value hierarchy

The fair value of financial assets/liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The following sets out carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy but excluding financial instruments not measured at fair value with carrying amount reasonably close to their fair value, and lease liabilities, disclosure of fair value information is not required:

	Carrying amount	March 31, 2025			
		Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Pre-purchased forward exchange contracts	\$ 5,500	-	-	5,500	5,500
Foreign and domestic unlisted stocks	639,709	-	-	639,709	639,709
Foreign and domestic unlisted equities	<u>197,244</u>	-	-	197,244	197,244
	<u>\$ 842,453</u>				
Financial assets at fair value through other comprehensive income					
Stock listed on domestic emerging markets	\$ 129,777	129,777	-	-	129,777
Domestic unlisted stocks	<u>1,970</u>	-	-	1,970	1,970
	<u>\$ 131,747</u>				
Financial assets at amortized cost:					
Cash and cash equivalents	\$ 1,433,712				
Notes and accounts receivable, net (including long-term and related parties)	3,034,221				
Other receivables	4,756				
Refundable deposits	117,651				
Other financial assets	<u>103,000</u>				
	<u>\$ 4,693,340</u>				
Financial liabilities at fair value through profit or loss:					
Pre-purchased forward exchange contracts	<u>\$ 2,011</u>	-	-	2,011	2,011

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	Carrying amount	March 31, 2025			
		Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost:					
Long-term and short-term borrowings	\$ 3,253,168				
Short-term notes and bills payable	99,954				
Lease liabilities (including non-current)	438,909				
Notes and accounts payable	3,164,344				
Other payables	374,030				
Dividends payable	137,189				
Refund liabilities	2,347				
Guarantee deposits	<u>1,717</u>				
	<u>\$ 7,471,658</u>				
		December 31, 2024			
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Pre-purchased forward exchange contracts	\$ 16,026	-	-	16,026	16,026
Foreign and domestic unlisted stocks	586,489	-	-	586,489	586,489
Foreign and domestic unlisted equities	<u>214,419</u>	-	-	214,419	214,419
	<u>\$ 816,934</u>				
Financial assets at fair value through other comprehensive income					
Stock listed on domestic emerging markets	\$ 123,149	123,149	-	-	123,149
Domestic unlisted stocks	<u>1,970</u>	-	-	1,970	1,970
	<u>\$ 125,119</u>				

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		December 31, 2024			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at amortized cost					
Cash and cash equivalents	1,380,992				
Notes and accounts receivable, net (including long-term and related parties)	3,002,148				
Other receivables	3,361				
Refundable deposits	113,554				
Other financial assets	114,657				
	<u>\$ 4,614,712</u>				
Financial liabilities at fair value through profit or loss:					
Pre-purchased forward exchange contracts	<u>\$ 20</u>	-	-	20	20
Financial liabilities measured at amortized cost:					
Long-term and short-term borrowings	3,502,526				
Short-term notes and bills payable	199,844				
Lease liabilities (including non-current)	439,177				
Notes and accounts payable	2,871,412				
Other payables	466,368				
Refund liabilities	13,231				
Guarantee deposits	1,717				
	<u>\$ 7,494,275</u>				
		March 31, 2024			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Pre-purchased forward exchange contracts	\$ 7,907	-	-	7,907	7,907
Foreign and domestic unlisted stocks	533,685	-	-	533,685	533,685
Foreign and domestic unlisted equities	235,506	-	-	235,506	235,506
	<u>\$ 777,098</u>				

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		March 31, 2024			
		Carrying amount	Fair value		
			Level 1	Level 2	Level 3
					Total
Financial assets at fair value through other comprehensive income					
Domestic unlisted stocks	\$ <u>168,389</u>	-	-	168,389	168,389
Financial assets at amortized cost					
Cash and cash equivalents	\$ 1,181,006				
Notes and accounts receivable, net (including long-term and related parties)	3,119,564				
Other receivables	25,906				
Refundable deposits	111,493				
Other financial assets	<u>39,967</u>				
	<u>\$ 4,477,936</u>				
Financial liabilities at fair value through profit or loss:					
Pre-purchased/Pre-sold forward exchange contracts	\$ <u>1,734</u>	-	-	1,734	1,734
Financial liabilities measured at amortized cost:					
Long-term and short-term borrowings	\$ 3,213,603				
Lease liabilities (including non-current)	553,216				
Notes and accounts payable	1,901,228				
Other payables	397,987				
Dividends payable	534,099				
Refund liabilities	8,701				
Guarantee deposits	<u>1,726</u>				
	<u>\$ 6,610,560</u>				

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2) Valuation techniques for financial instruments measured at fair value

The fair value measurement of financial instruments is based on quoted market prices if these prices are available in an active market.

The measurements of fair value of equity instruments without an active market are based on the market comparable listed company approach and asset method. Market comparable listed company approach assumes that the fair value is measured by the investee's estimated net worth and the price-book ratio is estimated based on comparable quoted market price. Asset method assumes that assessing the total value of the investee's individual assets and liabilities to reflect the overall value, and estimating the consideration required to reconstitute or acquire the investee under the going concern assumption. The estimate of the fair value of equity instruments has been adjusted due to the effect of the discount arising from the lack of market liquidity of the equity security.

Discounted cash flow model is used to estimate the fair value of contingent consideration arising from business combination. The main assumption takes into consideration the possibility of occurrence to estimate the consideration for payment, by the discounted present value.

Measurement of the fair value of derivative instruments is based on the valuation techniques accepted by the market participants, such as the discounted cash flow or option pricing models. Fair value of forward exchange contracts is usually determined by the forward currency exchange rate.

3) Transfer between levels of the fair value hierarchy

There were no transfers between level 1 and level 2 of the financial instruments for the three months ended March 31, 2025 and 2024.

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4) Reconciliation of Level 3 fair values

	<u>Measured at fair value through profit or loss</u>	<u>Measured at fair value through other comprehensive income</u>
	Non-derivative financial assets (liabilities) measured at fair value through profit or loss	Equity instruments without an active market
	Derivative financial assets (liabilities)	
January 1, 2025	\$ 16,006	800,908
Acquisition	-	32,300
Recognized in profit or loss	(12,517)	3,745
March 31, 2025	<u>\$ 3,489</u>	<u>836,953</u>
January 1, 2024	\$ (21,616)	693,057
Recognized in profit or loss	27,775	76,134
Recognized in other comprehensive income	-	-
Effects of exchange rate changes	14	-
March 31, 2024	<u>\$ 6,173</u>	<u>769,191</u>

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The aforementioned total gains and losses that were recognized in “other gains and losses” and “unrealized gains and losses on financial assets at fair value through other comprehensive income”. The gains or losses attributable to the assets and liabilities held on March 31, 2025 and 2024 were as follows:

	For the three months ended March 31	
	2025	2024
Total gains and losses		
Recognized in profit or loss (recognized as other gains and losses)	\$ 7,234	82,307
Recognized in other comprehensive income (recognized as unrealized gains and losses on financial asset at fair value through other comprehensive income)	-	50,200
	\$ 7,234	132,507

- 5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group’s financial instruments that use Level 3 inputs to measure fair value include financial assets (liabilities) measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, and derivative financial instruments.

The fair value of derivative financial instruments resulted from the quotation of a third party and did not use any unobservable inputs in its calculation. Therefore, the Group did not disclose the quantitative information about significant unobservable inputs and sensitivity analysis.

Quantified information on other significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss-investments in equity instruments without an active market	Comparable companies approach	Market liquidity discount rate (25.00%~28.07% as of March 31, 2025, 25.00%~26.92% as of December 31, 2024, 25.00%~30.00% as of March 31, 2024)	The higher the market liquidity discount rate, the lower the fair value

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Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss-investments in equity instruments without an active market	Asset Method	· Net Asset Value	· The estimated fair value would increase if the net asset value were higher.
Financial assets at fair value through other comprehensive income-investments in equity instruments without an active market	Comparable companies approach	· Market liquidity discount rate (17.39% as of March 31, 2024)	The higher the market liquidity discount rate, the lower the fair value
Financial assets at fair value through other comprehensive income-investments in equity instruments without an active market	Asset Method	· Net Asset Value	The estimated fair value would increase if the net asset value were higher.
Financial liabilities at fair value through profit or loss-Contingent considerations arising from business combinations	Discounted cash flow method	· Discount rate (8.56%~13.51% as of March 31, 2024)	· The higher the discount rate, the lower the fair value

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- 6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit (loss) and other comprehensive income:

		Current profit (loss) arising from changes in fair value		Other comprehensive income arising from changes in fair value	
		10% increase	10% decrease	10% increase	10% decrease
March 31, 2025					
Financial assets at fair value through profit or loss					
Investments in equity instruments without an active market	Discount for marketability	\$ <u>(84,449)</u>	<u>84,449</u>	<u>-</u>	<u>-</u>
	Asset method	\$ <u>19,724</u>	<u>(19,724)</u>	<u>-</u>	<u>-</u>
Financial assets at fair value through other comprehensive income					
Investments in equity instruments without an active market	Asset method	\$ <u>-</u>	<u>-</u>	<u>197</u>	<u>(197)</u>
December 31, 2024					
Financial assets at fair value through profit or loss					
Investments in equity instruments without an active market	Discount for marketability	\$ <u>(80,253)</u>	<u>80,253</u>	<u>-</u>	<u>-</u>
	Asset method	\$ <u>21,442</u>	<u>(21,442)</u>	<u>-</u>	<u>-</u>
Financial assets at fair value through other comprehensive income					
Investments in equity instruments without an active market	Asset method	\$ <u>-</u>	<u>-</u>	<u>197</u>	<u>(197)</u>

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		Current profit (loss) arising from changes in fair value		Other comprehensive income arising from changes in fair value	
	Inputs	10% increase	10% decrease	10% increase	10% decrease
March 31, 2024					
Financial assets (liabilities) at fair value through profit or loss					
Investments in equity instruments without an active market	Discount for marketability	\$ <u>(76,241)</u>	<u>76,241</u>	<u>-</u>	<u>-</u>
	Asset method	\$ <u>23,551</u>	<u>(23,551)</u>	<u>-</u>	<u>-</u>
Contingent considerations arising from business combinations	Discount for discount rate	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial assets at fair value through other comprehensive income					
Investments in equity instruments without an active market	Discount for marketability	\$ <u>-</u>	<u>-</u>	<u>(20,375)</u>	<u>20,375</u>

(aa) Financial risk management

The objective and policies of the Group's financial risk management were not materially different from those disclosed in Note 6(ad) of the consolidated financial statements for the year ended December 31, 2024.

(ab) Capital management

The objectives, policies, and procedures of the Group's capital management have been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. Also, there was no significant change in the Group's capital management information as disclosed for the year ended December 31, 2024. For relevant information, please refer to Note 6(ae) of the consolidated financial statements for the year ended December 31, 2024.

(ac) Investing and financing activities not affecting current cash flow

For the three months ended March 31, 2025 and 2024, the Group's investing and financing activities, not affecting the current cash flow, were as follows:

- (i) For the acquisition of right-of-use assets by lease, please refer to Note 6(k).

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(ii) The reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2025	Cash flows	Non-cash changes	March 31, 2025
Long-term borrowings	\$ 450,943	(4,918)	-	446,025
Short-term borrowings	3,051,583	(244,440)	-	2,807,143
Short-term notes and bills payable	199,844	(99,890)	-	99,954
Guarantee deposits	1,717	-	-	1,717
Lease liabilities (including non-current)	439,177	(22,641)	22,373	438,909
Total liabilities from financing activities	<u>\$ 4,143,264</u>	<u>(371,889)</u>	<u>22,373</u>	<u>3,793,748</u>
	January 1, 2024	Cash flows	Non-cash changes	March 31, 2024
Long-term borrowings	\$ 260,408	(4,148)	-	256,260
Short-term borrowings	2,839,536	116,807	1,000	2,957,343
Guarantee deposits	1,731	(5)	-	1,726
Lease liabilities (including non-current)	208,258	(23,477)	368,435	553,216
Total liabilities from financing activities	<u>\$ 3,309,933</u>	<u>89,177</u>	<u>369,435</u>	<u>3,768,545</u>

(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements:

Name of related party	Relationship with the Group
Qisda Corporation (Qisda)	Parent of the Group
BenQ Material Corporation. (BenQ Material)	It and the Company have the same ultimate parent company
Partner Tech Corporation (Partner Tech)	It and the Company have the same ultimate parent company
DFI Inc. (DFI)	It and the Company have the same ultimate parent company
Data Image Corporation (Data Image)	It and the Company have the same ultimate parent company
BenQ Corporation (New BenQ)	It and the Company have the same ultimate parent company
BenQ Asia Pacific Corporation (BenQ Asia Pacific)	It and the Company have the same ultimate parent company
ACE Energy Co., Ltd. (ACE Energy)	It and the Company have the same ultimate parent company

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<u>Name of related party</u>	<u>Relationship with the Group</u>
ACE PILLAR CO., LTD. (ACE PILLAR)	It and the Company have the same ultimate parent company
AEWIN Technologies Co., Ltd (AEWIN Technologies)	It and the Company have the same ultimate parent company
BenQ Medical Technology Corporation (BenQ Medical Technology)	It and the Company have the same ultimate parent company
Alpha Networks Inc. (Alpha)	It and the Company have the same ultimate parent company
BenQ AB DentCare Corp. (BenQ AB DentCare)	It and the Company have the same ultimate parent company
Action Star Technology Co., Ltd. (Action Star)	It and the Company have the same ultimate parent company
BENQ HEALTHCARE CORPORATION (BHS)	It and the Company have the same ultimate parent company
HITRON TECHNOLOGIES INC. (HITRON TECHNOLOGIES)	It and the Company have the same ultimate parent company
Interactive Digital Technologies Inc. (Interactive Digital)	It and the Company have the same ultimate parent company
WiXtar Corporation (WiXtar)	It and the Company have the same ultimate parent company
Webest Solution Corporation (Webest Solution)	It and the Company have the same ultimate parent company
Concord Medical Co., Ltd (Concord)	It and the Company have the same ultimate parent company
DIVA LABORATORIES, LTD. (DIVA)	It and the Company have the same ultimate parent company
E-STRONG MEDICAL TECHNOLOGY CO., LTD. (ESM)	It and the Company have the same ultimate parent company
WEB-PRO Corporation (WPC)	It and the Company have the same ultimate parent company
New Best Hearing International Trade Co., Ltd. (NBHIT)	It and the Company have the same ultimate parent company
Partner Tech Asia Pacific Corp. (PTP)	It and the Company have the same ultimate parent company
Topview Optronics Corporation (Topview Optronics)	It and the Company have the same ultimate parent company
BenQ Guru Software Co., Ltd. (GSS)	It and the Company have the same ultimate parent company
SIMULA TECHNOLOGY INC. (SIMULA TECHNOLOGY)	It and the Company have the same ultimate parent company

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<u>Name of related party</u>	<u>Relationship with the Group</u>
Standard Technology Corp.(STCBVI)	It and the Company have the same ultimate parent company
Golden Spirit Co., Ltd. (GSC)	It and the Company have the same ultimate parent company
Marketop Smart Solutions Co., Ltd. (Marketop Smart)	Associate of the parent company
Darfon Electronics Corporation (Darfon Electronics)	Associate of the parent company
AUO Corporation (AUO)	Associate of the parent company
Darfon Energy Technology Corp. (Darfon Energy)	Subsidiary of Darfon Electronics
Astro Tech Co., Ltd (Astro Tech)	Subsidiary of Darfon Electronics
DARAD INNOVATION CORPORATION (DARAD INNOVATION)	Subsidiary of Darfon Electronics
Unictron Technologies Corporation (UTC)	Subsidiary of Darfon Electronics
AUO Envirotech Inc. (AUO Envirotech)	Subsidiary of AUO
AUO Display Plus Corporation (AUO Display Plus)	Subsidiary of AUO
DARWIN PRECISIONS CORPORATION (DARWIN)	Subsidiary of AUO
AUO Education Service Corp. (AUO Education Service)	Subsidiary of AUO
BenQ Foundation	Substantive related party
GIANTECH CORP. (GIANTECH)	Substantive related party
RECEIVE-MORE INVESTMENTS NO 9 (PTY) LTD (RECEIVE-MORE INVESTMENTS NO 9)	Substantive related party (Note 1)
ASML LOGISTICS (PTY) LTD (ASML LOGISTICS)	Substantive related party (Note 1)
4A GROUP (PTY) LTD (4A GROUP)	Substantive related party (Note 1)
METAWORK (PTY) LTD (METAWORK)	Substantive related party (Note 1)
Dolica Corporation (Dolica)	Substantive related party
UTICA 10990 LLC (UTICA)	Substantive related party
Key management personnel	Key management personnel of the Group

Note 1: On August 19, 2024, the Company was no longer deemed as a substantial related party of the Group due to the resignation of its key management personnel of COREX, the subsidiary of the Group.

(b) Significant related-party transactions

(Continued)

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(i) Sales

The amounts of significant sales by the Group to related parties were as follows:

	For the three months ended March 31	
	2025	2024
Parent Company	\$ 4,455	1,468
Other associates	43,748	39,345
Other related parties	74,555	27,220
	\$ 122,758	68,033

The selling price offered to related parties approximated the market price, and the credit terms. For the three months ended March 31, 2025 were based on terms ranging from 30 to 120 days after the end of the month; while the credit terms for the three months ended March 31, 2024 ranged from advance receipt to 120 days after the end of the month. Receivables from related parties were not pledged as collateral, and no allowance was needed to provide for impairment loss after assessment.

(ii) Purchases

The amounts of significant purchase by the Group from related parties were as follows:

	For the three months ended March 31	
	2025	2024
Parent Company	\$ -	505
Other associates	52,567	2,554
	\$ 52,567	3,059

Purchase prices and payment terms from related parties were not significant difference from third-party suppliers. The payment terms for the three months ended March 31, 2025 and 2024 ranged from 30 to 60 days from the end of the month and 30 to 90 days from the end of the month, respectively.

(Continued)

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(iii) Receivables from related parties

The receivables due from related parties were as follows:

Account	Relationship	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable	Parent Company	\$ 4,914	526	1,646
Accounts receivable	Other associates	39,645	26,593	37,755
Accounts receivable	Other related parties	67,620	65,319	40,814
		<u><u>\$ 112,179</u></u>	<u><u>92,438</u></u>	<u><u>80,215</u></u>

(iv) Payables to related parties

The payables to related parties were as follows:

Account	Relationship	March 31, 2025	December 31, 2024	March 31, 2024
Accounts payable	Parent Company	\$ -	353	531
Accounts payable	Other associates	33,794	4,500	852
		<u><u>\$ 33,794</u></u>	<u><u>4,853</u></u>	<u><u>1,383</u></u>

(v) Contract liabilities

The advance receipts from related parties were as follows:

Relationship	March 31, 2025	December 31, 2024	March 31, 2024
Parent Company	\$ 225	-	167
Other associates	9,311	5,096	8,116
Other related parties	125	500	-
	<u><u>\$ 9,661</u></u>	<u><u>5,596</u></u>	<u><u>8,283</u></u>

(vi) Prepayments

The prepayments to related parties were as follows:

Account	Relationship	March 31, 2025	December 31, 2024	March 31, 2024
Prepayments — prepayment for purchases	Other associates	<u><u>\$ -</u></u>	<u><u>4,200</u></u>	<u><u>-</u></u>

(Continued)

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(vii) Lease

The Group rented buildings from its other related party and entered into lease contract by reference of the rental price of the nearby offices. For the three months ended March 31, 2025 and 2024, the Group recognized the interest expenses amounted to \$0 thousand and \$41 thousand. As of March 31, 2025, December 31, 2024 and March 31, 2024, the balance of lease liabilities amounted to \$0 thousand, \$0 thousand and \$519 thousand, respectively.

(viii) Donation

The Group made donations of \$2,000 thousand to its substantive related party, BenQ Foundation, based on resolutions approved during the Board of Directors meeting held on February 26, 2025. As of March 31, 2025, the related other payable amounted to \$2,000 thousand.

(ix) Miscellaneous transactions

In addition to the above transactions, the amounts of other significant outstanding balances by related parties were as follows:

	Cost and expense		Other payables		
	For the three months ended March 31		March	December	March
	2025	2024	31, 2025	31, 2024	31, 2024
Parent Company	\$ 56	61	-	184	-
Other associates	555	56	46	507	21
Other related parties	28,456	21,982	-	-	-
	\$ 29,067	22,099	46	691	21

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended	
	March 31	
	2025	2024
Short-term employee benefits	\$ 20,968	32,155
Post-employment benefits	347	535
Termination benefits	-	-
Other long-term benefits	-	-
Share-based payment	-	-
	\$ 21,315	32,690

(Continued)

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(8) Pledged assets

The carrying amounts of the assets which the Group pledged as collateral were as follows:

<u>Asset Name</u>	<u>Liabilities secured by pledged</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Property, plant and equipment	Long-term borrowings	\$ <u>489,069</u>	<u>490,953</u>	<u>487,122</u>

(9) Significant commitments and contingencies

- (a) The promissory notes, issued by the Group for loans from financial institutions, forward exchange transactions, and purchase limits, are detailed as follows:

	<u>Currency</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Promissory notes issued	NTD	\$ <u>6,864,665</u>	<u>6,679,665</u>	<u>6,119,665</u>
	USD	\$ <u>15,000</u>	<u>15,000</u>	<u>10,000</u>

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Others:

- (b) The summary of employee benefits, depreciation, depletion and amortization, by function, was as follows:

By item	By function	For the three months ended March 31, 2025			For the three months ended March 31, 2024		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary		33,192	273,866	307,058	24,095	253,168	277,263
Labor and health insurance		3,614	26,683	30,297	2,778	25,373	28,151
Pension		1,467	8,340	9,807	1,204	8,317	9,521
Other employee benefits expense		2,333	12,102	14,435	948	13,606	14,554
Depreciation		1,074	36,063	37,137	1,004	34,886	35,890
Amortization		35	22,741	22,776	13	22,419	22,432

- (c) Seasonal operation:

The operations of the Group are not affected by seasonal or cyclical factors.

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(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Report by Securities Issuers” for the Group for the three months ended March 31, 2025:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing	Note
													Item	Value			
0	the Company	COREX	Other current assets-other receivables	Yes	29,659	29,659	-	6.22%	Short-term loan	-	Working capital	-	None	-	805,323	1,610,645	Notes 1, 2

Note 1: Due to its subsidiary's financing need, the Company provided a short-term loan to its subsidiaries, wherein the amount of loans for individual shall not exceed 20% of the Company's net worth in its latest financial statements, and the total amount of loans provided by the Company shall not exceed 40% of the Company's net worth in its latest financial statements.

Note 2: Related transactions have been eliminated during preparing the consolidated financial statements.

(ii) Guarantees and endorsements for other parties:

No.	Name of Guarantor/Endorse	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the Period	Balance for guarantees and endorsements as of reporting date	Actual borrowing amount	Property pledged for guarantees and endorsements	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company guarantees/endorsements to third parties on behalf of subsidiary	Subsidiary guarantees/endorsements to third parties on behalf of parent company	guarantees/endorsements to third parties on behalf of companies in Mainland China
		Name	Relationship										
0	the Company	COREX	Subsidiary of the Company	805,323	627,300	467,050	204,807	-	11.60 %	2,013,306	Y	-	-

Note 1: The amount of the guarantees and endorsements for a single entity company shall not exceed 20% of the Company's net worth when the guarantees and endorsements was provided; the total amount of guarantees and endorsements provided by the Company shall not exceed 50% of the Company's net worth.

(iii) Securities held as balance sheet date (excluding investment in subsidiaries, associates and joint ventures):

Unit: thousand shares/thousand units

Holder Company	Category and name of security	Relationship with company	Account	Ending Balance				Note
				Shares/Units	Carrying amount	Percentage of Ownership (%)	Fair value	
the Company	Stock: DYNASAFE TECHNOLOGIES, INC.	-	Non-current financial assets at fair value through profit or loss	4,404	607,409	19.15	607,409	(Note 1)
"	CAROTA Corporation	-	"	340	32,300	0.78	32,300	"
"	High Performance Information Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,138	129,777	8.04	129,777	"
DSIGroup	Taiwan Innovation Centrt Aging Inc.	-	"	200	1,970	7.14	1,970	"

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Holder Company	Category and name of security	Relationship with company	Account	Ending Balance				Note
				Shares/Units	Carrying amount	Percentage of Ownership (%)	Fair value	
the Company	Equity: Taiwan Capital Buffalo Fund V, LP.	-	Non-current financial assets at fair value through profit and loss	(Note 2)	165,089	12.78	165,089	(Note 1)
"	New Economy Ventures L.P.	-	"	(Note 2)	32,155	7.36	32,155	"
					<u>968,700</u>		<u>968,700</u>	

Note 1: Unlisted company.

Note 2: Limited partnership.

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of 100 million or 20% of the capital stock: None
- (v) Receivable from related parties with amount exceeding the lower of \$100 million or 20% of the capital stock: None
- (vi) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany Transactions			
				Account	Amount	Trading terms	Percentage of the consolidated net sales or total assets
0	the Company	GLOBAL INTELLIGENCE NETWORK	1	Sales	16,092	60 days from the end of the month	0.34%
"	"	"	1	Accounts receivable	16,896	"	0.12%
"	"	EPIC CLOUD	1	Sales	12,754	"	0.27%
"	"	"	1	Accounts receivable	13,391	"	0.10%
1	Metaguru	EPIC CLOUD	3	Sales	5,180	"	0.11%
"	"	"	3	Accounts receivable	5,439	"	0.04%

Note 1: No. are filled in as follows:

- (i) "0" represents the parent company
(ii) Subsidiaries are numbered starting from "1".

Note 2: Natures of relationship with counterparty are as below:

- 1.Parent company to subsidiary.
2.Subsidiary to parent company.
2.Subsidiary to subsidiary.

Note 3: Disclosure of only the amounts exceeding of \$5 million.

Note 4: Related transactions have been eliminated during preparing the consolidated financial statements.

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(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2025:

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of investee	Share of profits/ losses of investee	Note
				March 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying amount			
the Company	GLOBAL INTELLIGENCE NETWORK	Taiwan	Trading in hardware and software for network and communications systems	120,001	120,001	10,525	79.73 %	178,404	6,609	5,269	(Notes 1 and 3)
"	EPIC CLOUD	Taiwan	Data software and data processing services	55,000	55,000	5,500	100.00 %	57,642	1,191	1,191	(Notes 1 and 3)
"	COREX	South Africa	Import and export of electronic products for sale and purchase	506,936	506,936	2	100.00 %	7,540	21,939	21,939	(Notes 1 and 3)
"	DSIGroup	Taiwan	Market research, management consulting and data processing services	69,983	69,983	1,754	34.99 %	76,229	(9,532)	(3,501)	(Notes 1 and 3)
"	GRANDSYS	Taiwan	Data software and data processing services	286,613	286,613	10,813	40.15 %	334,649	7,718	1,763	(Notes 1 and 3)
"	ADVANCEDTEK INTERNATIONAL	Taiwan	Applications of software implementing services	30,091	30,091	1,153	34.09 %	39,161	(291)	(99)	(Notes 1 and 3)
"	Everlasting Digital ESG	Taiwan	Development and sale of software	5,000	5,000	500	29.41 %	1,923	(104)	(30)	(Note 2)
"	Metaguru	Taiwan	R&D and sales of computer information systems	31,000	31,000	2,000	100.00 %	32,610	1,088	1,088	(Notes 1 and 3)
"	Brainstorm	U.S.A	Wholesale and retail of computers and Peripheral Equipment	530,075	530,075	233	35.09 %	449,324	(24,040)	(12,431)	(Notes 1 and 3)
EPIC CLOUD	GLOBAL INTELLIGENCE NETWORK	Taiwan	Trading in hardware and software for network and communications systems	172	172	10	0.08 %	172	6,609	-	(Notes 1 and 3)
"	DSIGroup	Taiwan	Market research, management consulting and data processing services	40	40	1	0.02 %	40	(9,532)	-	(Notes 1 and 3)
ADVANCEDTEK INTERNATIONAL	APEO Human Capital	Taiwan	Applications of software implementing services	2,060	2,060	200	100.00 %	2,554	(74)	(74)	(Notes 1 and 3)
DSIGroup	DKABio	Taiwan	Market research, management consulting and data processing services	20,000	20,000	2,000	100.00 %	391	(1,236)	(1,236)	(Notes 1 and 3)
"	Owl	Taiwan	"	3,960	3,960	100	100.00 %	4,908	406	382	(Notes 1 and 3)

Note 1: Subsidiary of the Company.

Note 2: Associates of the Company.

Note 3: The equity transactions on the left have already been eliminated during preparing the consolidated financial statements.

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(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) recognized	Carrying value as of March 31, 2025	Accumulated inward remittance of earnings as of March 31, 2025	Note
					Outflow	Inflow							
Grandsys Technology & Service	Research and development, production of computer hardware and software and peripherals, network technology, system integration and sales of the Group's products and related technical services	36,526 (USD1,100 thousand)	Note 2	36,526 (USD1,100 thousand)	-	-	36,526 (USD1,100 thousand)	1,027	100.00%	1,027	55,939	-	Note 3
SYSAGE SHANGHAI	Research and development, production of computer hardware and software and peripherals, network technology, system integration and sales of the Group's products and related technical services	33,205 (USD1,000 thousand)	Note 2	33,205 (USD1,000 thousand)	-	-	33,205 (USD1,000 thousand)	1	100.00%	1	6,299	-	Note 3

Note1: The above investment amounts were translated based on the USD exchange rate at the reporting date, which was 33.21.

Note2: The investee in mainland China is directly invested by GRANDSYS.

Note3: The equity investments have already been eliminated during preparing the consolidated financial statements.

(ii) Upper limit on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
69,731 (USD 2,100 thousand)	69,731 (USD 2,100 thousand)	2,415,968

Note1: The above investment amounts were translated based on the USD exchange rate at the reporting date, which was 33.21.

The above investment income (losses) in Mainland China, came from financial reports prepared by the investees, not reviewed by auditors.

(iii) Significant transactions:

There were no significant inter-company transactions with the subsidiary in Mainland China for the three months ended March 31, 2025.

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(14) Segment information:

The Group's operating segment information and reconciliation are as follows:

For the three months ended March 31, 2025							
	ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Reconciliation and eliminations	Total
Revenue							
Revenue from external							
customers	\$ 836,807	2,566,510	430,917	833,227	57,575	-	4,725,036
Intersegment revenues	3,792	9,598	956	34,007	-	(48,353)	-
Total revenue	<u>\$ 840,599</u>	<u>2,576,108</u>	<u>431,873</u>	<u>867,234</u>	<u>57,575</u>	<u>(48,353)</u>	<u>4,725,036</u>
Gross profit (loss)	<u>\$ 145,062</u>	<u>280,136</u>	<u>44,767</u>	<u>181,764</u>	<u>(55,579)</u>	<u>79,320</u>	<u>675,470</u>
For the three months ended March 31, 2024							
	ICT Infrastructures	Computing & Data Utilization	Digitalization	Clouds, Software and Services	Other products	Reconciliation and eliminations	Total
Revenue							
Revenue from external							
customers	\$ 1,081,608	2,663,974	298,111	709,586	(3,792)	-	4,749,487
Intersegment revenues	4,378	14,916	1,894	20,172	-	(41,360)	-
Total revenue	<u>\$ 1,085,986</u>	<u>2,678,890</u>	<u>300,005</u>	<u>729,758</u>	<u>(3,792)</u>	<u>(41,360)</u>	<u>4,749,487</u>
Gross profit (loss)	<u>\$ 158,135</u>	<u>245,094</u>	<u>30,370</u>	<u>202,233</u>	<u>(4,529)</u>	<u>(11,244)</u>	<u>620,059</u>