

Systemx Corporation and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2024 and 2023 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Systex Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Systex Corporation and its subsidiaries (collectively, the “Group”) as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2024 and 2023, the combined total assets of these subsidiaries were \$7,728,703 thousand and \$8,101,266 thousand, representing 25.71% and 28.82%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were \$3,364,724 thousand and \$3,578,871 thousand, representing 23.40% and 27.49%, respectively, of the consolidated liabilities. For the three months ended March 31, 2024 and 2023, the amounts of combined total comprehensive income of these subsidiaries were \$166,254 thousand and \$164,489 thousand, representing 18.47% and 36.44%, respectively, of the consolidated total comprehensive income. In addition, as disclosed in Note 14 to the consolidated financial statements, as of March 31, 2024 and 2023, the investments accounted for using the equity method of the Group were \$2,026,764 thousand and \$1,968,129 thousand, respectively; for the three months ended March 31, 2024 and 2023, the amounts of the share in total comprehensive income recognized were \$96,947 thousand and \$4,215 thousand, respectively; such amounts were based on the investees’ unreviewed financial statements for the same reporting periods. The related information on investments in subsidiaries and associates stated above, as shown in Note 34 to the consolidated financial statements, was also unreviewed.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Yu-Hong Kuo and Shiow-Ming Shue.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 8, 2024

Notice to Readers

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

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

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2024		December 31, 2023		March 31, 2023	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 5,131,544	17	\$ 7,110,063	23	\$ 4,169,137	15
Financial assets at fair value through profit or loss - current (Note 7)	3,091,481	10	615,617	2	3,879,598	14
Financial assets at amortized cost - current (Note 9)	-	-	857,010	3	-	-
Notes receivable, net (Notes 11, 21 and 29)	101,045	1	181,924	1	201,208	1
Accounts receivable, net (Notes 11, 21 and 29)	6,190,213	21	6,086,713	20	4,564,438	16
Other receivables	99,542	-	162,412	1	76,575	-
Inventories (Note 12)	4,203,816	14	4,574,403	15	4,351,382	15
Prepayments	1,687,044	6	1,789,919	6	1,618,750	6
Non-current assets held for sale	-	-	-	-	298	-
Other financial assets - current (Notes 30 and 31)	369,224	1	394,958	1	471,482	2
Refundable deposits - current	399,790	1	409,636	1	410,967	1
Other current assets (Note 29)	61,919	-	43,870	-	64,825	-
Total current assets	<u>21,335,618</u>	<u>71</u>	<u>22,226,525</u>	<u>73</u>	<u>19,808,660</u>	<u>70</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	2,291,304	8	2,093,460	7	2,045,431	8
Financial assets at fair value through other comprehensive income - non-current (Note 8)	296,779	1	278,609	1	342,441	1
Financial assets at amortized cost - non-current (Notes 9 and 10)	500,000	2	500,000	2	500,000	2
Investments accounted for using the equity method (Note 14)	2,026,764	7	1,931,122	6	1,968,129	7
Property, plant and equipment (Notes 15 and 30)	2,258,803	7	2,219,130	7	2,203,062	8
Right-of-use assets (Note 16)	505,381	2	492,439	2	475,327	2
Intangible assets	260,174	1	261,258	1	319,615	1
Deferred tax assets	45,384	-	49,532	-	60,197	-
Refundable deposits - non-current	284,604	1	305,395	1	253,741	1
Long-term receivables (Note 11)	3,028	-	4,168	-	6,107	-
Other financial assets - non-current (Notes 30 and 31)	103,782	-	91,978	-	63,292	-
Other non-current assets (Note 29)	148,029	-	143,096	-	63,820	-
Total non-current assets	<u>8,724,032</u>	<u>29</u>	<u>8,370,187</u>	<u>27</u>	<u>8,301,162</u>	<u>30</u>
TOTAL	<u>\$ 30,059,650</u>	<u>100</u>	<u>\$ 30,596,712</u>	<u>100</u>	<u>\$ 28,109,822</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (Notes 17 and 30)	\$ 1,642,063	5	\$ 2,023,349	7	\$ 1,329,410	5
Contract liabilities (Note 21)	2,138,016	7	2,360,602	8	1,905,970	7
Notes and accounts payable	5,301,231	18	5,470,095	18	4,588,759	16
Payables to related parties (Note 29)	12,698	-	22,306	-	14,003	-
Other payables (Note 29)	827,487	3	1,685,052	5	819,818	3
Current tax liabilities (Note 4)	325,306	1	220,011	1	269,888	1
Lease liabilities - current (Note 16)	196,579	1	186,758	-	168,868	1
Current portion of long-term borrowings (Notes 17 and 30)	10,138	-	10,103	-	10,148	-
Other current liabilities	421,695	1	294,751	1	380,197	1
Total current liabilities	<u>10,875,213</u>	<u>36</u>	<u>12,273,027</u>	<u>40</u>	<u>9,487,061</u>	<u>34</u>
NON-CURRENT LIABILITIES						
Bonds payable (Note 18)	2,996,938	10	2,996,633	10	2,995,722	11
Long-term borrowings (Notes 17 and 30)	91,972	1	94,519	-	101,979	-
Deferred tax liabilities	6,346	-	6,452	-	6,807	-
Lease liabilities - non-current (Note 16)	319,557	1	315,252	1	313,205	1
Net defined benefit liabilities - non-current (Note 4)	83,996	-	130,489	1	108,348	-
Other non-current liabilities	7,831	-	7,830	-	5,594	-
Total non-current liabilities	<u>3,506,640</u>	<u>12</u>	<u>3,551,175</u>	<u>12</u>	<u>3,531,655</u>	<u>12</u>
Total liabilities	<u>14,381,853</u>	<u>48</u>	<u>15,824,202</u>	<u>52</u>	<u>13,018,716</u>	<u>46</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 20 and 25)						
Share capital	<u>2,723,033</u>	<u>9</u>	<u>2,723,033</u>	<u>9</u>	<u>2,723,333</u>	<u>10</u>
Capital surplus	<u>6,969,779</u>	<u>23</u>	<u>6,967,728</u>	<u>23</u>	<u>6,872,890</u>	<u>24</u>
Retained earnings						
Legal reserve	1,691,083	6	1,691,083	6	1,576,153	6
Special reserve	308,124	1	308,124	1	729,124	3
Unappropriated earnings	<u>4,631,639</u>	<u>15</u>	<u>3,976,732</u>	<u>13</u>	<u>4,029,726</u>	<u>14</u>
Total retained earnings	<u>6,630,846</u>	<u>22</u>	<u>5,975,939</u>	<u>20</u>	<u>6,335,003</u>	<u>23</u>
Other equity	<u>(237,372)</u>	<u>(1)</u>	<u>(465,750)</u>	<u>(2)</u>	<u>(481,546)</u>	<u>(2)</u>
Treasury shares	<u>(928,443)</u>	<u>(3)</u>	<u>(928,443)</u>	<u>(3)</u>	<u>(928,443)</u>	<u>(3)</u>
Total equity attributable to owners of the Corporation	15,157,843	50	14,272,507	47	14,521,237	52
NON-CONTROLLING INTERESTS (Notes 20 and 26)	<u>519,954</u>	<u>2</u>	<u>500,003</u>	<u>1</u>	<u>569,869</u>	<u>2</u>
Total equity	<u>15,677,797</u>	<u>52</u>	<u>14,772,510</u>	<u>48</u>	<u>15,091,106</u>	<u>54</u>
TOTAL	<u>\$ 30,059,650</u>	<u>100</u>	<u>\$ 30,596,712</u>	<u>100</u>	<u>\$ 28,109,822</u>	<u>100</u>

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

(With Deloitte & Touche review report dated May 8, 2024)

SYSTEX CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 29)				
Sales	\$ 8,295,488	81	\$ 6,501,202	79
Less: Sales returns and allowances	<u>19,017</u>	-	<u>6,312</u>	-
Net sales	8,276,471	81	6,494,890	79
Service revenue	1,890,555	19	1,694,359	21
Other operating revenue	<u>20,323</u>	-	<u>39,471</u>	-
Total operating revenue	<u>10,187,349</u>	<u>100</u>	<u>8,228,720</u>	<u>100</u>
OPERATING COSTS (Notes 12, 22 and 29)				
Cost of goods sold	7,276,257	71	5,569,228	68
Service costs	875,472	9	775,363	9
Other operating costs	<u>5,104</u>	-	<u>3,153</u>	-
Total operating costs	<u>8,156,833</u>	<u>80</u>	<u>6,347,744</u>	<u>77</u>
GROSS PROFIT	<u>2,030,516</u>	<u>20</u>	<u>1,880,976</u>	<u>23</u>
OPERATING EXPENSES (Notes 11, 19, 22, 25 and 29)				
Selling expenses	1,212,292	12	1,199,804	15
General and administrative expenses	183,859	2	158,228	2
Research and development expenses	159,964	1	115,940	1
Expected credit (gain) loss	<u>(4,752)</u>	-	<u>10,218</u>	-
Total operating expenses	<u>1,551,363</u>	<u>15</u>	<u>1,484,190</u>	<u>18</u>
PROFIT FROM OPERATIONS	<u>479,153</u>	<u>5</u>	<u>396,786</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of associates (Note 14)	26,953	-	7,398	-
Interest income	26,044	-	15,296	-
Dividend income	1,188	-	1,656	-
Other income, net	14,277	-	7,335	-
Gain (loss) on disposal of property, plant and equipment, net	51	-	(640)	-
Gain on disposal of investment, net (Note 22)	3,846	-	-	-
Foreign exchange loss	(751)	-	(456)	-
Gain on financial assets at fair value through profit or loss, net	271,612	3	185,728	2
Interest expense	(21,860)	-	(20,891)	-
Other expenses	<u>(2,352)</u>	-	<u>(6,679)</u>	-
Total non-operating income and expenses	<u>319,008</u>	<u>3</u>	<u>188,747</u>	<u>2</u>

(Continued)

SYSTEX CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 798,161	8	\$ 585,533	7
INCOME TAX EXPENSE (Notes 4 and 23)	<u>112,170</u>	<u>1</u>	<u>99,387</u>	<u>1</u>
NET INCOME	<u>685,991</u>	<u>7</u>	<u>486,146</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAX				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	10,732	-	(7,241)	-
Share of other comprehensive income of associates accounted for using the equity method (Note 14)	<u>67,606</u>	<u>1</u>	<u>935</u>	<u>-</u>
	<u>78,338</u>	<u>1</u>	<u>(6,306)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	133,600	1	(24,294)	(1)
Share of other comprehensive income (loss) of associates accounted for using the equity method (Note 14)	<u>2,388</u>	<u>-</u>	<u>(4,118)</u>	<u>-</u>
	<u>135,988</u>	<u>1</u>	<u>(28,412)</u>	<u>(1)</u>
Other comprehensive income (loss) for the period, net of income tax	<u>214,326</u>	<u>2</u>	<u>(34,718)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 900,317</u>	<u>9</u>	<u>\$ 451,428</u>	<u>5</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 654,638	7	\$ 455,495	6
Non-controlling interests	<u>31,353</u>	<u>-</u>	<u>30,651</u>	<u>-</u>
	<u>\$ 685,991</u>	<u>7</u>	<u>\$ 486,146</u>	<u>6</u>

(Continued)

SYSTEX CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 868,483	9	\$ 421,732	5
Non-controlling interests	<u>31,834</u>	<u>-</u>	<u>29,696</u>	<u>-</u>
	<u>\$ 900,317</u>	<u>9</u>	<u>\$ 451,428</u>	<u>5</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 2.63</u>		<u>\$ 1.84</u>	
Diluted	<u>\$ 2.62</u>		<u>\$ 1.83</u>	

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

(With Deloitte & Touche review report dated May 8, 2024)

(Concluded)

SYSTEX CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Corporation												
							Exchange Differences on Translation of Foreign Operations	Other Equity Unrealized (Loss) Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefits	Treasury Shares	Total	Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total							
BALANCE AT JANUARY 1, 2023	\$ 2,723,333	\$ 6,874,231	\$ 1,576,153	\$ 729,124	\$ 3,573,220	\$ 5,878,497	\$ (272,123)	\$ (36,000)	\$ (171,334)	\$ (928,443)	\$ 14,068,161	\$ 539,648	\$ 14,607,809
Net profit for the three months ended March 31, 2023	-	-	-	-	455,495	455,495	-	-	-	-	455,495	30,651	486,146
Other comprehensive (loss) income for the three months ended March 31, 2023	-	-	-	-	951	951	(27,457)	(7,257)	-	-	(33,763)	(955)	(34,718)
Total comprehensive (loss) income for the three months ended March 31, 2023	-	-	-	-	456,446	456,446	(27,457)	(7,257)	-	-	421,732	29,696	451,428
Share of changes in equities of subsidiaries	-	(1,091)	-	-	-	-	-	-	-	-	(1,091)	275	(816)
Share-based payment transaction - restricted shares for employees	-	(250)	-	-	-	-	-	-	32,685	-	32,435	250	32,685
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	60	60	-	(60)	-	-	-	-	-
BALANCE AT MARCH 31, 2023	\$ 2,723,333	\$ 6,872,890	\$ 1,576,153	\$ 729,124	\$ 4,029,726	\$ 6,335,003	\$ (299,580)	\$ (43,317)	\$ (138,649)	\$ (928,443)	\$ 14,521,237	\$ 569,869	\$ 15,091,106
BALANCE AT JANUARY 1, 2024	\$ 2,723,033	\$ 6,967,728	\$ 1,691,083	\$ 308,124	\$ 3,976,732	\$ 5,975,939	\$ (300,036)	\$ (102,134)	\$ (63,580)	\$ (928,443)	\$ 14,272,507	\$ 500,003	\$ 14,772,510
Net profit for the three months ended March 31, 2024	-	-	-	-	654,638	654,638	-	-	-	-	654,638	31,353	685,991
Other comprehensive income for the three months ended March 31, 2024	-	-	-	-	269	269	135,507	78,069	-	-	213,845	481	214,326
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	654,907	654,907	135,507	78,069	-	-	868,483	31,834	900,317
Share of change in equities of subsidiaries and associates	-	2,165	-	-	-	-	-	-	-	-	2,165	-	2,165
Share-based payment transaction - restricted shares for employees	-	(114)	-	-	-	-	-	-	14,802	-	14,688	114	14,802
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(11,997)	(11,997)
BALANCE AT MARCH 31, 2024	\$ 2,723,033	\$ 6,969,779	\$ 1,691,083	\$ 308,124	\$ 4,631,639	\$ 6,630,846	\$ (164,529)	\$ (24,065)	\$ (48,778)	\$ (928,443)	\$ 15,157,843	\$ 519,954	\$ 15,677,797

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

(With Deloitte & Touche review report dated May 8, 2024)

SYSTEX CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 798,161	\$ 585,533
Adjustments for:		
Depreciation expense	96,732	88,707
Amortization expense	11,037	15,547
(Reversal of) expected credit loss recognized	(4,752)	10,218
Gain on financial assets at fair value through profit or loss, net	(271,612)	(185,728)
Compensation cost of share-based payment	14,802	32,685
Interest expense	21,860	20,891
Interest income	(26,044)	(15,296)
Dividend income	(1,188)	(1,656)
Share of profit of associates	(26,953)	(7,398)
(Gain) loss on disposal of property, plant and equipment, net	(51)	640
Gain on disposal of investment accounted for using the equity method	(3,846)	-
(Reversal of) write-down of inventories	(20,912)	400
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(2,394,057)	(145,370)
Notes receivable	83,022	(32,133)
Accounts receivable	(33,406)	1,585,947
Other receivables	57,997	41,332
Inventories	361,595	437,159
Prepayments	111,848	69,588
Other current assets	(17,106)	(19,863)
Contract liabilities	(222,586)	(531,749)
Notes and accounts payable	(215,855)	(568,517)
Payables to related parties	(11,294)	(9,870)
Other payables	(863,700)	(843,407)
Other current liabilities	121,195	(5,558)
Net defined benefit liabilities	(46,493)	(20,707)
Cash (used in) generated from operations	(2,481,606)	501,395
Interest paid	(21,810)	(19,953)
Income tax paid	(3,554)	(1,649)
Net cash (used in) generated from operating activities	(2,506,970)	479,793
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(1,524)	(10,010)
Disposal of financial assets at fair value through other comprehensive income	-	1,106

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SYSTEX CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	2023
Decrease in financial assets at amortized cost	\$ 870,318	\$ -
Proceeds from disposal of investments accounted for using the equity method	7,317	-
Payments for property, plant and equipment	(36,460)	(28,534)
Proceeds from disposal of property, plant and equipment	51	492
Decrease (increase) in refundable deposits	30,731	(33,060)
Payments for intangible assets	(7,942)	(5,877)
Decrease in long-term receivables	1,140	1,047
Decrease in pledged time deposits	13,930	26,597
Increase in other non-current assets	(3,726)	(19,616)
Interest received	31,921	10,837
Dividends received	<u>1,188</u>	<u>1,656</u>
Net cash generated from (used in) investing activities	<u>906,944</u>	<u>(55,362)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	(400,040)	(517,378)
Repayment of long-term borrowings	(2,512)	(2,520)
Decrease in guarantee deposits received	(273)	-
Repayment of the principal portion of lease liabilities	(50,922)	(49,294)
Changes in non-controlling interests	(11,997)	-
Other financing activities (Note 13)	<u>-</u>	<u>(816)</u>
Net cash used in financing activities	<u>(465,744)</u>	<u>(570,008)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>87,251</u>	<u>(16,664)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,978,519)	(162,241)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>7,110,063</u>	<u>4,331,378</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 5,131,544</u>	<u>\$ 4,169,137</u>

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

(With Deloitte & Touche review report dated May 8, 2024)

(Concluded)

SYSTEX CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

The consolidated financial statements of the Corporation and its subsidiaries (collectively referred to as the “Group”) are presented in the Corporation’s functional currency, the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on May 8, 2024.

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

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of above standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

See Note 13, Table 9 and Table 10 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other material accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2023.

1) Retirement benefits

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

2) Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to the statements of material accounting judgments and key sources of estimation uncertainty of the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 652	\$ 587	\$ 444
Checking accounts and demand deposits	4,351,831	7,047,280	3,370,406
Cash equivalents			
Time deposits with original maturities of less than 3 months	<u>779,061</u>	<u>62,196</u>	<u>798,287</u>
	<u>\$ 5,131,544</u>	<u>\$ 7,110,063</u>	<u>\$ 4,169,137</u>
Interest rate interval			
Time deposits with original maturities of less than 3 months	4.90%-5.00%	5.10%	4.35%-4.65%

7. FINANCIAL ASSETS AT FVTPL

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Financial assets mandatorily classified as at FVTPL			
Mutual funds	\$ 3,052,322	\$ 575,605	\$ 3,831,429
Listed shares	39,159	36,412	48,169
Unlisted shares	<u>-</u>	<u>3,600</u>	<u>-</u>
	<u>\$ 3,091,481</u>	<u>\$ 615,617</u>	<u>\$ 3,879,598</u>

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Unlisted shares	\$ 2,106,707	\$ 1,908,977	\$ 1,853,435
Unlisted preferred shares	73,649	74,215	75,773
Others	<u>110,948</u>	<u>110,268</u>	<u>116,223</u>
	<u>\$ 2,291,304</u>	<u>\$ 2,093,460</u>	<u>\$ 2,045,431</u>
			(Concluded)

8. FINANCIAL ASSETS AT FVTOCI - NON-CURRENT

	March 31, 2024	December 31, 2023	March 31, 2023
Investments in equity instruments			
Unlisted shares	\$ 253,249	\$ 237,555	\$ 253,798
Unlisted preferred shares	1,110	1,334	47,543
Listed shares	<u>42,420</u>	<u>39,720</u>	<u>41,100</u>
	<u>\$ 296,779</u>	<u>\$ 278,609</u>	<u>\$ 342,441</u>

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ -</u>	<u>\$ 857,010</u>	<u>\$ -</u>
Range of interest rates per annum	-	5.10%-5.15%	-
<u>Non-current</u>			
Domestic corporate bonds	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Interest rate	3.5%	3.5%	3.5%

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost.

	March 31, 2024	December 31, 2023	March 31, 2023
Gross carrying amount	\$ 500,000	\$ 500,000	\$ 500,000
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

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

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

Category	Description	Basis for Recognizing Expected Credit Losses	Expected Loss Rate	Gross Carrying Amount at		
				March 31, 2024	December 31, 2023	March 31, 2023
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12m ECL	0%	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	\$ 101,217	\$ 182,096	\$ 201,380
Less: Allowance for doubtful accounts	<u>(172)</u>	<u>(172)</u>	<u>(172)</u>
	<u>\$ 101,045</u>	<u>\$ 181,924</u>	<u>\$ 201,208</u>
Accounts receivable	\$ 6,291,617	\$ 6,192,537	\$ 4,644,313
Less: Allowance for doubtful accounts	<u>(101,404)</u>	<u>(105,824)</u>	<u>(79,875)</u>
	<u>\$ 6,190,213</u>	<u>\$ 6,086,713</u>	<u>\$ 4,564,438</u>
Long-term receivables	\$ 3,118	\$ 4,302	\$ 6,372
Less: Unrealized interest income	<u>(90)</u>	<u>(134)</u>	<u>(265)</u>
	<u>\$ 3,028</u>	<u>\$ 4,168</u>	<u>\$ 6,107</u>

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

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

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

The following table details the loss allowance of receivables based on the Group's provision matrix.

March 31, 2024

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

December 31, 2023

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 270 Days	Over 271 Days	Total
Gross carrying amount	\$ 5,698,581	\$ 389,486	\$ 161,393	\$ 23,602	\$ 101,571	\$ 6,374,633
Loss allowance (Lifetime ECL)	<u>(2,865)</u>	<u>(4,569)</u>	<u>(13,717)</u>	<u>(2,943)</u>	<u>(81,902)</u>	<u>(105,996)</u>
Amortized cost	<u>\$ 5,695,716</u>	<u>\$ 384,917</u>	<u>\$ 147,676</u>	<u>\$ 20,659</u>	<u>\$ 19,669</u>	<u>\$ 6,268,637</u>

March 31, 2023

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 270 Days	Over 271 Days	Total
Gross carrying amount	\$ 4,137,117	\$ 493,559	\$ 106,999	\$ 37,374	\$ 70,644	\$ 4,845,693
Loss allowance (Lifetime ECL)	<u>(1,510)</u>	<u>(4,492)</u>	<u>(8,354)</u>	<u>(5,768)</u>	<u>(59,923)</u>	<u>(80,047)</u>
Amortized cost	<u>\$ 4,135,607</u>	<u>\$ 489,067</u>	<u>\$ 98,645</u>	<u>\$ 31,606</u>	<u>\$ 10,721</u>	<u>\$ 4,765,646</u>

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

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ 105,996	\$ 237,110
(Reversal) provision of loss allowance	(4,752)	10,218
Amount written off	(1,386)	(168,534)
Foreign exchange	<u>1,718</u>	<u>1,253</u>
Balance at March 31	<u>\$ 101,576</u>	<u>\$ 80,047</u>

12. INVENTORIES

	March 31, 2024	December 31, 2023	March 31, 2023
Merchandise	\$ 4,183,922	\$ 4,552,981	\$ 4,323,293
Maintenance parts	<u>19,894</u>	<u>21,422</u>	<u>28,089</u>
	<u>\$ 4,203,816</u>	<u>\$ 4,574,403</u>	<u>\$ 4,351,382</u>
	For the Three Months Ended		
	March 31		
	2024	2023	
Reversal of (write-down) of inventory (recognized as cost of goods sold)		<u>\$ 20,912</u>	<u>\$ (400)</u>

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

13. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Main Business	% of Ownership			Remark
			March 31, 2024	December 31, 2023	March 31, 2023	
The Corporation	Concord System Management Corporation (CSMC)	Design, assessment and planning of computer system and application software and data-processing system, sale and lease of computer hardware, peripheral equipment and spare parts, and repairs and maintenance services	100.00	100.00	100.00	
The Corporation	Systex Capital Group, Inc. (SCGI)	Investment activities including financial trust and holding	100.00	100.00	100.00	
The Corporation	Hanmore Investment Corporation (Hanmore)	General investment activities	48.92	48.92	48.92	a
The Corporation	Systex Software & Service Corporation (SSSC)	Sale and development of computer software, data-processing services	100.00	100.00	100.00	
The Corporation	Golden Bridge Corporation (GBC)	General investment activities	100.00	100.00	100.00	
The Corporation	Taifon Computer Co., Ltd. (Taifon)	Design of computer hardware and software equipment system, computer room installation, and maintenance, sale, lease and consultation	100.00	100.00	100.00	
The Corporation	Ching Pu Investment Corporation (Ching Pu)	General investment activities	100.00	100.00	100.00	
The Corporation	Kimo.com (BVI) Corporation (Kimo BVI)	Investment activities including financial trust and holding	100.00	100.00	100.00	
The Corporation, Ching Pu and GBC	Syspower Corporation (Syspower)	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	87.32	87.32	84.07	b
The Corporation	Systex Fintech Corporation (SFC, formerly Nexsys Corporation)	Manufacturing of wire communication equipment and apparatus, electronic parts and components, and computers and peripheral equipment, installation of computer, and wholesale and retailing of computer and business machinery equipment.	70.00	70.00	70.00	c
The Corporation	Systex Solutions Corporation (Systex Solutions)	Design, construction and sale of telecom instrument, electronic calculator and computer	100.00	100.00	100.00	
The Corporation	Naturint Corporation (Naturint)	Installation, sale, information software, data processing and other consultation on computer software and related equipment, network certification and software publication	100.00	100.00	100.00	
The Corporation	E-Service Information Corporation (E-Service)	Information software service, intellectual property rights, printing and data storage media manufacturing and copying	100.00	100.00	100.00	
The Corporation	Taiwan Information Service Technology Co., Ltd. (TIST)	Installation, sale, information software, data processing and other consultation on computer software and related equipment	67.38	67.38	67.38	
The Corporation	UniXecure Corporation (UniXecure)	Design, construction and sale of telecom instrument, electronic calculator and computer	100.00	100.00	100.00	

(Continued)

Investor	Investee	Main Business	% of Ownership			Remark
			March 31, 2024	December 31, 2023	March 31, 2023	
The Corporation	Docutek Solutions, Inc. (Docutek Solutions)	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	54.92	54.92	54.92	
The Corporation GBC	MISYS Corporation (MISYS) Softmobile Technology Corporation (Softmobile)	Information software service	100.00	100.00	100.00	
		Manufacturing of wire communication equipment and apparatus, electronic parts and components, and computers and peripheral equipment, installation of computer, and wholesale and retailing of computer and business machinery equipment	100.00	100.00	100.00	
Ching Pu	Taiwan Electronic Data Processing Corporation (TEDP)	Design, installation, maintenance, lease and consultation on computer software and hardware equipment system, computer room engineering, network equipment system integration, and wholesale and retailing of medical appliances	69.59	69.59	69.59	d
CSMC	Top Information Technologies Corporation (Top Information)	Sale of computer peripheral equipment and office machines, design of computer system and professional repairs services	100.00	100.00	100.00	
Docutek Solutions	ANSecurity Inc. (ANSecurity)	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	100.00	100.00	100.00	
ANSecurity	Docutek Services Corporation (Docutek Services)	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	100.00	100.00	100.00	
Kimo BVI	Systex Information (HK) Corporation (Systex HK)	Sale of computer and peripheral equipment, retailing and processing of information of software	100.00	100.00	100.00	
Kimo BVI	Sysware Shenglong Information Systems Co., Ltd. (Sysware Shenglong)	Design of computer system, information processing service provider, retailing of computer and peripheral equipment	-	-	100.00	e
Kimo BVI	Systek Information (Shanghai) Corporation (Systek)	Sale of computer and peripheral equipment, retailing and processing of information software	100.00	100.00	100.00	
Kimo BVI	Rainbow Tech Information (HK) Corporation (RTIHK)	Sale of computer and peripheral equipment, retailing and processing of information software	92.00	92.00	49.00	f
Kimo BVI	Systex Solutions (HK) Corporation (SSHK)	Investment activities including financial trust and holding	100.00	100.00	100.00	
Kimo BVI	Gemini Data (Gemini Data)	IT services, software development, wholesale and retail of computers and related equipment, electronic data processing and related services	100.00	100.00	100.00	
Kimo BVI and SCGI Syscore Syscore Syslink	Syscore Corporation (Syscore)	General investment activities	100.00	100.00	100.00	
	Syslink Corporation (Syslink)	General Investment activities	100.00	100.00	100.00	
	Syslong Corporation (Syslong)	General Investment activities	100.00	100.00	100.00	
	Dawning Technology Inc. (Dawning)	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	91.60	91.60	91.60	
Syslink and Syspower	Palsys Digital Technology Corporation (Palsys)	Sale of computer peripheral equipment and office machines, design of computer system and professional repairs services	79.26	79.26	79.26	g
Syslink	Syswiser Technology Corporation (Syswiser)	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	100.00	100.00	100.00	
Syslink and SSSC	Smartsys Technology Corporation (Smartsys)	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	100.00	100.00	100.00	
Systex HK	Systex Group (China) Ltd. (Systex China)	Management consultation, marketing and sale, and capital and operation financial management.	100.00	100.00	100.00	
Systex China and Systek	Systex Rainbow Tech Inc. (Systex Rainbow)	Research, development, installation and wholesale of software and hardware technique and internet system	100.00	100.00	100.00	h
Systex China	Systex Ucom (Shanghai) Information Co., Ltd. (Systex Ucom)	Software design and data processing, retailing and service of software	100.00	100.00	100.00	
Systex Rainbow and Systex Ucom	Systex Rainbow (Shanghai) Tech Inc. (Rainbow Shanghai)	Research, development, installation and wholesale of software and hardware technique and internet system	100.00	100.00	100.00	i

(Concluded)

- The Group holds 48.92% interest in Hanmore. Since the Group is considered to have the practical power to direct the relevant activities of Hanmore, Hanmore is identified as a subsidiary.
- Syspower agreed with certain shareholders to buy back its shares in April 2023, which increased the Group's interest in Syspower to 87.32%.
- SFC, formerly known as Nexsys Corporation, underwent a registration change and was renamed in December 2023.

- d. TEDP has been under dissolution and liquidation processes after the approval of shareholders in their meeting in December 2020. As of March 31, 2024 the liquidation procedures have not been completed.
- e. Systek and Sysware Shenglong completed their merger in December 2023. Systek stands as the surviving entity, while Sysware Shenglong Information Systems Co., Ltd. is designated as the dissolved company.
- f. Kimo BVI holds 49% interest in RTIHK. Since the Group is considered to have the practical ability to direct the relevant activities of RTIHK, RTIHK is identified as a subsidiary. Kimo BVI purchased 43% interest of RTIHK from non-controlling shareholders in September 2023 and increased its interest in RTIHK to 92%.
- g. Syspower transferred original 79.26% interest in Palsys to Syslink in March and April 2023, because the transactions under common control are not recognized as disposal gains or losses, but the derived transaction costs of \$817 thousands are adjusted to reduce the relevant capital reserves.
- h. In September 2023, Systek transferred all of its interest in Systex Rainbow to Systex China; since the transaction was under common control, no gains or losses were recognized.
- i. Rainbow (Shanghai) was formerly known as Systex Rainbow (Guangzhou) Tech Inc. and was renamed Systex Rainbow (Shanghai) Tech Inc. in March 2023 as a result of the relocation. Systex Rainbow disposed of 40% interest in Rainbow Shanghai to Systex Ucom in November 2023; since the transaction was under common control, no gains or losses were recognized.

All accounts of subsidiaries were included in the consolidated financial statements for the three months ended March 31, 2024 and 2023.

The financial statements of subsidiaries included in the consolidated financial statements mentioned above were not reviewed except for those of the Corporation, SSSC, SCGI, Kimo BVI and its subsidiaries (Palsys and Dawning excluded) for the three months ended March 31, 2024 and 2023. As of March 31, 2024 and 2023, the combined total assets of these unreviewed subsidiaries were \$7,728,703 thousand and \$8,101,266 thousand, respectively, representing 25.71% and 28.82%, respectively, of the consolidated total assets, and the combined total liabilities of these unreviewed subsidiaries were \$3,364,724 thousand and \$3,578,871 thousand, respectively, representing 23.40% and 27.49%, respectively, of the consolidated total liabilities. For the three months ended March 31, 2024 and 2023, the amounts of combined total comprehensive income of these unreviewed subsidiaries were \$166,254 thousand and \$164,489 thousand, respectively, representing 18.47% and 36.44%, respectively, of the consolidated total comprehensive income.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2024	December 31, 2023	March 31, 2023
Investments in associates	<u>\$ 2,026,764</u>	<u>\$ 1,931,122</u>	<u>\$ 1,968,129</u>

Aggregate information of associates:

	For the Three Months Ended March 31	
	2024	2023
The Group's share of:		
Net profit for the period	\$ 26,953	\$ 7,398
Other comprehensive income (loss) for the period	<u>69,994</u>	<u>(3,183)</u>
Total comprehensive income for the period	<u>\$ 96,947</u>	<u>\$ 4,215</u>

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

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Computer Equipment	Transportation Equipment	Lease Equipment	Leasehold Improvements	Other Equipment	Total
Cost								
Balance at January 1, 2023	\$ 1,016,441	\$ 1,467,117	\$ 405,981	\$ 4,356	\$ 35,066	\$ 116,809	\$ 140,769	\$ 3,186,539
Additions	-	-	16,523	-	7,728	59	4,224	28,534
Disposals	-	-	(52,320)	-	(1,619)	(4,163)	(5,562)	(63,664)
Reclassification	-	-	-	-	1,941	-	-	1,941
Foreign exchange	-	1,162	(127)	7	9	(94)	40	997
Balance at March 31, 2023	<u>\$ 1,016,441</u>	<u>\$ 1,468,279</u>	<u>\$ 370,057</u>	<u>\$ 4,363</u>	<u>\$ 43,125</u>	<u>\$ 112,611</u>	<u>\$ 139,471</u>	<u>\$ 3,154,347</u>
Accumulated depreciation and impairment								
Balance at January 1, 2023	\$ 7,694	\$ 598,874	\$ 214,530	\$ 3,776	\$ 18,308	\$ 62,337	\$ 68,722	\$ 974,241
Depreciation expense	-	5,797	19,649	97	2,428	5,468	5,968	39,407
Disposals	-	-	(51,720)	-	(1,619)	(3,909)	(5,284)	(62,532)
Foreign exchange	-	342	(119)	6	9	(70)	1	169
Balance at March 31, 2023	<u>\$ 7,694</u>	<u>\$ 605,013</u>	<u>\$ 182,340</u>	<u>\$ 3,879</u>	<u>\$ 19,126</u>	<u>\$ 63,826</u>	<u>\$ 69,407</u>	<u>\$ 951,285</u>
Carrying amount at March 31, 2023	<u>\$ 1,008,747</u>	<u>\$ 863,266</u>	<u>\$ 187,717</u>	<u>\$ 484</u>	<u>\$ 23,999</u>	<u>\$ 48,785</u>	<u>\$ 70,064</u>	<u>\$ 2,203,062</u>
Cost								
Balance at January 1, 2024	\$ 1,016,441	\$ 1,462,603	\$ 422,355	\$ 2,067	\$ 52,910	\$ 103,952	\$ 158,052	\$ 3,218,380
Additions	-	-	23,293	-	-	6,848	6,319	36,460
Disposals	-	-	(9,110)	-	(4,848)	-	-	(13,958)
Reclassification	-	-	3,850	-	5,618	14,277	16,380	40,125
Foreign exchange	-	10,646	1,448	65	-	243	632	13,034
Balance at March 31, 2024	<u>\$ 1,016,441</u>	<u>\$ 1,473,249</u>	<u>\$ 441,836</u>	<u>\$ 2,132</u>	<u>\$ 53,680</u>	<u>\$ 125,320</u>	<u>\$ 181,383</u>	<u>\$ 3,294,041</u>
Accumulated depreciation and impairment								
Balance at January 1, 2024	\$ 7,694	\$ 620,579	\$ 219,015	\$ 1,775	\$ 23,545	\$ 57,159	\$ 69,483	\$ 999,250
Depreciation expense	-	5,792	22,496	64	3,938	5,002	7,480	44,772
Disposals	-	-	(9,110)	-	(4,848)	-	-	(13,958)
Foreign exchange	-	3,418	1,134	63	-	240	319	5,174
Balance at March 31, 2024	<u>\$ 7,694</u>	<u>\$ 629,789</u>	<u>\$ 233,535</u>	<u>\$ 1,902</u>	<u>\$ 22,635</u>	<u>\$ 62,401</u>	<u>\$ 77,282</u>	<u>\$ 1,035,238</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 1,008,747</u>	<u>\$ 842,024</u>	<u>\$ 203,340</u>	<u>\$ 292</u>	<u>\$ 29,365</u>	<u>\$ 46,793</u>	<u>\$ 88,569</u>	<u>\$ 2,219,130</u>
Carrying amount at March 31, 2024	<u>\$ 1,008,747</u>	<u>\$ 843,460</u>	<u>\$ 208,301</u>	<u>\$ 230</u>	<u>\$ 31,045</u>	<u>\$ 62,919</u>	<u>\$ 104,101</u>	<u>\$ 2,258,803</u>

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

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

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 30.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amount</u>			
Buildings	\$ 414,958	\$ 392,719	\$ 366,033
Machinery	87,098	96,709	103,390
Transportation equipment	<u>3,325</u>	<u>3,011</u>	<u>5,904</u>
	<u>\$ 505,381</u>	<u>\$ 492,439</u>	<u>\$ 475,327</u>
		For the Three Months Ended March 31	
		2024	2023
Additions to right-of-use assets		<u>\$ 67,399</u>	<u>\$ 204,373</u>
Depreciation charge for right-of-use assets			
Buildings		\$ 41,703	\$ 37,188
Machinery		9,611	11,117
Transportation equipment		<u>646</u>	<u>995</u>
		<u>\$ 51,960</u>	<u>\$ 49,300</u>

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amount</u>			
Current	<u>\$ 196,579</u>	<u>\$ 186,758</u>	<u>\$ 168,868</u>
Non-current	<u>\$ 319,557</u>	<u>\$ 315,252</u>	<u>\$ 313,205</u>

Range of discount rates for lease liabilities was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Buildings	1.00%-4.50%	1.00%-5.00%	1.00%-5.00%
Machinery	1.00%-1.25%	1.00%-1.25%	1.00%-1.25%
Transportation equipment	1.00%-1.75%	1.00%-1.22%	1.00%-1.22%

c. Material leasing activities and terms

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

d. Other lease information

	For the Three Months Ended March 31	
	2024	2023
Expenses relating to short-term leases and low-value asset leases	<u>\$ 14,521</u>	<u>\$ 13,787</u>
Total cash outflow for leases	<u>\$ 67,039</u>	<u>\$ 63,948</u>

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

The amounts of lease commitments for which the recognition exemption was applied were \$11,000 thousand and \$14,530 thousand as of March 31, 2024 and 2023, respectively.

17. BANK LOANS

a. Short-term loans

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured loans	\$ 1,167,658	\$ 1,551,070	\$ 818,410
Secured loans			
Bank secured loans	<u>474,405</u>	<u>472,279</u>	<u>511,000</u>
	<u>\$ 1,642,063</u>	<u>\$ 2,023,349</u>	<u>\$ 1,329,410</u>
Annual interest rate			
Unsecured loans	1.64%-3.04%	1.60%-3.04%	1.73%-2.95%
Secured loans			
Bank secured loans	3.55%-3.85%	3.55%-3.85%	3.70%-4.00%

Refer to Note 30 for the carrying amounts of property, plant and equipment - land and buildings provided as collaterals for the above secured bank loans.

b. Long-term loans

	March 31, 2024	December 31, 2023	March 31, 2023
Secured loans	\$ 102,110	\$ 104,622	\$ 112,127
Less: Current portion	<u>(10,138)</u>	<u>(10,103)</u>	<u>(10,148)</u>
	<u>\$ 91,972</u>	<u>\$ 94,519</u>	<u>\$ 101,979</u>
Annual interest rate	2.03%-2.43%	2.03%-2.43%	2.03%-2.31%

Refer to Note 30 for the carrying amounts of property, plant and equipment - land and buildings provided as collaterals for the above secured bank loans.

18. BONDS PAYABLE

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured domestic bonds	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Less: Discount on bonds payable	<u>(3,062)</u>	<u>(3,367)</u>	<u>(4,278)</u>
	<u>\$ 2,996,938</u>	<u>\$ 2,996,633</u>	<u>\$ 2,995,722</u>

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

19. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2024 and 2023, the pension expenses of defined benefit plans were \$553 thousand and \$616 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022, respectively.

20. EQUITY

a. Share capital

	March 31, 2024	December 31, 2023	March 31, 2023
Number of shares authorized (in thousands)	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
Share capital authorized (par value of \$10 per share)	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>
Number of shares issued (in thousands)	<u>272,303</u>	<u>272,303</u>	<u>272,333</u>
Share capital issued	<u>\$ 2,723,033</u>	<u>\$ 2,723,033</u>	<u>\$ 2,723,333</u>

b. Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset a deficit, distribute as cash dividends, or transfer to share capital (1)			
Issuance of shares	\$ 4,486,567	\$ 4,486,567	\$ 4,425,972
The difference between the consideration paid or received and the carrying amount of the subsidiaries' net assets during actual acquisition or disposal	193,977	193,977	193,977
Donations	544	544	544
Treasury share transactions	2,159,112	2,159,112	2,052,062

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interest in subsidiaries and associates (2)	\$ 2,060	\$ 9	\$ 10,328
Gain on sale of property, plant and equipment	4,493	4,493	4,493

May not be used for any purpose

Employee restricted shares	<u>123,026</u>	<u>123,026</u>	<u>185,514</u>
	<u>\$ 6,969,779</u>	<u>\$ 6,967,728</u>	<u>\$ 6,872,890</u>
			(Concluded)

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

c. Retained earnings and dividends policy

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

For the policies on distribution of compensation of employees and remuneration of directors, please refer to Note 22 c. for details.

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

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

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

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

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

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

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

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

	Appropriation of Earnings	
	For the Year Ended December 31	
	2023	2022
Legal reserve	\$ 145,896	\$ 114,930
Appropriation (reversal) of special reserve	\$ 94,046	\$ (421,001)
Cash dividends	\$ 1,415,977	\$ 1,361,517
Cash dividends per share (NT\$)	\$ 5.2	\$ 5.0

The above cash dividends were approved by the board of directors on April 10, 2024 and April 12, 2023.

The appropriation of earnings for 2022 were resolved by the shareholders in their meeting on May 25, 2023.

The appropriation of earnings for 2023 will be resolved by the shareholders in their meeting in May 2024.

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

d. Other equity items

1) Exchange differences on translation of foreign operations

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ (300,036)	\$ (272,123)
Exchange differences on translation of foreign operations	133,119	(23,339)
Share of associates accounted for using the equity method	<u>2,388</u>	<u>(4,118)</u>
Balance at March 31	<u>\$ (164,529)</u>	<u>\$ (299,580)</u>

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

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ (102,134)	\$ (36,000)
Recognized for the period		
Unrealized gain (loss) on equity investments	10,732	(7,241)
Share of associates accounted for using the equity method	67,337	(16)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>(60)</u>
Balance at March 31	<u>\$ (24,065)</u>	<u>\$ (43,317)</u>

3) Unearned employee benefits

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ (63,580)	\$ (171,334)
Share-based payment expenses recognized by the Corporation	12,437	27,515
Share-based payment expenses recognized by subsidiaries	<u>2,365</u>	<u>5,170</u>
Balance at March 31	<u>\$ (48,778)</u>	<u>\$ (138,649)</u>

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

e. Treasury shares

Purpose of Treasury Share	Number of Shares at January 1	Increase During the Period	Decrease During the Period	Number of Shares at March 31
<u>2024 and 2023</u>				
Reclassification of the Corporation's shares held by subsidiaries from equity-method investments into treasury shares	<u>21,410</u>	<u>-</u>	<u>-</u>	<u>21,410</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Hanmore</u>			
Share (in thousands)	<u>21,317</u>	<u>21,317</u>	<u>21,317</u>
Investment cost	<u>\$ 738,426</u>	<u>\$ 738,426</u>	<u>\$ 738,426</u>
Market value	<u>\$ 2,526,026</u>	<u>\$ 2,387,468</u>	<u>\$ 1,679,754</u>
<u>Ching Pu</u>			
Share (in thousands)	<u>10,982</u>	<u>10,982</u>	<u>10,982</u>
Investment cost	<u>\$ 237,308</u>	<u>\$ 237,308</u>	<u>\$ 237,308</u>
Market value	<u>\$ 1,301,305</u>	<u>\$ 1,229,925</u>	<u>\$ 865,340</u>

For the Corporation's shares held by Hanmore, the investment cost of 48.92% (the ownership percentage owned by the Corporation) was transferred from investment accounted for using the equity method to treasury shares, amounting to \$515,617 thousand (10,428 thousand shares) as of March 31, 2024, December 31, 2023 and March 31, 2023. The remaining was treated as recoveries from Hanmore's non-controlling interests, which were accounted for as deductions to non-controlling interests in balance sheets.

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

f. Non-controlling interests

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ 500,003	\$ 539,648
Attributable to non-controlling interests:		
Share of profit for the period	31,353	30,651
Exchange differences on translation of foreign operations	481	(955)
Changes in percentage of ownership interest in subsidiaries	-	275
Cash dividends distributed by subsidiaries	(11,997)	-
Non-controlling interests related to recognition of share-based payment transactions by subsidiaries (Note 25)	<u>114</u>	<u>250</u>
Balance at March 31	<u>\$ 519,954</u>	<u>\$ 569,869</u>

21. REVENUE

	For the Three Months Ended March 31	
	2024	2023
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 8,276,471	\$ 6,494,890
Revenue from the rendering of services	1,890,555	1,694,359
Other operating revenue	<u>20,323</u>	<u>39,471</u>
	<u>\$ 10,187,349</u>	<u>\$ 8,228,720</u>

Contract Balances

	March 31, 2024	December 31, 2023	March 31, 2023
Notes and accounts receivable (Including related parties) (Notes 11 and 29)	<u>\$ 6,291,258</u>	<u>\$ 6,268,637</u>	<u>\$ 4,765,646</u>
Contract liabilities	<u>\$ 2,138,016</u>	<u>\$ 2,360,602</u>	<u>\$ 1,905,970</u>

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

22. NET PROFIT

a. Depreciation and amortization

	For the Three Months Ended March 31	
	2024	2023
Property, plant and equipment	\$ 44,772	\$ 39,407
Right-of-use assets	51,960	49,300
Intangible assets	<u>11,037</u>	<u>15,547</u>
	<u>\$ 107,769</u>	<u>\$ 104,254</u>
An analysis of depreciation by function		
Operating costs	\$ 23,933	\$ 23,617
Operating expenses	<u>72,799</u>	<u>65,090</u>
	<u>\$ 96,732</u>	<u>\$ 88,707</u>
An analysis of amortization by function		
Operating costs	\$ 7	\$ 59
Operating expenses	<u>11,030</u>	<u>15,488</u>
	<u>\$ 11,037</u>	<u>\$ 15,547</u>

b. Employee benefits expenses

	For the Three Months Ended March 31	
	2024	2023
Post-employment benefits		
Defined contribution plans	\$ 58,160	\$ 45,794
Defined benefit plans (Note 19)	<u>553</u>	<u>616</u>
	58,713	46,410
Compensation costs of share-based payment	14,802	32,685
Payroll	1,084,965	1,064,448
Labor and health insurance	104,250	91,269
Other employee benefits	<u>68,366</u>	<u>42,213</u>
	<u>\$ 1,331,096</u>	<u>\$ 1,277,025</u>
An analysis of employee benefits expenses by function		
Operating costs	\$ 69,115	\$ 64,868
Operating expenses	<u>1,261,981</u>	<u>1,212,157</u>
	<u>\$ 1,331,096</u>	<u>\$ 1,277,025</u>

As of March 31, 2024 and 2023, the Group had 4,535 and 4,351 employees, respectively.

c. Compensation of employees and remuneration of directors

The Corporation accrues compensation of employees and remuneration of directors at the rates no less than 0.1% and no higher than 2%, respectively, of net profit before income tax, compensation of employees and remuneration of directors. The estimated amounts of compensation of employees and remuneration of directors for the three months ended March 31, 2024 and 2023 were as follows:

	For the Three Months Ended March 31	
	2024	2023
	Cash	Cash
Compensation of employees	\$ 19,753	\$ 14,700
Remuneration of directors	13,169	9,800

The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Corporation's board of directors on February 27, 2024 and February 22, 2023, respectively, were as follows:

	For the Year Ended December 31	
	2023	2022
	Cash	Cash
Compensation of employees	\$ 48,122	\$ 34,578
Remuneration of directors	32,081	23,052

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

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

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

- d. Gain on sale of investments, net

	For the Three Months Ended March 31	
	2024	2023
Disposal of investments accounted for using equity method	\$ <u>3,846</u>	\$ <u>-</u>

23. INCOME TAXES

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

	For the Three Months Ended March 31	
	2024	2023
Current tax		
In respect of the current period	\$ 100,057	\$ 86,643
Additional income tax on unappropriated earnings	7,868	79
Additional income tax under the Alternative Minimum Tax Act	-	10,961
Adjustments for prior years	<u>203</u>	<u>(823)</u>
	<u>108,128</u>	<u>96,860</u>
Deferred tax		
In respect of the current period	<u>4,042</u>	<u>2,527</u>
Income tax expense recognized in profit or loss	\$ <u>112,170</u>	\$ <u>99,387</u>

- b. Income tax assessments

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

24. EARNINGS PER SHARE

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

	For the Three Months Ended March 31	
	2024	2023
<u>Net income for the period</u>		
Net income for the period attributable to owners of the Corporation	<u>\$ 654,638</u>	<u>\$ 455,495</u>
<u>Number of shares (in thousands)</u>		
Weighted average number of ordinary shares in the computation of basic earnings per share	248,944	247,983
Effect of potentially dilutive ordinary shares:		
Compensation of employees	436	455
Employee restricted shares	<u>700</u>	<u>576</u>
Weighted average number of ordinary shares in the computation of diluted earnings per share	<u>250,080</u>	<u>249,014</u>
<u>Earnings per share (NT\$)</u>		
Basic earnings per share	<u>\$ 2.63</u>	<u>\$ 1.84</u>
Diluted earnings per share	<u>\$ 2.62</u>	<u>\$ 1.83</u>

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

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

	For the Three Months Ended March 31	
	2024	2023
<u>Net income for the period</u>		
Net income for the period attributable to owners of the Corporation	<u>\$ 654,638</u>	<u>\$ 455,495</u>

(Continued)

	For the Three Months Ended March 31	
	2024	2023
<u>Number of shares (in thousands)</u>		
Weighted average number of ordinary shares in the computation of pro forma basic earnings per share	270,354	269,393
Effect of potentially dilutive ordinary shares:		
Compensation of employees	436	455
Employee restricted shares	<u>700</u>	<u>576</u>
Weighted average number of ordinary shares in the computation of pro forma diluted earnings per share	<u>271,490</u>	<u>270,424</u>
<u>Earnings per share (NT\$)</u>		
Basic earnings per share	\$ <u>2.42</u>	\$ <u>1.69</u>
Diluted earnings per share	\$ <u>2.41</u>	\$ <u>1.68</u>
		(Concluded)

25. SHARE-BASED PAYMENT ARRANGEMENTS

- a. For the three months ended March 31, 2024, the Group did not issue restricted shares for employees. Refer to Note 25 to the Corporation's consolidated financial statements for the year ended December 31, 2023 in relation to the information of the restricted share awards plan.
- b. For the restricted shares for employees issued in September 2022; the vested shares amounted to 960 thousand shares, while 1,950 thousand shares were not yet vested as of March 31, 2024.
- c. Compensation costs of share-based payment

	For the Three Months Ended March 31	
	2024	2023
Restricted shares for employees	\$ <u>14,802</u>	\$ <u>32,685</u>

26. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

- a. As described in Note 13b, Syspower agreed with certain shareholders to buy back its shares in April 2023, which increased the Group's interest in Syspower to 87.32%. The transaction was accounted for as equity transactions since the Group did not cease to have control over the subsidiary.

	Amount
Consideration paid in cash	\$ (29,002)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	<u>20,466</u>
Differences recognized from equity transaction (recognized as capital surplus)	\$ <u>(8,536)</u>

- b. As described in Note 13f, the Group purchased shares of RTIHK from the non-controlling shareholders in September 2023 and increased its interest in RTIHK from 49% to 92%. The transaction was accounted for as equity transaction since the Group did not cease to have control over the subsidiary.

	Amount
Consideration paid in cash	\$ (54,344)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	<u>56,893</u>
Differences recognized from equity transaction (recognized as capital surplus)	<u>\$ 2,549</u>

27. CAPITAL MANAGEMENT

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

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

28. FINANCIAL INSTRUMENTS

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

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

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

- 1) Fair value hierarchy

March 31, 2024

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

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 36,412	\$ -	\$ -	\$ 36,412
Unlisted shares	-	-	1,912,577	1,912,577
Unlisted preferred shares	-	-	74,215	74,215
Mutual funds	575,605	-	-	575,605
Others	<u>-</u>	<u>-</u>	<u>110,268</u>	<u>110,268</u>
	<u>\$ 612,017</u>	<u>\$ -</u>	<u>\$ 2,097,060</u>	<u>\$ 2,709,077</u>
Financial assets at FVTOCI				
Listed shares	\$ 39,720	\$ -	\$ -	\$ 39,720
Unlisted shares	-	-	237,555	237,555
Unlisted preferred shares	<u>-</u>	<u>-</u>	<u>1,334</u>	<u>1,334</u>
	<u>\$ 39,720</u>	<u>\$ -</u>	<u>\$ 238,889</u>	<u>\$ 278,609</u>

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 48,169	\$ -	\$ -	\$ 48,169
Unlisted shares	-	-	1,853,435	1,853,435
Unlisted preferred shares	-	-	75,773	75,773
Mutual funds	3,831,429	-	-	3,831,429
Others	<u>-</u>	<u>-</u>	<u>116,223</u>	<u>116,223</u>
	<u>\$ 3,879,598</u>	<u>\$ -</u>	<u>\$ 2,045,431</u>	<u>\$ 5,925,029</u>
Financial assets at FVTOCI				
Listed shares	\$ 41,100	\$ -	\$ -	\$ 41,100
Unlisted shares	-	-	253,798	253,798
Unlisted preferred shares	<u>-</u>	<u>-</u>	<u>47,543</u>	<u>47,543</u>
	<u>\$ 41,100</u>	<u>\$ -</u>	<u>\$ 301,341</u>	<u>\$ 342,441</u>

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2024 and 2023.

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

For the three months ended March 31, 2024

Financial Assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1	\$ 2,097,060	\$ 238,889	\$ 2,335,949
Recognized in profit or loss	194,511	-	194,511
Recognized in other comprehensive income	-	8,031	8,031
Purchases	-	1,524	1,524
Disposals	(3,589)	-	(3,589)
Net exchange differences	<u>3,322</u>	<u>5,915</u>	<u>9,237</u>
Balance at March 31	<u>\$ 2,291,304</u>	<u>\$ 254,359</u>	<u>\$ 2,545,663</u>
Unrealized gain for the current period recognized in profit or loss relating to assets held at the end of the period	<u>\$ 195,755</u>		<u>\$ 195,755</u>

For the three months ended March 31, 2023

Financial Assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1	\$ 2,040,928	\$ 309,456	\$ 2,350,384
Recognized in profit or loss	57,864	-	41,521
Recognized in other comprehensive income	-	(16,270)	(16,270)
Purchases	-	10,010	10,010
Disposals	(49,493)	-	(33,150)
Capital reduction	(3,250)	-	(3,250)
Net exchange differences	<u>(618)</u>	<u>(1,855)</u>	<u>(2,473)</u>
Balance at March 31	<u>\$ 2,045,431</u>	<u>\$ 301,341</u>	<u>\$ 2,346,772</u>
Unrealized gain for the current period recognized in profit or loss relating to assets held at the end of the period	<u>\$ 16,735</u>		<u>\$ 16,735</u>

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

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

c. Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
FVTPL	\$ 5,382,785	\$ 2,709,077	\$ 5,925,029
Amortized cost (1)	13,250,188	16,161,158	10,758,588
FVTOCI	296,779	278,609	342,441
<u>Financial liabilities</u>			
Amortized cost (2)	10,890,358	12,309,887	9,865,433

1) The balances comprise cash and cash equivalents, notes receivable, accounts receivable, refundable deposits, other receivables, lease receivables (included in other current assets and other non-current assets), long-term receivables, pledged time deposits (included in other financial assets), and debt investment (included in financial assets at amortized cost).

2) The balances comprise short-term loans, notes and accounts payable, accounts payable to related parties, other payables, guarantee deposits received (included in other non-current liabilities), bonds payable, current portion of long-term borrowings and long-term borrowings.

d. Financial risk management objectives and policies

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

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

1) Market risk

a) Foreign currency risk

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

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

	For the Three Months Ended March 31	
	2024	2023
Increase/decrease	<u>\$ 10,301</u>	<u>\$ 5,999</u>

b) Interest rate risk

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

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value interest rate risk			
Financial assets	\$ 1,752,067	\$ 1,906,142	\$ 1,833,061
Financial liabilities	4,639,001	5,019,982	4,325,132
Cash flow interest rate risk			
Financial assets	4,351,831	7,047,280	3,370,406
Financial liabilities	102,110	104,622	112,127

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

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

	For the Three Months Ended March 31	
	2024	2023
Increase/decrease	<u>\$ 1,062</u>	<u>\$ 815</u>

c) Other price risk

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

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

	For the Three Months Ended March 31	
	2024	2023
Pre-tax net income		
Increase/decrease	<u>\$ 269,139</u>	<u>\$ 296,251</u>
Other comprehensive income		
Increase/decrease	<u>\$ 14,839</u>	<u>\$ 17,122</u>

2) Credit risk

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

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

3) Liquidity risk

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

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

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

29. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties and their relationship with the Group

Related Party	Relationship with the Group
Systemweb Technologies Co., Ltd.	Associate
Sanfran Technologies Inc.	Associate
Investment Media Ltd.	Associate
Shengsen Cloud Technology	Associate (Note 1)
Frog-jump Information Co., Ltd.	Associate

(Continued)

Related Party	Relationship with the Group
Neweb Information Co., Ltd.	Associate
Gensys Technology International. Ltd.	Associate
Fuco Technology Co., Ltd.	Associate
AIWin Technology Co., Ltd.	Associate (Note 2)
Genesis Technology Inc.	Associate
Bao Ruh Electronic Co., Ltd.	Associate
CKmates International Co., Ltd.	Associate (Note 3)
Teamplus Technology Inc.	Associate
Green World FinTech Service Co., Ltd.	Director of subsidiary
Mr. Hsieh	Director of subsidiary
	(Concluded)

Note 1: Shengsen Cloud Technology become a non-related party to the Group starting in June 2023.

Note 2: AIWin Technology Co., Ltd. become a non-related party to the Group starting in March 2024.

Note 3: CKmates International Co., Ltd. become a non-related party to the Group starting in June 2023.

b. Operating revenue

Line Item	Related Party Category	For the Three Months Ended March 31	
		2024	2023
Sales	Associates	<u>\$ 87,238</u>	<u>\$ 47,387</u>
	Director of subsidiary	<u>\$ 2,165</u>	<u>\$ 456</u>
Service revenue	Associates	<u>\$ 2,541</u>	<u>\$ 1,634</u>
	Director of subsidiary	<u>\$ 38</u>	<u>\$ 48</u>
Other operating revenue	Director of subsidiary	<u>\$ 106</u>	<u>\$ 159</u>

c. Purchases

Related Party Category	For the Three Months Ended March 31	
	2024	2023
Associates	<u>\$ 7,390</u>	<u>\$ 8,072</u>

d. Receivables from related parties

Line Item	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Notes and accounts receivable	Associates	<u>\$ 98,487</u>	<u>\$ 86,744</u>	<u>\$ 53,524</u>
	Director of subsidiary	<u>\$ 347</u>	<u>\$ 268</u>	<u>\$ 450</u>
Lease receivables - current (included in other current assets)	Director of subsidiary	<u>\$ 2,483</u>	<u>\$ 2,116</u>	<u>\$ 1,465</u>
Lease receivables - non-current (included in other non-current assets)	Director of subsidiary	<u>\$ 3,755</u>	<u>\$ 2,740</u>	<u>\$ 1,900</u>

e. Payables to related parties

Line Item	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Payables to related parties	Associates	<u>\$ 12,698</u>	<u>\$ 22,306</u>	<u>\$ 14,003</u>
Other payables	Director of subsidiary	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,402</u>

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

f. Acquisition of property, plant and equipment

Related Party Category	For the Three Months Ended March 31	
	2024	2023
Associates	<u>\$ -</u>	<u>\$ 360</u>

g. Other transactions with related parties

Line Item	Related Party Category	For the Three Months Ended March 31	
		2024	2023
Service cost	Associates	<u>\$ 4,143</u>	<u>\$ 4,170</u>
	Director of subsidiary	<u>\$ 783</u>	<u>\$ -</u>
Operating expenses	Associates	<u>\$ 27</u>	<u>\$ 741</u>
	Director of subsidiary	<u>\$ 20</u>	<u>\$ 62</u>

h. Compensation of key management personnel

	For the Three Months Ended March 31	
	2024	2023
Short-term employee benefits	\$ 29,952	\$ 30,665
Share-based payment	11,724	26,459
Post-employment benefits	<u>5,796</u>	<u>769</u>
	<u>\$ 47,472</u>	<u>\$ 57,893</u>

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

30. PLEDGED ASSETS

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

	March 31, 2024	December 31, 2023	March 31, 2023
Property, plant and equipment - land and buildings, net	\$ 429,732	\$ 424,111	\$ 432,797
Pledged time deposits - current (included in other financial assets - current)	369,224	394,958	471,482
Pledged time deposits - non-current (included in other financial assets non-current)	103,782	91,978	63,292
The shares of the Corporation (Note)	<u>592,500</u>	<u>560,000</u>	<u>394,000</u>
	<u>\$ 1,495,238</u>	<u>\$ 1,471,047</u>	<u>\$ 1,361,571</u>

Note: Hanmore pledged 5,000 thousand shares of the Corporation as of March 31, 2024, December 31, 2023 and March 31, 2023, and it was eliminated upon consolidation.

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

	March 31, 2024	December 31, 2023	March 31, 2023
	<u>\$ 723</u>	<u>\$ 713</u>	<u>\$ 684</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
	<u>\$ 16,147,372</u>	<u>\$ 14,505,808</u>	<u>\$ 18,829,521</u>

c. The Group provided endorsements for others in Table 3.

d. The Group issues gift certificates and gift cards. For the handling of advance receipts from customers for sold gift certificates and gift cards, the Group entered into a trust agreement with E.SUN Commercial Bank according to the "Provision to be Included in Standard Form Contract of All Sorts of Gift Certificates of Retail Companies" issued by the Ministry of Economic Affairs. According to the trust agreement, the Group opened a trust account in E.SUN Commercial Bank. Advance receipts from customers for sold gift certificates are deposited in the trust account and amounts for services already provided to customers are paid to the Group on a monthly basis. The balance in the trust account should be not lower than the amount of outstanding gift certificates and gift cards. As of March 31, 2024, the Group's assets in the trust account amounted to \$138,720 thousand (included in other financial assets).

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

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

March 31, 2024

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

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 22,996	30.705	\$ 706,092
RMB	16,100	4.34	69,797
Non-monetary items			
Financial assets at FVTPL			
HKD	9,226	3.93	36,247
<u>Financial liabilities</u>			
Monetary items			
USD	18,007	30.705	552,905
RMB	28	4.34	121

March 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 11,145	30.46	\$ 339,421
RMB	10,068	4.43	44,586
Non-monetary items			
Financial assets at FVTPL			
HKD	11,202	3.88	43,453
<u>Financial liabilities</u>			
Monetary items			
USD	8,623	30.46	262,613
RMB	317	4.43	1,404

For the three months ended March 31, 2024 and 2023, realized and unrealized net foreign exchange losses were \$751 thousand and \$456 thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

33. SEGMENT INFORMATION

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

Financial business integration provides financial technologies and develops smart finance, centered on FinTech, to assist financial customers (mainly engaged in large-scale financial customers) in digital transformation, including transformation services in mobile applications, integration services for investor and wealth management upgrade services.

Consumer market integration mainly focus on new retail, provides full-channel and full payment services, and assists customers, especially digital e-commerce customer, in operating O2O business to realize digital transformation.

Digital ecosystem integration provides comprehensive digital ecosystem product portfolio and solution to drive business intelligence growth of customers, acts as the Data Enabler for customers and actively introduces domestic and foreign leading digital technology to provide solution to customer in digital transformation.

Commercial software service integration mainly provides sales of various domestic and foreign original software and hardware, learning cloud-related technologies and applications, and provides a variety of IT integration services and comprehensive IT ecosystem information services.

China Group, in the way of alliance with local suppliers, expands self-employed business, develops independent products, provides system integration and value-added services, and provides commercial software and cloud platform tools in China.

Investment department engages in investment activities.

The chief operating decision-maker of the Group divided the domestic information service business into four operating segments according to industry level and customer's service requirements and has taken China Group as a reportable segment due to regional specialties. In addition, the financial investment business is considered as an investment department that should be reported separately. Financial business integration included domestic departments which provide a cross-border financial transaction cloud, APP and customized development, community services for investors, and ITDM services of securities or futures trading in Greater China. Consumer market integration included domestic departments which provide mobile payments, O2O integration services, data processing services, precision marketing solution, government official website, service platform, and e-commerce platform. Digital ecosystem integration included domestic departments which provide big data platform and value-added innovation, commercial software, cloud value-added services, Cyber-security, IT development training courses, and book publishing into a reportable department. Commercial software service integration mainly categorizes the domestic departments which provide commercial software, technology value-added services of Microsoft product, cloud construction and application, and Mobile APP development into a reportable department.

Consolidated revenues and results

	Financial Business Integration	Consumer Market Integration	Digital Ecosystem Integration	Commercial Software Service Integration	China Group	Investment Department	Adjustment and Elimination	Total
For the three months ended March 31, 2024								
Sales to customers	\$ 1,152,899	\$ 1,685,062	\$ 2,089,487	\$ 3,465,754	\$ 1,794,147	\$ -	\$ -	\$ 10,187,349
Sales to other segments	53,848	34,647	569,979	212,353	243,625	-	(1,114,452)	-
Total sales	<u>\$ 1,206,747</u>	<u>\$ 1,719,709</u>	<u>\$ 2,659,466</u>	<u>\$ 3,678,107</u>	<u>\$ 2,037,772</u>	<u>\$ -</u>	<u>\$ (1,114,452)</u>	<u>\$ 10,187,349</u>
Segment income	<u>\$ 71,191</u>	<u>\$ 137,199</u>	<u>\$ 199,744</u>	<u>\$ 194,663</u>	<u>\$ 54,090</u>	<u>\$ 268,057</u>	<u>\$ -</u>	<u>\$ 924,944</u>
Corporate general expenses								(126,783)
Income before income tax								<u>\$ 798,161</u>
Segment depreciation and amortization expenses	<u>\$ 17,907</u>	<u>\$ 12,183</u>	<u>\$ 23,038</u>	<u>\$ 3,483</u>	<u>\$ 10,070</u>	<u>\$ -</u>		\$ 66,681
Non-segment depreciation and amortization expenses								41,088
Total depreciation and amortization expenses								<u>\$ 107,769</u>
Segment assets	<u>\$ 5,307,520</u>	<u>\$ 2,655,006</u>	<u>\$ 2,987,012</u>	<u>\$ 4,550,753</u>	<u>\$ 3,377,158</u>	<u>\$ 9,094,132</u>		\$ 27,971,581
General assets								2,088,069
Total assets								<u>\$ 30,059,650</u>
For the three months ended March 31, 2023								
Sales to customers	\$ 984,466	\$ 1,476,033	\$ 2,152,120	\$ 2,212,647	\$ 1,403,454	\$ -	\$ -	\$ 8,228,720
Sales to other segments	49,109	29,362	432,058	40,264	139,840	-	(690,633)	-
Total sales	<u>\$ 1,033,575</u>	<u>\$ 1,505,395</u>	<u>\$ 2,584,178</u>	<u>\$ 2,252,911</u>	<u>\$ 1,543,294</u>	<u>\$ -</u>	<u>\$ (690,633)</u>	<u>\$ 8,228,720</u>
Segment income	<u>\$ 81,600</u>	<u>\$ 96,055</u>	<u>\$ 208,045</u>	<u>\$ 151,625</u>	<u>\$ 5,434</u>	<u>\$ 160,982</u>	<u>\$ -</u>	<u>\$ 703,741</u>
Corporate general expenses								(118,208)
Income before income tax								<u>\$ 585,533</u>
Segment depreciation and amortization expenses	<u>\$ 13,887</u>	<u>\$ 8,470</u>	<u>\$ 27,942</u>	<u>\$ 3,417</u>	<u>\$ 11,248</u>	<u>\$ -</u>		\$ 64,964
Non-segment depreciation and amortization expenses								39,290
Total depreciation and amortization expenses								<u>\$ 104,254</u>
Segment assets	<u>\$ 4,891,318</u>	<u>\$ 2,685,051</u>	<u>\$ 1,636,874</u>	<u>\$ 4,988,428</u>	<u>\$ 3,098,098</u>	<u>\$ 8,859,283</u>		\$ 26,159,052
General assets								1,950,770
Total assets								<u>\$ 28,109,822</u>

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

34. SEPARATELY DISCLOSED ITEMS

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

- 1) Financing provided to others (Table 2)
- 2) Endorsements/guarantees provided (Table 3)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 4)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 5)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)
- 9) Trading in derivative instruments (None)
- 10) Other: Intercompany relationships and significant intercompany transactions (Table 8)
- 11) Information on investees (Table 9)

c. Information on investments in mainland China

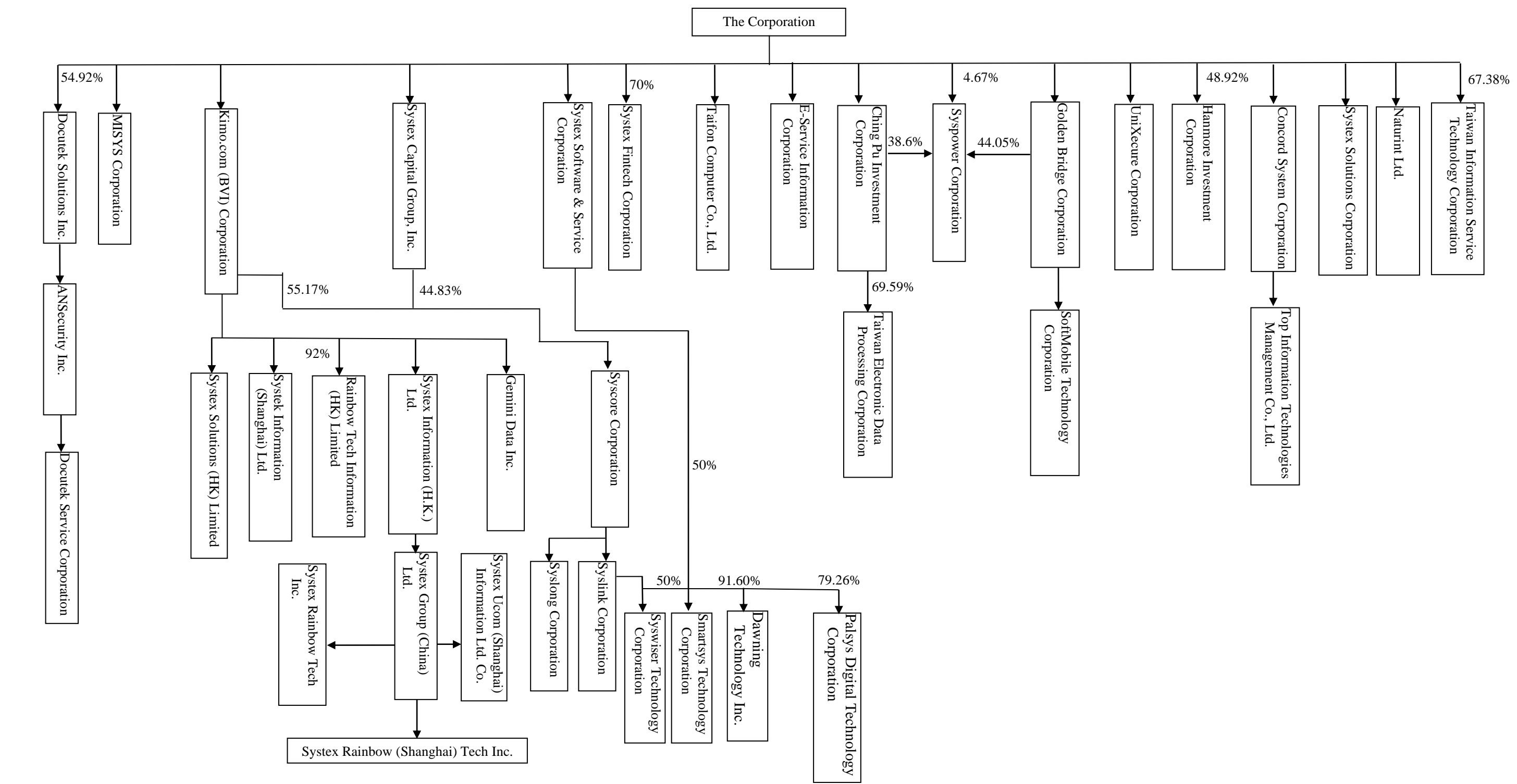
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 10)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 8):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

- e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 11)

TABLE 1

SYSTEX CORPORATION AND SUBSIDIARIES

THE RELATIONSHIP AND PERCENTAGE OF OWNERSHIP OF COMPANIES IN THE GROUP
MARCH 31, 2024



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

TABLE 2

SYSTEX CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed (Note 11)	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 2)	Note
													Item	Value			
1	Systex Group (China) Ltd.	Systek Information (Shanghai) Ltd.	Receivables from related parties	Y	\$ 135,306	\$ 135,306	\$ -	1-6.16	Short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 3,031,568	\$ 6,063,137	(Note 3)
		Systex Rainbow Tech Inc.	Receivables from related parties	Y	225,510	225,510	99,224	1-6.16	Short-term financing	-	Operating capital	-	-	-	3,031,568	6,063,137	(Note 4)
		Systex Ucom (Shanghai) Information Ltd. Co.	Receivables from related parties	Y	225,510	225,510	-	1-6.16	Short-term financing	-	Operating capital	-	-	-	3,031,568	6,063,137	(Note 5)
2	Systek Information (Shanghai) Ltd.	Systex Group (China) Ltd.	Receivables from related parties	Y	270,612	270,612	-	1-6.16	Short-term financing	-	Operating capital	-	-	-	3,031,568	6,063,137	(Note 6)
		Systex Rainbow Tech Inc.	Receivables from related parties	Y	45,102	45,102	-	1-6.16	Short-term financing	-	Operating capital	-	-	-	3,031,568	6,063,137	(Note 7)
3	Systex Rainbow Tech Inc.	Systex Group (China) Ltd.	Receivables from related parties	Y	90,204	90,204	-	1-6.16	Short-term financing	-	Operating capital	-	-	-	3,031,568	6,063,137	(Note 8)
		Systek Information (Shanghai) Ltd.	Receivables from related parties	Y	45,102	45,102	-	1-6.16	Short-term financing	-	Operating capital	-	-	-	3,031,568	6,063,137	(Note 9)
4	Syscore Corporation	Concord System Management Corporation	Receivables from related parties	Y	300,000	300,000	-	2.00	Short-term financing	-	Operating capital	-	-	-	1,457,120	1,457,120	(Note 10)
5	Syslink Corporation	Palsys Digital Technology Corporation	Receivables from related parties	Y	160,000	-	-	2.00	Short-term financing	-	Operating capital	-	-	-	557,811	557,811	(Note 11)

- Note 1: Loans to individual company shall not exceed 20% of the lender’s net equity, except for 40% net equity of Syscore Corporation and Syslink Corporation. If it is for short-term financing between foreign companies in which the Corporation holds a 100% interest, the financing limit is not subject to the prior limitation but shall not exceed 20% of the Corporation’s net equity.
- Note 2: Total loans shall not exceed 40% of the lender’s net equity. If it is for short-term financing between foreign companies in which the Corporation holds a 100% interest, the total loans are not subject to the prior limitation but shall not exceed 20% of the Corporation’s net equity.
- Note 3: The highest balance for the period is \$135,306 thousand (RMB30,000 thousand). The ending balance is \$135,306 thousand (RMB30,000 thousand) which has not been withdrawn.
- Note 4: The highest balance for the period is \$225,510 thousand (RMB50,000 thousand). The ending balance is \$225,510 thousand (RMB50,000 thousand), including \$126,286 thousand (RMB28,000 thousand) which has not been withdrawn.
- Note 5: The highest balance for the period is \$225,510 thousand (RMB50,000 thousand). The ending balance is \$225,510 thousand (RMB50,000 thousand) which has not been withdrawn.
- Note 6: The highest balance for the period is \$270,612 thousand (RMB60,000 thousand). The ending balance is \$270,612 thousand (RMB60,000 thousand) which has not been withdrawn.
- Note 7: The highest balance for the period is \$45,102 thousand (RMB10,000 thousand). The ending balance is \$45,102 thousand (RMB10,000 thousand) which has not been withdrawn.
- Note 8: The highest balance for the period is \$90,204 thousand (RMB20,000 thousand). The ending balance is \$90,204 thousand (RMB20,000 thousand) which has not been withdrawn.
- Note 9: The highest balance for the period is \$45,102 thousand (RMB10,000 thousand). The ending balance is \$45,102 thousand (RMB10,000 thousand) which has not been withdrawn.
- Note 10: The highest balance for the period is \$300,000 thousand. The ending balance is \$300,000 thousand which has not been withdrawn.
- Note 11: The highest balance for the period is \$160,000 thousand.
- Note 12: The ending balance of actual amount borrowed was eliminated in the consolidated financial statements.

TABLE 3

SYSTEX CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 1)											
0	Systex Corporation	Systex Information (HK) Ltd.	b	\$ 3,789,460	\$ 400,000	\$ 400,000	\$ 182,496	\$ -	2.64	\$ 7,578,921	Y	N	N	(Notes 2 and 3)
		Systex Group (China) Ltd.	b	3,789,460	1,816,938	1,816,938	598,142	-	11.99	7,578,921	Y	N	Y	(Notes 2 and 3)
		Systek Information (Shanghai) Ltd.	b	3,789,460	16,000	16,000	-	-	0.11	7,578,921	Y	N	Y	(Notes 2 and 3)
		Systex Rainbow Tech Inc.	b	3,789,460	48,000	48,000	-	-	0.32	7,578,921	Y	N	Y	(Notes 2 and 3)
		Systex Ucom (Shanghai) Information Ltd. Co.	b	3,789,460	135,306	135,306	5,052	-	0.89	7,578,921	Y	N	Y	(Notes 2 and 3)
		Systex Software & Service Corporation	b	3,789,460	1,000,000	1,000,000	312,918	-	6.60	7,578,921	Y	N	N	(Notes 2 and 3)
1	Systek Information (Shanghai) Ltd.	Systex Group (China) Ltd.	d	362,371	225,510	225,510	202,959	225,510	124.46	362,371	N	N	Y	(Notes 4 and 5)

Note 1: There are seven types of relationships between the endorser and the endorsed party.

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

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

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

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

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

TABLE 4

SYSTEX CORPORATION AND SUBSIDIARIES

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

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Controlling company - Systex Corporation	<u>Ordinary shares</u>							
	GCH Systems		Financial assets at FVTPL - non-current	56,226	\$ -	0.74	\$ -	
	Taiwan Futures Exchange Corporation		"	17,919,276	1,664,959	3.28	1,664,959	
	Saho Corporation		"	795,895	-	1.79	-	
	Far Eastern Electronic Toll Collection Co., Ltd.		"	25,263,076	277,774	8.42	277,774	
	Sysjust Co., Ltd.		"	1,108,592	24,326	4.22	24,326	
	3Probe Technologies Co., Ltd.		"	205,567	2,160	6.42	2,160	
	Da Ho Marketing Co., Ltd.		"	1,260,000	13,179	14.63	13,179	
	Princo Co., Ltd.		"	808,415	-	0.20	-	
	Wegoluck Co., Ltd.		"	471,700	-	3.20	-	
	Yankey Inc.		"	150,000	-	3.57	-	
	Germini Data Inc.		"	3,404,000	-	1.40	-	
	Prudence Capital Management Co., Ltd.		Financial assets at FVTOCI - non-current	33,137	408	0.50	408	
	Alpha Core Philosophy Co., Ltd.		"	612,006	1,738	1.79	1,738	
	iSpan International Inc.		"	600,000	7,266	6.12	7,266	
	Firstweb Limited.		"	236,000	33,040	3.58	33,040	
	<u>Preference shares</u>							
	Gemini Data, Inc.		Financial assets at FVTOCI - non-current	7,720,167	-	3.18	-	
	<u>Mutual funds</u>							
	Fuh Hwa Money Market Fund		Financial assets at FVTPL - current	6,743,179	100,010	-	100,010	
	FSITC Money Market Fund		"	544,289	100,010	-	100,010	
	UPAMC James Bond Money Market Fund		"	5,814,258	100,010	-	100,010	
Subordinate company - Ching Pu Investment Corporation	<u>Ordinary shares</u>	Parent company						
	Systex Corporation		Financial assets at FVTOCI - non-current	10,981,476	1,301,305	4.03	1,301,305	(Note 2)
	Enova Technology Corp.		Financial assets at FVTPL - non-current	1,177,629	-	5.57	-	
	Princo Co., Ltd.		"	8,558,064	-	2.08	-	
	Sysjust Co., Ltd.		"	1,276,448	28,010	4.85	28,010	
	Axtronics Inc.		"	64,063	-	0.37	-	
	Universal Ec Inc.		"	111,829	-	0.22	-	
	Taiwan Electronic Packaging Co., Ltd.		"	326,000	-	0.54	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Subordinate company - Taiwan Electronic Data Processing Corporation	<u>Mutual funds</u> Fuh Hwa Legend Fund VI Yuanta 0-2 Year Investment Grade Corporate Bond Fund - TWD (A) PGIM Money Market Fund	Parent company	Financial assets at FVTPL - current	250,000	\$ 7,820	-	\$ 7,820	(Note 2)
			"	1,000,000	10,808	-	10,808	
			"	4,905,327	80,009	-	80,009	
	<u>Ordinary shares</u> Changzhou Xinguotai Information Equipment Co., Ltd. Taione International Ltd. Drpacific-Greater China, Inc.		Financial assets at FVTPL - non-current	80,000	-	13.11	-	
			"	630,000	-	4.50	-	
			"	-	-	5.06	-	
	<u>Ordinary shares</u> Systex Corporation Monterey International Corp. Enova Technology Corp. NITS Technology Inc.		Financial assets at FVTOCI - non-current	21,316,678	2,526,026	7.83	2,526,026	
			Financial assets at FVTPL - non-current	1,196,371	12,323	4.68	12,323	
			"	1,840,046	-	8.70	-	
			"	3,910,646	-	5.83	-	
Subordinate company - Systex Capital Group, Inc.	<u>Mutual funds</u> PineBridge Global ESG Quantitative Bond Fund A. Fuh Hwa 3-8 Year Maturity A-Rated Bond Fund TWD PineBridge Taiwan Market Fund (TWD)	Parent company	Financial assets at FVTPL - current	968,720	9,117	-	9,117	(Note 2)
			"	1,500,000	15,544	-	15,544	
			"	1,425,974	20,025	-	20,025	
	<u>Ordinary shares</u> Com2B Corp. Techgains International Corp. Tradetrek.com Inc. Sipix Technology Limited Falcon Stor Software Inc. MagiCapital Fund II, L.P.		Financial assets at FVTPL - non-current	1,000,000	-	2.22	-	
			"	1,500,000	-	4.41	-	
			"	1,109,468	-	3.30	-	
			"	279,919	-	0.24	-	
			Financial assets at FVTPL - current	4,000	273	0.07	273	
			Financial assets at FVTOCI - non-current	-	149,703	2.91	149,703	
	<u>Preference shares</u> Techgains Pan-Pacific Corporation CipherMax Tonbu Inc. Gemini Data, Inc.		Financial assets at FVTPL - non-current	3,000,000	-	4.96	-	
			"	73,703	-	0.74	-	
			"	333,333	-	1.38	-	
			Financial assets at FVTOCI - non-current	25,611,876	-	11.59	-	
	<u>Other</u> Current Ventures II Limited		Financial assets at FVTOCI - non-current	2,500,000	-	4.20	-	
	<u>Mutual funds</u> PIMCO Income Fund-H Class PIMCO Global Bond Fund-H Class Goldman Sachs High Yield Floating Rate Portfolio Fund GS GLOBAL CREDIT PORTFOLIO(HEDGED) P (ACC) SHARES		Financial assets at FVTPL - current	53,668	15,954	-	15,954	
			"	18,196	19,343	-	19,343	
			"	4,062	19,380	-	19,380	
			"	33,371	19,286	-	19,286	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Subordinate company - Syscore Corporation	<u>Ordinary shares</u> Far Eastern Electronic Toll Collection Co., Ltd. GrandTech C.G. Systems Inc.		Financial assets at FVTPL - non-current Financial assets at FVTOCI - non-current	7,716,831 600,000	\$ 83,976 42,420	2.57 0.97	\$ 83,976 42,420	
	<u>Preference shares</u> Taiwania Capital Buffalo Fund Preference Shares - Class A		Financial assets at FVTPL - non-current	92,600,000	73,649	2.15	73,649	
	<u>Limited partnership</u> Digital-Economy limited partnership		Financial assets at FVTPL - non-current	-	30,778	6.29	30,778	
	<u>Mutual funds</u> Fuh Hwa Money Market Fund		Financial assets at FVTPL - current	6,748,777	100,093	-	100,093	
	Allianz Global Investors Taiwan Money Market Fund		"	13,934,070	180,162	-	180,162	
	Taishin Flexible Income Fund B-TWD		"	300,000	3,079	-	3,079	
	Allianz Global Investors US Short Duration High Income Bond Fund		"	3,000,000	32,515	-	32,515	
	Yuanta 0-2 Year Investment Grade Corporate Bond Fund - TWD (A)		"	2,000,000	21,616	-	21,616	
	Yuanta Wan Tai Money Market Fund		"	6,417,456	100,129	-	100,129	
	Yuanta Japan Leaders Equity Fund-TWD (A)		"	4,810,198	55,991	-	55,991	
	Fuh Hwa Legend Fund VI		"	14,900,000	466,072	-	466,072	
	<u>Corporate bond</u> Nan Shan Life Insurance Company, Ltd. 1st Perpetual Unsecured Subordinate Corporate Bond Issue in 2016		Financial assets at amortized cost - non-current	-	502,143	-	502,143	(Note 3)
Subordinate company - Syslink Corporation	<u>Ordinary shares</u> Caloudi Corporation Ckmates International Co., Ltd		Financial assets at FVTOCI - non-current "	1,225,000 2,370,000	26,342 19,036	19.68 19.01	26,342 19,036	
	<u>Mutual funds</u> Yuanta Wan Tai Money Market Fund		Financial assets at FVTPL - current	6,417,456	100,129	-	100,129	
	Yuanta De-Li Money Market Fund		"	595,033	10,008	-	10,008	
	Yuanta De-Bao Money Market Fund		"	16,168,149	200,259	-	200,259	
Subordinate company - Kimo.com (BVI) Corporation	<u>Ordinary shares</u> ISHARES A50 (2823.HK) CSOP A50 (2822.HK)		Financial assets at FVTPL - current "	392,000 397,000	19,828 19,058	- -	19,828 19,058	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Subordinate company - Syslong Corporation	<u>Mutual funds</u> ALLIANZ GLOBAL ARTIFICIAL INTELLIGENCE-CLASS AT ACC (USD)		Financial assets at FVTPL - current	15,768	\$ 13,558	-	\$ 13,558	
	ALLIANZ TOTAL RETURN ASIAN EQUITY-CLASS A DIS (USD)		"	10,352	10,746	-	10,746	
	ALLIANZ CHINA A SHARES SHS-AT (USD)		"	75,810	22,610	-	22,610	
	<u>Other</u> New Economy Ventures L.P		Financial assets at FVTPL - non-current	-	80,170	14.73	80,170	
	<u>Preference shares</u> XREX Inc.		Financial assets at FVTOCI - non-current	254,148	1,110	0.96	1,110	
	<u>Ordinary shares</u> SMY Internet of Package Co., Ltd.		Financial assets at FVTOCI - non-current	234,568	15,716	0.19	15,716	
	<u>Mutual funds</u> Fubon Chi-Hsiang Money Market Fund		Financial assets at FVTPL - current	14,566,146	235,316	-	235,316	
	<u>Mutual funds</u> Hua Nan Phoenix Money Market Fund		Financial assets at FVTPL - current	1,788,258	30,003	-	30,003	
	Taishin Ta-Chong Money Market Fund		"	1,364,750	20,002	-	20,002	
	<u>Mutual funds</u> FSITC Money Market Fund		Financial assets at FVTPL - current	54,429	10,001	-	10,001	
Subordinate company - Taifon Computer Co., Ltd.	<u>Mutual funds</u> Hua Nan Phoenix Money Market Fund		Financial assets at FVTPL - current	4,774,039	80,098	-	80,098	
	PGIM Money Market Fund		"	6,135,985	100,082	-	100,082	
	FSITC Taiwan Money Market Fund		"	3,166,681	50,002	-	50,002	
Subordinate company - Concord System Management Corporation	<u>Mutual funds</u> Taishin Ta-Chong Money Market Fund		Financial assets at FVTPL - current	6,831,814	100,126	-	100,126	
	UPAMC James Bond Money Market Fund		"	2,909,209	50,041	-	50,041	
Subordinate company - UniXecure Corporation	<u>Mutual funds</u> Taishin 1699 Money Market Fund		Financial assets at FVTPL - current	715,302	10,006	-	10,006	
Subordinate company - Taiwan Information Service Technology Co., Ltd.	<u>Mutual funds</u> Jih Sun Money Market Fund		Financial assets at FVTPL - current	653,890	10,007	-	10,007	
Subordinate company - Smartsys Technology Corporation	<u>Mutual funds</u> UPAMC James Bond Money Market Fund		Financial assets at FVTPL - current	698,438	12,014	-	12,014	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Subordinate company - Softmobile Technology Corporation	<u>Mutual funds</u> Capital Money Market Fund		Financial assets at FVTPL - current	603,293	\$ 10,039	-	\$ 10,039	
Subordinate company - Systex Software & Service Corporation	<u>Mutual funds</u> SinoPac TWD Money Market Fund		Financial assets at FVTPL - current	6,971,896	100,032	-	100,032	
	Union Money Market Fund		"	3,671,476	50,002	-	50,002	
Subordinate company - Systex Solutions Corporation	<u>Mutual funds</u> FSITC Money Market Fund		Financial assets at FVTPL - current	326,813	60,050	-	60,050	
	SinoPac TWD Money Market Fund		"	6,978,513	100,127	-	100,127	
	Yuanta Wan-Tai Money Market Fund		"	6,414,574	100,084	-	100,084	
Subordinate company - Top Information Technologies Corporation	<u>Mutual funds</u> Hua Nan Phoenix Money Market Fund		Financial assets at FVTPL - current	1,490,215	25,003	-	25,003	
	Taishin Ta-Chong Money Market Fund		"	1,705,937	25,002	-	25,002	
Subordinate company - Systex Fintech Corporation	<u>Mutual funds</u> Mega Diamond Money Market Fund		Financial assets at FVTPL - current	3,090,927	40,002	-	40,002	

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

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

Note 3: The carrying amount includes the unamortized bond premium of \$2,143 thousand generated from acquiring the bonds from the Corporation and Ching Pu Investment Corporation. In preparing the consolidated financial statements, the amount was eliminated.

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

(Concluded)

TABLE 5

SYSTEX CORPORATION AND SUBSIDIARIES

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount (Note)	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal	Number of Shares	Amount (Note)
Controlling company - Systex Corporation	Mutual funds													
	Fuh Hwa Money Market Fund	Financial assets at FVTPL - current	-	-	-	\$ -	20,237,728	\$ 300,000	13,494,549	\$ 200,051	\$ 200,000	\$ 51	6,743,179	\$ 100,000
	FSITC Money Market Fund	//	-	-	-	-	1,633,955	300,000	1,089,666	200,123	200,000	123	544,289	100,000
	UPAMC James Bond Money Market Fund	//	-	-	-	-	17,458,209	300,000	11,643,951	200,187	200,000	187	5,814,258	100,000

Note: Financial assets are classified as at FVTPL, the ending balances are measured at acquisition cost, excluding adjustment for fair value.

TABLE 6

SYSTEX CORPORATION AND SUBSIDIARIES

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

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)	
			Purchase/ Sale	Amount (Note)	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note)	% of Total
Controlling company - Systex Corporation	Systex Software & Service Corporation	Subsidiary	Purchase	\$ 174,589	12	78 days after transaction month	\$ -	-	\$ (182,673)	11
	Palsys Digital Technology Corporation	Subsidiary	Purchase	158,870	11	78 days after transaction month	-	-	(30,919)	2
Subordinate company - Systex Software & Service Corporation	Systex Corporation	Parent company	Sale	(174,589)	5	78 days after transaction month	-	-	182,673	8
Subordinate company - Palsys Digital Technology Corporation	Systex Corporation	Parent company	Sale	(158,870)	19	78 days after transaction month	-	-	30,919	5
	Concord System Management Corporation	Associate	Sale	(240,068)	29	78 days after transaction month	-	-	217,384	32
Subordinate company - Concord System Management Corporation	Palsys Digital Technology Corporation	Associate	Purchase	240,068	11	78 days after transaction month	-	-	(217,384)	44
Subordinate company - Rainbow Tech Information (HK) Corporation	Systex Information (HK) Corporation	Associate	Purchase	128,363	85	30 days after transaction month	-	-	(66,336)	84
Subordinate company - Systex Information (HK) Corporation	Rainbow Tech Information (HK) Corporation	Associate	Sale	(128,363)	24	30 days after transaction month	-	-	66,336	12

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

TABLE 7

SYSTEX CORPORATION AND SUBSIDIARIES

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

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Subordinate company - Palsys Digital Technology Corporation Systex Software & Service Corporation	Concord System Management Corporation Systex Corporation	Associate (Note)	\$ 217,384	7.25	\$ -	-	\$ 1,785	\$ -
		Parent company (Note)	182,673	1.22	-	-	-	-

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

TABLE 8

SYSTEX CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Systex Corporation	Systex Software & Service Corporation	a	Sales	\$ 34,661	Net 78 days	-
		Systex Software & Service Corporation	a	Cost of goods sold	174,589	Net 78 days	2
		Systex Software & Service Corporation	a	Receivables from related parties	48,852	Net 78 days	-
		Systex Software & Service Corporation	a	Payables to related parties	182,673	Net 78 days	1
		Syspower Corporation	a	Sales	4,868	Net 78 days	-
		Syspower Corporation	a	Receivables from related parties	7,907	Net 78 days	-
		Concord System Management Corporation	a	Sales	24,461	Net 78 days	-
		Concord System Management Corporation	a	Receivables from related parties	30,003	Net 78 days	-
		Systex Solutions Corporation	a	Receivables from related parties	6,965	Net 78 days	-
		Systex Solutions Corporation	a	Payables to related parties	3,428	Net 78 days	-
		Softmobile Technology Corporation	a	Cost of goods sold	3,504	Net 78 days	-
		Softmobile Technology Corporation	a	Service cost	14,775	Net 78 days	-
		Softmobile Technology Corporation	a	Payables to related parties	18,682	Net 78 days	-
		Systex Fintech Corporation	a	Sales	8,722	Net 78 days	-
		Systex Fintech Corporation	a	Service cost	2,478	Net 78 days	-
		Systex Fintech Corporation	a	Receivables from related parties	10,111	Net 78 days	-
		Systex Fintech Corporation	a	Payables to related parties	2,697	Net 78 days	-
		Taifon Computer Co., Ltd.	a	Receivables from related parties	3,182	Net 78 days	-
		Top Information Technologies Co., Ltd.	a	Receivables from related parties	3,621	Net 78 days	-
		Top Information Technologies Co., Ltd.	a	Payables to related parties	3,089	Net 78 days	-
		Dawning Technology Inc.	a	Cost of goods sold	39,757	Net 78 days	-
		Dawning Technology Inc.	a	Payables to related parties	41,321	Net 78 days	-
		Naturint Corporation	a	Service cost	5,366	Net 78 days	-
		Naturint Corporation	a	Payables to related parties	5,634	Net 78 days	-
		Palsys Digital Technology Corporation	a	Cost of goods sold	158,870	Net 78 days	2
		Palsys Digital Technology Corporation	a	Service cost	3,223	Net 78 days	-
		Palsys Digital Technology Corporation	a	Receivables from related parties	9,375	Net 78 days	-
		Palsys Digital Technology Corporation	a	Payables to related parties	30,919	Net 78 days	-
		UniXecure Corporation	a	Receivables from related parties	4,113	Net 78 days	-
		UniXecure Corporation	a	Payables to related parties	10,306	Net 78 days	-
		UniXecure Corporation	a	Cost of goods sold	11,223	Net 78 days	-
		UniXecure Corporation	a	Service cost	3,419	Net 78 days	-
		Docutek Solutions, Inc.	a	Cost of goods sold	2,914	Net 78 days	-
		Docutek Solutions, Inc.	a	Payables to related parties	2,324	Net 78 days	-
		MISYS Corporation	a	Receivables from related parties	2,955	Net 78 days	-

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
1	Systex Software & Service Corporation	Softmobile Technology Corporation	b	Payables to related parties	\$ 2,123	Net 78 days	-
		Dawning Technology Inc.	b	Cost of goods sold	4,629	Net 78 days	-
		Dawning Technology Inc.	b	Payables to related parties	7,491	Net 78 days	-
		Palsys Digital Technology Corporation	b	Cost of goods sold	20,191	Net 78 days	-
		Palsys Digital Technology Corporation	b	Payables to related parties	10,915	Net 78 days	-
		UniXecure Corporation	b	Cost of goods sold	2,763	Net 78 days	-
		UniXecure Corporation	b	Service cost	8,161	Net 78 days	-
		UniXecure Corporation	b	Payables to related parties	9,389	Net 78 days	-
		Systex Group (China) Ltd.	b	Sales	10,834	Net 90 days	-
		Systex Group (China) Ltd.	b	Receivables from related parties	26,990	Net 90 days	-
		Systex Rainbow Tech Inc.	b	Receivables from related parties	12,242	Net 90 days	-
		Systek Information (Shanghai) Corporation	b	Sales	2,978	Net 90 days	-
		Systek Information (Shanghai) Corporation	b	Receivables from related parties	3,321	Net 90 days	-
3	Concord System Management Corporation	Palsys Digital Technology Corporation	b	Cost of goods sold	240,068	Net 78 days	2
		Palsys Digital Technology Corporation	b	Service cost	9,746	Net 78 days	-
		Palsys Digital Technology Corporation	b	Payables to related parties	217,384	Net 78 days	1
		Syscore Corporation	b	Interest expense	614	Short-term financing, with a term of one year	-
4	Systex Solutions Corporation	UniXecure Corporation	b	Payables to related parties	5,342	Net 78 days	-
5	Softmobile Technology Corporation	Top Information Technologies Corporation	b	Payables to related parties	2,095	Net 78 days	-
6	Systex Fintech Corporation	Dawning Technology Inc.	b	Cost of goods sold	6,191	Net 78 days	-
		Dawning Technology Inc.	b	Payables to related parties	6,522	Net 78 days	-
7	Taifon Computer Co., Ltd.	Dawning Technology Inc.	b	Cost of goods sold	7,905	Net 78 days	-
		Dawning Technology Inc.	b	Payables to related parties	8,298	Net 78 days	-
8	Top Information Technologies Corporation	MISYS Corporation	b	Service cost	10,371	Net 78 days	-
		MISYS Corporation	b	Payables to related parties	7,662	Net 78 days	-
9	UniXecure Corporation	Docutek Solutions, Inc.	b	Cost of goods sold	8,443	Net 78 days	-
		Docutek Solutions, Inc.	b	Payables to related parties	8,881	Net 78 days	-
10	Docutek Solutions, Inc.	Docutek Services Corporation	b	Service cost	2,239	Net 78 days	-
12	Systex Group (China) Ltd.	Systex Rainbow Tech Inc.	b	Interest revenue	969	Short-term financing, with a term of one year	-
		Systex Rainbow Tech Inc.	b	Receivables from related parties (including interest receivables)	99,224	Short-term financing, with a term of one year	-
		Systex Rainbow Tech Inc.	b	Payables to related parties	11,239	Net 120 days	-
		Systex Ucom (Shanghai) Information Ltd. Co.	b	Sales	14,221	Net 120 days	-
		Systex Ucom (Shanghai) Information Ltd. Co.	b	Cost of goods sold	35,204	Net 120 days	-
		Systex Ucom (Shanghai) Information Ltd. Co.	b	Payables to related parties	9,653	Net 120 days	-

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
14	Systex Rainbow Tech Inc.	Systex Rainbow (Shanghai) Tech Inc.	b	Sales	\$ 10,503	Net 120 days	-
		Systex Rainbow (Shanghai) Tech Inc.	b	Receivables from related parties	22,658	Net 120 days	-
		Systex Rainbow (Shanghai) Tech Inc.	b	Payables to related parties	2,355	Net 120 days	-
15	Systex Information (HK) Corporation	Rainbow Tech Information (HK) Corporation	b	Sales	177,886	Net 30 days	2
		Rainbow Tech Information (HK) Corporation	b	Receivables from related parties	66,336	Net 30 days	-

Note 1: The method of filling in the number:

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

Note 2: Categories of relationships:

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

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

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

(Concluded)

TABLE 9

SYSTEX CORPORATION AND SUBSIDIARIES

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

Investor Company	Name of Investee	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2024	December 31, 2023	Number of Shares	Ratio (%)	Carrying Amount			
Systex Corporation	Systex Infopro Co., Ltd.	Thailand	Sale of computer and peripheral equipment	\$ 2,200	\$ 2,200	20,000	20.00	\$ 3,614	\$ -	\$ -	-
	Hanmore Investment Corporation	Taiwan	General investment activities	47,125	47,125	9,640,680	48.92	28,810	(209)	(102)	Subsidiary (1, 3)
	Ching Pu Investment Corporation	Taiwan	General investment activities	30,775	30,775	23,437,500	100.00	389,609	11,229	11,408	Subsidiary (2, 3)
	Concord System Management Corporation	Taiwan	Design, assessment and planning of computer system and application software and data-processing system, sale and lease of computer hardware, peripheral equipment and spare parts, and repairs and maintenance services	485,393	485,393	30,413,372	100.00	565,593	31,230	28,219	Subsidiary (3)
	Systemweb Technologies Co.	Taiwan	Data storage media units manufacturing, installation of computer, and sale and development of computer software	86,950	86,950	3,245,000	32.45	42,306	(28,437)	(8,691)	-
	Taifon Computer Co., Ltd.	Taiwan	Design of computer hardware and software equipment system, computer room installation, and maintenance, sale, lease and consultation	220,310	220,310	20,000,000	100.00	301,692	28,360	28,453	Subsidiary (3)
	Sanfran Technologies Inc.	Taiwan	Maintenance and warranty of equipment of internet and information security, and consultation on network infrastructure and information security	20,067	20,067	2,518,989	12.26	60,306	44,958	9,748	-
	Golden Bridge Corporation	Taiwan	General investment activities	230,000	230,000	23,000,000	100.00	274,879	8,408	8,367	Subsidiary (3)
	Systex Software & Service Corporation	Taiwan	Sale and development of computer software, data-processing services	450,000	450,000	54,450,000	100.00	999,262	143,396	143,121	Subsidiary (3)
	Syspower Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	15,195	15,195	1,096,200	4.67	21,102	9,281	351	Subsidiary (3)
	Systex Solutions Corporation	Taiwan	Design, construction and sale of telecom instrument, electronic calculator and computer	260,000	260,000	26,000,000	100.00	316,078	24,859	25,036	Subsidiary (3)
	Systex Fintech Corporation	Taiwan	Manufacturing of wire communication equipment and apparatus, electronic parts and components, and computers and peripheral equipment, installation of computer, and wholesale and retailing of computer and business machinery equipment	290,500	290,500	13,996,500	70.00	279,578	12,776	9,280	Subsidiary (3)
	Systex Capital Group, Inc.	British Virgin Island	Investment activities including financial trust and holding	91,695	91,695	550	100.00	2,731,961	57,234	56,598	Subsidiary (3)
	Kimo.com (BVI) Corporation	British Virgin Island	Investment activities including financial trust and holding	13,185	13,185	500,000	100.00	4,453,739	103,754	103,633	Subsidiary (3)
	Naturint Corporation	Taiwan	Installation, sale, information software, data processing and other consultation on computer software and related equipment, network certification and software publication	20,000	20,000	2,000,000	100.00	10,382	(3,187)	(3,187)	Subsidiary (3)
	FinRobo Advisor Securities Investment Consulting Co., Ltd.	Taiwan	Securities investment advisor	23,272	23,272	1,500,000	30.00	5,666	(1,427)	(428)	-
	Mohist Web Technology Co.	Taiwan	Merchandise gift certificate automatic distribution system, in-time trust electronic (paper) ticket automated sales system, and integrated mobile payment platform	25,600	25,600	400,000	40.00	11,672	310	500	-

(Continued)

Investor Company	Name of Investee	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2024	December 31, 2023	Number of Shares	Ratio (%)	Carrying Amount			
Ching Pu Investment Corporation	Frog-jump Information Co., Ltd.	Taiwan	Information software service	\$ 18,969	\$ 18,969	863,202	10.00	\$ 14,709	\$ 5,146	\$ 854	-
	GenSys Technology (International) Ltd.	Hong Kong	Design, assessment and planning of computer system and application software and data-processing system	31,640	31,640	8,000,000	33.60	-	(1,146)	-	-
	Genesis Technology Inc.	Taiwan	Wholesale of electronic apparatus, electronic equipment, computer and computer peripheral equipment, planning, analyzing and design of system, other data processing, co-location and internet hosting services	798,172	798,172	27,693,289	27.90	1,114,263	76,893	14,877	-
	E-Service Information Corporation	Taiwan	Information software service, intellectual property rights, printing and data storage media manufacturing and copying	89,500	89,500	8,000,000	100.00	95,008	3,057	2,852	Subsidiary (3)
	Bao Ruh Electronic Co., Ltd.	Taiwan	Manufacturing and sale of ticket system equipment, e-payment machine, IC electronic card, vehicle trip recorder, satellite position system, access control system	128,363	128,363	4,339,500	29.72	86,090	10,957	3,077	-
	Taiwan Information Service Technology Corporation	Taiwan	Installation, sale, information software, data processing and other consultation on computer software and related equipment	89,965	89,965	16,630	67.38	47,279	4,144	2,792	Subsidiary (3)
	Collaboration Co., Ltd.	Taiwan	General investment activities	200,015	200,015	6,160,000	44.55	202,432	6,602	1,018	-
	UniXecure Corporation	Taiwan	Design, construction and sale of telecom instrument, electronic calculator and computer	150,000	150,000	15,000,000	100.00	103,455	(6,017)	(5,307)	Subsidiary (3)
	Docutek Solutions, Inc.	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	286,000	286,000	7,568,413	54.92	299,963	47,979	25,197	Subsidiary (3)
	MISYS Corporation	Taiwan	Information software service	100,000	100,000	10,000,000	100.00	38,500	(14,446)	(14,446)	Subsidiary (3)
	Taiwan Electronic Data Processing Corporation	Taiwan	Design, installation, maintenance, lease and consultation on computer software and hardware equipment system, computer room engineering, network equipment system integration, and wholesale and retailing of medical appliances	155,131	155,131	2,698,643	69.59	25,095	16	-	Subsidiary (3)
	Investment Media Ltd.	Taiwan	Magazine and book publishing	95,600	95,600	4,000,000	40.00	85,381	9,646	-	-
Golden Bridge Corporation	Syspower Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	189,023	189,023	10,331,022	44.05	200,007	9,281	-	Subsidiary (3)
	Softmobile Technology Corporation	Taiwan	Manufacturing of wire communication equipment and apparatus, electronic parts and components, and computers and peripheral equipment, installation of computer, and wholesale and retailing of computer and business machinery equipment	80,000	80,000	3,661,875	100.00	56,836	4,349	-	Subsidiary (3)

(Continued)

Investor Company	Name of Investee	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2024	December 31, 2023	Number of Shares	Ratio (%)	Carrying Amount			
Syscore Corporation	Syslink Corporation	Taiwan	General investment activities	\$ 1,400,000	\$ 1,400,000	140,000,000	100.00	\$ 1,394,526	\$ 11,411	\$ -	Subsidiary (3)
	Syslong Corporation	Taiwan	General investment activities	250,000	250,000	25,000,000	100.00	252,209	294	-	Subsidiary (3)
	Neweb Information Co., Ltd.	Taiwan	Setup and maintenance of computer room, maintenance and setup of system integration, cloud system integration service, management and maintenance of system and database, backup storage service, setup and consultation of internet and information security	98,530	103,638	3,452,877	28.17	74,065	20,708	-	-
	Fuco Technology Co., Ltd.	Taiwan	Printing, printed matter binding and processing, and wholesale of computers and peripheral equipment	43,460	43,460	1,640,000	40.00	26,571	3,406	-	-
	Genesis Technology Inc.	Taiwan	Wholesale of electronic apparatus, electronic equipment, computer and computer peripheral equipment, planning, analyzing and design of system, other data processing, co-location and internet hosting services	71,994	71,994	3,906,996	3.94	153,932	76,893	-	-
Syslink Corporation	Smartsys Technology Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	15,000	15,000	1,500,000	50.00	12,128	37	-	Subsidiary (3)
	Syswiser Technology Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	10,000	10,000	1,000,000	100.00	3,408	(600)	-	Subsidiary (3)
	Palsys Digital Technology Corporation	Taiwan	Sale of computer peripheral equipment and office machines, design of computer system and professional repairs services	272,351	272,351	24,794,862	79.26	307,844	10,384	-	Subsidiary (3)
	Dawning Technology Inc.	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	743,963	743,963	32,608,896	91.60	710,570	3,710	-	Subsidiary (3)
Concord System Management Corporation	Top Information Technologies Co., Ltd.	Taiwan	Sale of computer peripheral equipment and office machines, design of computer system and professional repairs services	152,608	152,608	18,000,000	100.00	191,030	(4,601)	-	Subsidiary (3)
Kimo.com (BVI) Corporation	Systex Information (HK) Ltd.	Hong Kong	Sale of computer and peripheral equipment, retailing and processing of information of software	1,081,457	1,081,457	262,336,600	100.00	1,077,416	31,525	-	Subsidiary (3)
	Systex Solutions (HK) Limited	Hong Kong	Investment activities including financial trust and holding	316,050	316,050	10,400,000	100.00	373,981	4,260	-	Subsidiary (3)
	Rainbow Tech Information (HK) Ltd.	Hong Kong	Sale of computer and peripheral equipment, retailing and processing of information of software	114,690	114,690	27,426,823	92.00	148,158	12,493	-	Subsidiary (3)
	Syscore Corporation	Taiwan	General investment activities	1,600,000	1,600,000	160,000,000	55.17	2,009,821	101,856	-	Subsidiary (3)
	Gemini Data	Japan	IT services, software development, wholesale and retail of computers and related equipment, electronic data processing and related services	24,485	24,485	11,000	100.00	12,591	(2,831)	-	Subsidiary (3)
	QFPay Haojin FinTech Limited	Hong Kong	Online and offline mobile payment, one-stop smart collection and trade, Information Technology Services	143,350	143,350	85,834	28.61	116,480	2,503	-	-
	Spread-it Limited	Hong Kong	Social Media Marketing	2,959	2,959	85,834	28.61	9,192	(1,996)	-	-
	Aillumission Co., Ltd.	Japan	Mobile Network Construction, ICT infrastructure Construction, DX/ICT solution services, AI consultations	106,435	106,435	200	20.00	15,883	448	-	-

(Continued)

Investor Company	Name of Investee	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2024	December 31, 2023	Number of Shares	Ratio (%)	Carrying Amount			
Systex Capital Group Inc.	Syscore Corporation	Taiwan	General investment activities	\$ 1,300,000	\$ 1,300,000	130,000,000	44.83	\$ 1,632,980	\$ 101,856	\$ -	Subsidiary (3)
Dawning Technology Inc.	Neo Trend Tech Corporation	Taiwan	Cable installation engineering, other computer-related service, circuit engineering, and wireless communication service	20,000	20,000	2,000,000	25.00	4,202	(1,876)	-	-
Systex Software & Service Corporation	Smartsys Technology Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	15,000	15,000	1,500,000	50.00	12,128	37	-	Subsidiary (3)
Docutek Solutions, Inc.	ANSecurity Inc.	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	10,000	10,000	2,674,443	100.00	29,592	(1,196)	-	Subsidiary (3)
ANSecurity Inc.	Docutek Services Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	5,800	5,800	3,432,551	100.00	27,660	(1,028)	-	Subsidiary (3)

Note 1: The carrying amount deducts the reclassification of the Corporation’s shares held by the subsidiary from equity-method investments into treasury share of \$515,617 thousand, which is calculated by the investment cost amounting to \$1,076,171 thousand at 48.92% (the ownership percentage owned by the Corporation).

Note 2: The carrying amount deducts the reclassification of the Corporation’s shares held by the subsidiary from equity-method investments into treasury share of \$412,826 thousand, which is calculated by the investment cost amounting to \$412,826 thousand at 100.00% (the ownership percentage owned by the Corporation).

Note 3: In preparing the consolidated financial statements, the transactions were eliminated.

Note 4: Refer to Table 10 for information on investments in Mainland China.

(Concluded)

TABLE 10

SYSTEX CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2024	Accumulated Repatriation of Investment Income as of March 31, 2024	Note
					Outward	Inward							
Changzhou Xinguotai Information Equipment Co., Ltd.	Manufacture, service and sales of software and computer-related products	\$ 21,198	a	\$ 2,780	\$ -	\$ -	\$ 2,780	\$ -	9.10	\$ -	\$ -	\$ -	-
Systek Information (Shanghai) Ltd.	Sale of computer and peripheral equipment, retailing and processing of information software	960,402	b	960,402	-	-	960,402	(1,541)	100.00	(1,541)	186,931	-	Subsidiary (Note 2)
Systex Group (China) Ltd.	Management consultation, marketing and sale, and capital and operation financial management	512,150	b	512,150	-	-	512,150	(22,297)	100.00	(22,297)	366,188	-	Subsidiary (Note 2)
Systex Rainbow Tech Inc.	Research, development, installation and wholesale of software and hardware technique and internet system	-	b	-	-	-	-	3,139	100.00	3,139	317,026	-	Subsidiary (Note 2)
Systex Ucom (Shanghai) Information Ltd. Co.	Software design and data processing, retailing and service of software	-	b	-	-	-	-	(8,263)	100.00	(8,263)	31,469	-	Subsidiary (Note 2)
Sunlight-tech Inc.	Manufacture of Internet-related software and hardware systems, video service systems, audio and video on-demand systems, multimedia and network video equipment	551,210	b	220,484	-	-	220,484	-	40.00	-	-	-	-
Shanghai Mudao Financial Information Service Co., Ltd.	Financial information services, computer software development and technology development, technology transfer, technology consulting, technical services, consulting and research in market information, asset management, supply chain management, investment management, investment consulting, business information consulting, financial consulting in the fields of computer technology, information technology and data technology.	14,504	b	-	-	-	-	(227)	29.62	-	-	-	-
Systex Rainbow (Shanghai) Tech Inc.	Research, development, installation and wholesale of software and hardware technique and internet system	-	b	-	-	-	-	(8,046)	100.00	(8,046)	(2,695)	-	Subsidiary (Notes 2)

Accumulated Investment in Mainland China as of March 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$1,695,816	\$1,920,903	\$9,094,706

(Continued)

Note 1: The methods of investment are as follows:

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

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

(Concluded)

TABLE 11**SYSTEX CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****MARCH 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Hanmore Investment Corporation (Hanmore)	21,316,678	7.82

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

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