

Syscom Computer Engineering Co.  
and Subsidiaries

Consolidated Financial Statements for the  
Six Months Ended June 30, 2024 and 2023 and  
Independent Auditors' Review Report

Address: 6th Floor, No. 115, Emei Street, Wanhua District, Taipei City  
TEL: (02)2191-6066

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China.

If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated only financial statements, the Chinese version shall prevail.

## § Table of Contents §

| <u>Item</u>  | <u>Page</u> | <u>Notes to Financial<br/>Statements</u> |
|--|-------------|--|
| 1. Cover   | 1           | -  |
| 2. Table of Contents   | 2           | -  |
| 3. Independent Auditors' Review Report   | 3~4         | -  |
| 4. Consolidated Balance Sheets   | 5           | -  |
| 5. Consolidated Statements of Comprehensive Income                                 | 6~7         | -  |
| 6. Consolidated Statements of Changes in Equity                                    | 8           | -  |
| 7. Consolidated Statements of Cash Flows   | 9~10        | -  |
| 8. Notes to Consolidated Financial Statements                                      |             |  |
| (1) General  | 11          | 1  |
| (2) The Date and Procedures of Authorization of<br>Financial Statements            | 11          | 2  |
| (3) Application of New and Revised Standards and<br>Interpretations                | 11          | 3  |
| (4) Summary of Significant Accounting Policies                                     | 12          | 4  |
| (5) Critical Accounting Judgments and Key<br>Sources of Estimation and Uncertainty | 13          | 5  |
| (6) Explanation of Significant Accounts  | 13~32       | 6-25                                     |
| (7) Related Parties Transactions   | 32~34       | 26                                       |
| (8) Assets Pledged as Collateral   | 35          | 27                                       |
| (9) Significant Contingent Liabilities and<br>Unrecognized Commitments             | 35          | 28                                       |
| (10) Significant Disaster Loss   | -           | -  |
| (11) Other Matters   | -           | -  |
| (12) Significant Events after Reporting Period                                     | -           | -  |
| (13) Significant Assets and Liabilities Denominated<br>in Foreign Currencies       | 35~36       | 29                                       |
| (14) Separately Disclosed Items  |             |  |
| A. Information about significant transactions                                      | 36、38~40    | 30                                       |
| B. Information on investees  | 36、41       | 30                                       |
| C. Information on investment in mainland<br>China                                  | 36~37、42    | 30                                       |
| D. Information of major shareholders   | 37、43       | 30                                       |
| (15) Segment Information   | 37          | 31                                       |

# **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Syscom Computer Engineering Company

## **Introduction**

We have reviewed the accompanying consolidated balance sheets of Syscom Computer Engineering Company and its subsidiaries (collectively, the "Group") as of June 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting," endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

## **Scope of Review**

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the 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 11 to the consolidated financial statements, the financial statements of non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2024 and 2023 combined total assets of these non-significant subsidiaries were NT\$371,952 thousand and NT\$377,872 thousand, respectively, representing 8% and 9%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$228,269 thousand and NT\$255,919 thousand, respectively, representing 10% and 11%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the amounts of combined total comprehensive loss of these subsidiaries were NT\$5,113 thousand, NT\$12,985 thousand, NT\$26,497 thousand and NT\$25,352 thousand, respectively, representing (7)%, (26)%, (18)% and (19)%, respectively, of the consolidated total comprehensive income. As disclosed in Note 12 to the consolidated financial statements, as of June 30, 2024 and 2023, investments accounted for using the equity method were NT\$67,357 thousand and NT\$67,431 thousand, respectively, and for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the comprehensive income(loss) of these equity-method investments were NT\$433 thousand, NT\$(140) thousand, NT\$550 thousand and NT\$(787) thousand, respectively, which were calculated on the basis of financial statements that have not been reviewed. In addition, the information related to the subsidiaries and investee companies mentioned in Note 30 have also not been reviewed.

## **Qualified Conclusion**

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries, the 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 June 30, 2024 and 2023, its consolidated financial performance for the three months ended June 30, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2024 and 2023 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 Li-Wen Kuo and Pei-De Chen.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

August 12, 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.*

SYSCOM COMPUTER ENGINEERING CO. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023

(In Thousands of New Taiwan Dollars)

| Code | ASSETS   | June 30, 2024       |            | December 31, 2023   |            | June 30, 2023       |            |
|------|--|---------------------|------------|---------------------|------------|---------------------|------------|
|      |  | Amount              | %          | Amount              | %          | Amount              | %          |
|      | <b>CURRENT ASSETS</b>  |                     |            |                     |            |                     |            |
| 1100 | Cash and cash equivalents (Note 6)   | \$ 651,568          | 15         | \$ 884,494          | 18         | \$ 569,612          | 13         |
| 1110 | Financial assets at fair value through profit or loss - current                          | 11,840              | -          | 10,457              | -          | 454                 | -          |
| 1136 | Financial assets at amortized cost - current (Notes 8 and 27)                            | 249,589             | 6          | 215,604             | 5          | 177,690             | 4          |
| 1140 | Contract assets - current (Note 20)  | 674,551             | 15         | 483,322             | 10         | 521,665             | 12         |
| 1150 | Notes receivable   | 23,186              | 1          | 12,062              | -          | 2,702               | -          |
| 1172 | Accounts receivable (Notes 9 and 26)   | 822,191             | 19         | 1,425,698           | 29         | 964,905             | 23         |
| 1200 | Other receivables  | 8,532               | -          | 6,316               | -          | 4,563               | -          |
| 1220 | Current tax assets   | 307                 | -          | 286                 | -          | 312                 | -          |
| 130X | Inventories (Note 10)  | 621,012             | 14         | 473,593             | 10         | 662,332             | 16         |
| 1410 | Prepayments  | 392,803             | 9          | 414,915             | 9          | 438,238             | 10         |
| 1479 | Other current assets   | <u>110,570</u>      | <u>2</u>   | <u>89,362</u>       | <u>2</u>   | <u>137,038</u>      | <u>3</u>   |
| 11XX | Total current assets   | <u>3,566,149</u>    | <u>81</u>  | <u>4,016,109</u>    | <u>83</u>  | <u>3,479,511</u>    | <u>81</u>  |
|      | <b>NON-CURRENT ASSETS</b>  |                     |            |                     |            |                     |            |
| 1517 | Financial assets at fair value through other comprehensive income - non-current (Note 7) | 42,197              | 1          | 33,026              | 1          | 38,050              | 1          |
| 1535 | Financial assets at amortized cost - non-current (Notes 8 and 27)                        | 200,080             | 5          | 197,876             | 4          | 174,861             | 4          |
| 1550 | Investments accounted for using the equity method (Note 12)                              | 67,357              | 1          | 67,858              | 1          | 67,431              | 2          |
| 1600 | Property, plant and equipment (Notes 13 and 26)  | 366,764             | 8          | 362,728             | 8          | 357,460             | 8          |
| 1755 | Right-of-use assets (Notes 14 and 26)  | 80,407              | 2          | 94,888              | 2          | 119,248             | 3          |
| 1821 | Intangible assets (Note 15)  | 2,863               | -          | 2,312               | -          | 2,625               | -          |
| 1840 | Deferred tax assets  | 9,149               | -          | 12,486              | -          | 10,545              | -          |
| 1990 | Other non-current assets   | <u>71,144</u>       | <u>2</u>   | <u>58,987</u>       | <u>1</u>   | <u>55,730</u>       | <u>1</u>   |
| 15XX | Total non-current assets   | <u>839,961</u>      | <u>19</u>  | <u>830,161</u>      | <u>17</u>  | <u>825,950</u>      | <u>19</u>  |
| 1XXX | TOTAL  | <u>\$ 4,406,110</u> | <u>100</u> | <u>\$ 4,846,270</u> | <u>100</u> | <u>\$ 4,305,461</u> | <u>100</u> |
|      | <b>LIABILITIES AND EQUITY</b>  |                     |            |                     |            |                     |            |
|      | <b>CURRENT LIABILITIES</b>   |                     |            |                     |            |                     |            |
| 2100 | Short-term borrowings (Notes 16 and 27)  | \$ 168,739          | 4          | \$ 190,855          | 4          | \$ 173,178          | 4          |
| 2130 | Contract liabilities - current (Note 20)   | 485,081             | 11         | 465,330             | 10         | 252,555             | 6          |
| 2150 | Notes payable  | 338                 | -          | 131                 | -          | 1,329               | -          |
| 2170 | Accounts payable (Note 26)   | 1,083,010           | 24         | 1,453,533           | 30         | 1,268,300           | 29         |
| 2200 | Other payables (Note 17)   | 431,500             | 10         | 417,993             | 9          | 399,689             | 9          |
| 2230 | Current tax liabilities  | 39,533              | 1          | 20,234              | -          | 32,696              | 1          |
| 2280 | Lease liabilities - current (Notes 14 and 26)  | 46,876              | 1          | 46,175              | 1          | 48,693              | 1          |
| 2399 | Other current liabilities  | <u>26,547</u>       | <u>1</u>   | <u>18,065</u>       | <u>-</u>   | <u>21,062</u>       | <u>1</u>   |
| 21XX | Total current liabilities  | <u>2,281,624</u>    | <u>52</u>  | <u>2,612,316</u>    | <u>54</u>  | <u>2,197,502</u>    | <u>51</u>  |
|      | <b>NON-CURRENT LIABILITIES</b>   |                     |            |                     |            |                     |            |
| 2572 | Deferred tax liabilities   | 10,357              | -          | 10,429              | -          | 10,709              | -          |
| 2580 | Lease liabilities - non-current (Notes 14 and 26)  | 34,358              | 1          | 49,503              | 1          | 71,325              | 2          |
| 2640 | Net defined benefits liabilities - non-current (Note 4)                                  | 29,245              | 1          | 41,947              | 1          | 41,941              | 1          |
| 2645 | Guarantee deposits received  | <u>15,921</u>       | <u>-</u>   | <u>14,771</u>       | <u>-</u>   | <u>14,524</u>       | <u>-</u>   |
| 25XX | Total non-current liabilities  | <u>89,881</u>       | <u>2</u>   | <u>116,650</u>      | <u>2</u>   | <u>138,499</u>      | <u>3</u>   |
| 2XXX | Total liabilities  | <u>2,371,505</u>    | <u>54</u>  | <u>2,728,966</u>    | <u>56</u>  | <u>2,336,001</u>    | <u>54</u>  |
|      | <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)</b>                            |                     |            |                     |            |                     |            |
| 3110 | Share capital - ordinary shares  | <u>1,000,000</u>    | <u>23</u>  | <u>1,000,000</u>    | <u>21</u>  | <u>1,000,000</u>    | <u>23</u>  |
| 3200 | Capital surplus  | <u>1,797</u>        | <u>-</u>   | <u>1,797</u>        | <u>-</u>   | <u>1,399</u>        | <u>-</u>   |
|      | Retained earnings  |                     |            |                     |            |                     |            |
| 3310 | Legal reserve  | 358,096             | 8          | 330,483             | 7          | 330,483             | 8          |
| 3320 | Special reserve  | 17,619              | 1          | 17,619              | -          | 17,619              | -          |
| 3350 | Unappropriated earnings  | <u>623,838</u>      | <u>14</u>  | <u>752,580</u>      | <u>16</u>  | <u>598,150</u>      | <u>14</u>  |
| 3300 | Total retained earnings  | <u>999,553</u>      | <u>23</u>  | <u>1,100,682</u>    | <u>23</u>  | <u>946,252</u>      | <u>22</u>  |
| 3400 | Other equity   | <u>21,470</u>       | <u>-</u>   | <u>11,728</u>       | <u>-</u>   | <u>18,079</u>       | <u>1</u>   |
| 31XX | Total equity of the owners of the Company  | <u>2,022,820</u>    | <u>46</u>  | <u>2,114,207</u>    | <u>44</u>  | <u>1,965,730</u>    | <u>46</u>  |
| 36XX | Non-controlling interests (Note 19)  | <u>11,785</u>       | <u>-</u>   | <u>3,097</u>        | <u>-</u>   | <u>3,730</u>        | <u>-</u>   |
| 3XXX | Total equity   | <u>2,034,605</u>    | <u>46</u>  | <u>2,117,304</u>    | <u>44</u>  | <u>1,969,460</u>    | <u>46</u>  |
|      | <b>TOTAL</b>   | <u>\$ 4,406,110</u> | <u>100</u> | <u>\$ 4,846,270</u> | <u>100</u> | <u>\$ 4,305,461</u> | <u>100</u> |

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

(With Deloitte & Touche auditors' review report dated August 12, 2024)

SYSCOM COMPUTER ENGINEERING CO. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| Code |  | For the Three Months Ended June 30 |            |                  |            | For the Six Months Ended June 30 |            |                  |            |
|------|--|------------------------------------|------------|------------------|------------|----------------------------------|------------|------------------|------------|
|      |  | 2024                               |            | 2023             |            | 2024                             |            | 2023             |            |
|      |  | Amount                             | %          | Amount           | %          | Amount                           | %          | Amount           | %          |
|      | OPERATING REVENUE<br>(Notes 20 and 26)                                   |                                    |            |                  |            |                                  |            |                  |            |
| 4100 | Sales  | \$1,144,704                        | 74         | \$1,057,569      | 74         | \$2,203,876                      | 75         | \$1,961,260      | 73         |
| 4600 | Maintenance revenue  | 399,662                            | 26         | 369,706          | 26         | 735,714                          | 25         | 708,499          | 27         |
| 4300 | Rental revenue   | <u>4,269</u>                       | -          | <u>4,378</u>     | -          | <u>8,538</u>                     | -          | <u>8,815</u>     | -          |
| 4000 | Total operating revenue  | <u>1,548,635</u>                   | <u>100</u> | <u>1,431,653</u> | <u>100</u> | <u>2,948,128</u>                 | <u>100</u> | <u>2,678,574</u> | <u>100</u> |
|      | OPERATING COSTS (Notes<br>10, 18, 21, and 26)                            |                                    |            |                  |            |                                  |            |                  |            |
| 5110 | Cost of goods sold   | 849,674                            | 55         | 790,970          | 55         | 1,644,011                        | 56         | 1,460,109        | 55         |
| 5600 | Maintenance costs  | 287,155                            | 18         | 248,965          | 18         | 530,900                          | 18         | 488,958          | 18         |
| 5300 | Rental costs   | <u>3,230</u>                       | -          | <u>3,243</u>     | -          | <u>6,483</u>                     | -          | <u>7,363</u>     | -          |
| 5000 | Total operating costs  | <u>1,140,059</u>                   | <u>73</u>  | <u>1,043,178</u> | <u>73</u>  | <u>2,181,394</u>                 | <u>74</u>  | <u>1,956,430</u> | <u>73</u>  |
| 5900 | GROSS PROFIT   | <u>408,576</u>                     | <u>27</u>  | <u>388,475</u>   | <u>27</u>  | <u>766,734</u>                   | <u>26</u>  | <u>722,144</u>   | <u>27</u>  |
|      | OPERATING EXPENSES<br>(Notes 9, 18, 21, and 26)                          |                                    |            |                  |            |                                  |            |                  |            |
| 6100 | Selling and marketing<br>expenses  | 298,747                            | 19         | 287,366          | 20         | 496,635                          | 17         | 464,986          | 18         |
| 6300 | Research and development<br>expenses                                     | 57,306                             | 4          | 55,641           | 4          | 125,272                          | 4          | 108,947          | 4          |
| 6450 | Expected credit loss   | <u>19</u>                          | -          | <u>27</u>        | -          | <u>13</u>                        | -          | <u>23</u>        | -          |
| 6000 | Total operating expenses   | <u>356,072</u>                     | <u>23</u>  | <u>343,034</u>   | <u>24</u>  | <u>621,920</u>                   | <u>21</u>  | <u>573,956</u>   | <u>22</u>  |
| 6900 | PROFIT FROM OPERATIONS   | <u>52,504</u>                      | <u>4</u>   | <u>45,441</u>    | <u>3</u>   | <u>144,814</u>                   | <u>5</u>   | <u>148,188</u>   | <u>5</u>   |
|      | NON-OPERATING INCOME<br>AND EXPENSES                                     |                                    |            |                  |            |                                  |            |                  |            |
| 7100 | Interest income (Note 21)  | 3,619                              | -          | 3,008            | -          | 6,321                            | -          | 5,513            | -          |
| 7010 | Other income (Notes 21 and<br>26)  | 20,462                             | 1          | 5,095            | -          | 35,390                           | 1          | 9,067            | -          |
| 7020 | Other gains and losses (Note<br>21)                                      | ( 1,086 )                          | -          | ( 4,763 )        | -          | 3,997                            | -          | ( 2,464 )        | -          |
| 7050 | Finance costs (Notes 21 and<br>26)                                       | ( 3,886 )                          | -          | ( 3,919 )        | -          | ( 7,895 )                        | -          | ( 7,764 )        | -          |
| 7060 | Share of profit or loss of<br>associates and joint<br>ventures (Note 12) | <u>433</u>                         | -          | <u>( 140 )</u>   | -          | <u>550</u>                       | -          | <u>( 787 )</u>   | -          |
| 7000 | Total non-operating<br>income and expenses                               | <u>19,542</u>                      | <u>1</u>   | <u>( 719 )</u>   | -          | <u>38,363</u>                    | <u>1</u>   | <u>3,565</u>     | -          |
| 7900 | PROFIT BEFORE INCOME<br>TAX  | 72,046                             | 5          | 44,722           | 3          | 183,177                          | 6          | 151,753          | 5          |
| 7950 | INCOME TAX EXPENSE<br>(Notes 4 and 22)                                   | <u>15,321</u>                      | <u>1</u>   | <u>8,091</u>     | <u>1</u>   | <u>42,113</u>                    | <u>1</u>   | <u>31,131</u>    | <u>1</u>   |
| 8200 | NET PROFIT   | <u>56,725</u>                      | <u>4</u>   | <u>36,631</u>    | <u>2</u>   | <u>141,064</u>                   | <u>5</u>   | <u>120,622</u>   | <u>4</u>   |

(Continued)

| Code |   | For the Three Months Ended June 30 |   |           |   | For the Six Months Ended June 30 |   |            |   |
|------|---|------------------------------------|---|-----------|---|----------------------------------|---|------------|---|
|      |   | 2024                               |   | 2023      |   | 2024                             |   | 2023       |   |
|      |   | Amount                             | % | Amount    | % | Amount                           | % | Amount     | % |
|      | OTHER COMPREHENSIVE INCOME  |                                    |   |           |   |                                  |   |            |   |
| 8310 | Items that will not be reclassified subsequently to profit or loss:   |                                    |   |           |   |                                  |   |            |   |
| 8316 | Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income(Note 19)   | \$ 14,279                          | 1 | \$ 9,172  | 1 | \$ 9,171                         | - | \$ 12,313  | 1 |
| 8360 | Items that may be reclassified subsequently to profit or loss:  |                                    |   |           |   |                                  |   |            |   |
| 8361 | Exchange differences on translating the financial statements of foreign operations(Note 19)                             | 471                                | - | 3,753     | - | 986                              | - | 2,283      | - |
| 8370 | Share of the other comprehensive income of associates and joint ventures accounted for using the equity method(Note 19) | ( 103 )                            | - | ( 153 )   | - | ( 164 )                          | - | ( 193 )    | - |
| 8300 | Total other comprehensive income, net of income tax   | 14,647                             | 1 | 12,772    | 1 | 9,993                            | - | 14,403     | 1 |
| 8500 | TOTAL COMPREHENSIVE INCOME  | \$ 71,372                          | 5 | \$ 49,403 | 3 | \$ 151,057                       | 5 | \$ 135,025 | 5 |
|      | NET INCOME  |                                    |   |           |   |                                  |   |            |   |
|      | ATTRIBUTABLE TO:  |                                    |   |           |   |                                  |   |            |   |
| 8610 | Owners of the Company   | \$ 56,930                          | 4 | \$ 37,270 | 2 | \$ 142,602                       | 5 | \$ 121,701 | 4 |
| 8620 | Non-controlling interests   | ( 205 )                            | - | ( 639 )   | - | ( 1,538 )                        | - | ( 1,079 )  | - |
| 8600 |   | \$ 56,725                          | 4 | \$ 36,631 | 2 | \$ 141,064                       | 5 | \$ 120,622 | 4 |
|      | TOTAL COMPREHENSIVE INCOME (LOSS)   |                                    |   |           |   |                                  |   |            |   |
|      | ATTRIBUTABLE TO:  |                                    |   |           |   |                                  |   |            |   |
| 8710 | Owners of the Company   | \$ 71,506                          | 5 | \$ 49,962 | 3 | \$ 152,344                       | 5 | \$ 136,033 | 5 |
| 8720 | Non-controlling interests   | ( 134 )                            | - | ( 559 )   | - | ( 1,287 )                        | - | ( 1,008 )  | - |
| 8700 |   | \$ 71,372                          | 5 | \$ 49,403 | 3 | \$ 151,057                       | 5 | \$ 135,025 | 5 |
|      | EARNINGS PER SHARE (Note 23)  |                                    |   |           |   |                                  |   |            |   |
| 9710 | Basic   | \$ 0.57                            |   | \$ 0.37   |   | \$ 1.43                          |   | \$ 1.22    |   |
| 9810 | Diluted   | \$ 0.57                            |   | \$ 0.37   |   | \$ 1.42                          |   | \$ 1.22    |   |

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

(With Deloitte & Touche auditors' review report dated August 12, 2024)

(Concluded)

SYSCOM COMPUTER ENGINEERING CO. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023

( In Thousands of New Taiwan Dollars, except Dividend Per Share)

|         |   | Equity attributable to owners of the Company |                 |                   |                  |                         |  |  |                     |                           |                     |
|---------|---|--|-----------------|-------------------|------------------|-------------------------|--|--|---------------------|---------------------------|---------------------|
|         |   | Retained earnings                            |                 |                   |                  |                         | Other equity   |  | Total               | Non-controlling interests | Total equity        |
|         |   | Share capital - ordinary shares              | Capital surplus | Legal reserve     | Special reserve  | Unappropriated earnings | Exchange differences on translating the financial statements of foreign operations | Unrealized gain or loss on financial assets at fair value through other comprehensive income |                     |                           |                     |
| C o d e |   |  |                 |                   |                  |                         |  |  |                     |                           |                     |
| A1      | BALANCE AT JANUARY 1, 2023  | \$ 1,000,000                                 | \$ 1,547        | \$ 303,977        | \$ 17,619        | \$ 772,955              | ( \$ 10,592 )  | \$ 14,339  | \$ 2,049,845        | \$ 4,968                  | \$ 2,054,813        |
|         | Appropriation of the 2022 earnings  |  |                 |                   |                  |                         |  |  |                     |                           |                     |
| B1      | Legal reserve   | -  | -               | 26,506            | -                | ( 26,506 )              | -  | -  | -                   | -                         | -                   |
| B5      | Cash dividends - NT\$2.2 per share  | -  | -               | -                 | -                | ( 220,000 )             | -  | -  | ( 220,000 )         | -                         | ( 220,000 )         |
| D1      | Net profit (loss) for the six months ended June 30, 2023                                    | -  | -               | -                 | -                | 121,701                 | -  | -  | 121,701             | ( 1,079 )                 | 120,622             |
| D3      | Other comprehensive income (loss) for the six months ended June 30, 2023, net of income tax | -  | -               | -                 | -                | -                       | 2,019  | 12,313   | 14,332              | 71                        | 14,403              |
| D5      | Total comprehensive income (loss) for the six months ended June 30, 2023                    | -  | -               | -                 | -                | 121,701                 | 2,019  | 12,313   | 136,033             | ( 1,008 )                 | 135,025             |
| M5      | Actual acquisition of interests in subsidiaries   | -  | ( 148 )         | -                 | -                | -                       | -  | -  | ( 148 )             | ( 202 )                   | ( 350 )             |
| O1      | Cash dividends from subsidiary  | -  | -               | -                 | -                | -                       | -  | -  | -                   | ( 28 )                    | ( 28 )              |
| Z1      | BALANCE AT JUNE 30, 2023  | <u>\$ 1,000,000</u>                          | <u>\$ 1,399</u> | <u>\$ 330,483</u> | <u>\$ 17,619</u> | <u>\$ 598,150</u>       | ( <u>\$ 8,573</u> )  | <u>\$ 26,652</u>   | <u>\$ 1,965,730</u> | <u>\$ 3,730</u>           | <u>\$ 1,969,460</u> |
| A1      | BALANCE AT JANUARY 1, 2024  | \$ 1,000,000                                 | \$ 1,797        | \$ 330,483        | \$ 17,619        | \$ 752,580              | ( \$ 9,900 )   | \$ 21,628  | \$ 2,114,207        | \$ 3,097                  | \$ 2,117,304        |
|         | Appropriation of the 2023 earnings  |  |                 |                   |                  |                         |  |  |                     |                           |                     |
| B1      | Legal reserve   | -  | -               | 27,613            | -                | ( 27,613 )              | -  | -  | -                   | -                         | -                   |
| B5      | Cash dividends - NT\$2.4 per share  | -  | -               | -                 | -                | ( 240,000 )             | -  | -  | ( 240,000 )         | -                         | ( 240,000 )         |
| D1      | Net profit for the six months ended June 30, 2024   | -  | -               | -                 | -                | 142,602                 | -  | -  | 142,602             | ( 1,538 )                 | 141,064             |
| D3      | Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax | -  | -               | -                 | -                | -                       | 571  | 9,171  | 9,742               | 251                       | 9,993               |
| D5      | Total comprehensive income (loss) for the six months ended June 30, 2024                    | -  | -               | -                 | -                | 142,602                 | 571  | 9,171  | 152,344             | ( 1,287 )                 | 151,057             |
| M7      | Changes in ownership interests in subsidiaries  | -  | -               | -                 | -                | ( 3,731 )               | -  | -  | ( 3,731 )           | 10,008                    | 6,277               |
| O1      | Cash dividends from subsidiary  | -  | -               | -                 | -                | -                       | -  | -  | -                   | ( 33 )                    | ( 33 )              |
| Z1      | BALANCE AT JUNE 30, 2024  | <u>\$ 1,000,000</u>                          | <u>\$ 1,797</u> | <u>\$ 358,096</u> | <u>\$ 17,619</u> | <u>\$ 623,838</u>       | ( <u>\$ 9,329</u> )  | <u>\$ 30,799</u>   | <u>\$ 2,022,820</u> | <u>\$ 11,785</u>          | <u>\$ 2,034,605</u> |

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

(With Deloitte & Touche auditors' review report dated August 12, 2024)



SYSCOM COMPUTER ENGINEERING CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

| Code   |  | For the Six Months Ended June 30 |             |
|--------|--|----------------------------------|-------------|
|        |  | 2024                             | 2023        |
|        | <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                                  |             |
| A10000 | Income before income tax   | \$ 183,177                       | \$ 151,753  |
| A20010 | Adjustments for:   |                                  |             |
| A20100 | Depreciation expenses  | 56,835                           | 55,572      |
| A20200 | Amortization expenses  | 419                              | 339         |
| A20300 | Expected credit loss   | 13                               | 23          |
| A20400 | Net gain on financial assets at fair value through profit or loss                              | ( 1,383 )                        | ( 2,306 )   |
| A20900 | Finance costs  | 7,895                            | 7,764       |
| A21200 | Interest income  | ( 6,321 )                        | ( 5,513 )   |
| A22300 | Share of profit or loss of associates and joint ventures accounted for using the equity method | ( 550 )                          | 787         |
| A22500 | Gain on disposal of property, plant and equipment  | ( 88 )                           | -           |
| A23800 | Write-downs of inventories (reversal of write-downs of inventories)                            | 33                               | ( 140 )     |
| A24100 | Net loss(gain) on foreign currency exchange  | ( 144 )                          | 3,428       |
| A30000 | Changes in operating assets and liabilities  |                                  |             |
| A31125 | Contract assets  | ( 191,229 )                      | ( 35,284 )  |
| A31130 | Notes receivable   | ( 11,124 )                       | ( 104 )     |
| A31150 | Accounts receivable  | 607,686                          | 525,186     |
| A31180 | Other receivables  | ( 2,179 )                        | 1,445       |
| A31200 | Inventories  | ( 148,056 )                      | ( 210,794 ) |
| A31230 | Prepayments  | 22,094                           | ( 55,142 )  |
| A31240 | Other current assets   | ( 5,922 )                        | ( 8,662 )   |
| A32125 | Contract liabilities   | 19,751                           | 13,972      |
| A32130 | Notes payable  | 207                              | ( 14,697 )  |
| A32150 | Accounts payable   | ( 371,094 )                      | ( 131,425 ) |
| A32180 | Other payables   | ( 227,308 )                      | ( 212,549 ) |
| A32230 | Other current liabilities  | 8,482                            | 6,266       |
| A32240 | Net defined benefits liabilities   | ( 12,702 )                       | ( 12,717 )  |
| A33000 | Cash (used in) generated from operations   | ( 71,508 )                       | 77,202      |
| A33100 | Interest received  | 6,339                            | 5,532       |
| A33300 | Interest paid  | ( 7,667 )                        | ( 7,639 )   |
| A33500 | Income tax paid  | ( 19,675 )                       | ( 28,914 )  |
| AAAA   | Net cash (used in) generated from operating activities   | ( 92,511 )                       | 46,181      |

(Continued)

| Code   |   | For the Six Months Ended June 30 |                   |
|--------|---|----------------------------------|-------------------|
|        |   | 2024                             | 2023              |
|        | <b>CASH FLOWS FROM INVESTING</b>  |                                  |                   |
|        | <b>ACTIVITIES</b>   |                                  |                   |
| B00040 | Acquisition of financial assets at amortized cost   | ( \$ 36,189 )                    | ( \$ 20,635 )     |
| B00100 | Purchase of financial assets at fair value through profit or loss                                       | -                                | ( 4,500 )         |
| B00200 | Proceeds from sale of financial assets at fair value through profit or loss                             | -                                | 26,308            |
| B02800 | Proceeds from disposal of property, plant and equipment   | 435                              | -                 |
| B02700 | Payments for property, plant and equipment  | ( 35,063 )                       | ( 28,054 )        |
| B03700 | Increase in refundable deposits   | ( 27,443 )                       | ( 12,792 )        |
| B04500 | Payments for intangible assets  | ( 947 )                          | ( 586 )           |
| B06000 | Increase in lease receivables   | -                                | ( 91 )            |
| BBBB   | Net cash used in from investing activities  | ( <u>99,207</u> )                | ( <u>40,350</u> ) |
|        | <b>CASH FLOWS FROM FINANCING</b>  |                                  |                   |
|        | <b>ACTIVITIES</b>   |                                  |                   |
| C00100 | Decrease in short-term borrowings   | ( 32,026 )                       | ( 9,796 )         |
| C03000 | Increase (decrease) in guarantee deposits received  | 1,150                            | ( 3,132 )         |
| C04020 | Repayment of the principal portion of lease liabilities   | ( 24,251 )                       | ( 24,301 )        |
| C05400 | Acquisition of interests in subsidiaries  | -                                | ( 350 )           |
| C05800 | Change in non-controlling interests   | <u>6,277</u>                     | <u>-</u>          |
| CCCC   | Net cash used in financing activities   | ( <u>48,850</u> )                | ( <u>37,579</u> ) |
| DDDD   | EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES | <u>7,642</u>                     | <u>419</u>        |
| EEEE   | NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS   | ( 232,926 )                      | ( 31,329 )        |
| E00100 | CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD  | <u>884,494</u>                   | <u>600,941</u>    |
| E00200 | CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD  | <u>\$ 651,568</u>                | <u>\$ 569,612</u> |

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

(With Deloitte & Touche auditors' review report dated August 12, 2024)

(Concluded)

SYSCOM COMPUTER ENGINEERING CO. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

(Amounts in thousands of NTD, unless otherwise indicated)

1. General

SYSCOM COMPUTER ENGINEERING CO. (the "Company") was incorporated in July 1975. The Company mainly leases and sells computer systems and designs computer software. It also provides services for the integration of computer information systems and maintenances of computer hardware. The Company's shares have been listed on the Taiwan Stock Exchange since May 22, 2001.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

The Company and its subsidiaries are hereinafter collectively referred to as the "The Group".

2. The Date and Procedures of Authorization of Financial Statements

The consolidated financial statements were approved by the Board of Directors on August 12, 2024.

3. Application of New and Revised Standards and Interpretations

- (1) 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 material impact on the Group's accounting policies.

- (2) The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

| <u>New/Revised/Amended Standards and Interpretations</u> | <u>Effective Date<br/>Announced by IASB</u> |
|--|---|
| Amendments to IAS 21 "Lack of Exchangeability"           | January 1, 2025 (Note 1)                    |

Note 1: 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.

- (3) IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC

| <u>New/ Revised / Amended Standards and Interpretations</u>  | <u>Effective Date Announced by<br/>the IASB (Note 1)</u> |
|--|--|
| "Annual Improvements to IFRS Accounting Standards - Volume 11"   | January 1, 2026  |
| Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"              | January 1, 2026  |
| Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" | To be determined by IASB                                 |
| IFRS 18 "Presentation and Disclosure in Financial Statements"  | January 1, 2027  |
| IFRS 19 "Subsidiaries without Public Accountability: Disclosures"  | January 1, 2027  |

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

#### IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as ‘other’ only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other 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 Significant Accounting Policies

##### (1) 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” endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRSs endorsed and issued into effect by the FSC.

##### (2) Basis of Preparation

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

The evaluation of fair value could be classified into Level 1 to Level 3 by the observable intensity and importance of the related input value:

- A. Level 1 input value: refers to the quotation of the same asset or liability in an active market as of the evaluation (before adjustment).
- B. Level 2 input value: refers to the direct (the price) or indirect (inference of price) observable input value of asset or liability further to the quotation of Level 1.
- C. Level 3 input value: the unobservable input value of asset or liability.

##### (3) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company (subsidiaries). The subsidiaries’ financial statements have been properly adjusted to make the accounting policies consistent with the accounting policies of the Group. In preparing the consolidated financial statements, all intra-group transactions, account balances, gains and losses have been eliminated. The total comprehensive income of the subsidiaries is attributable to the shareholders and non-controlling interests of the Company, even if this results in a loss balance for the non-controlling interests.

When a change in the Group’s ownership interest in a subsidiary does not result in a loss of control, it is treated as an equity transaction. The carrying amounts of the Group and

non-controlling interests have been adjusted to reflect the changes in their relative interests in subsidiaries. The difference between the adjustment of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity attributable to shareholders of the Company.

Please refer to Note 11 and Tables 4 and 5 for details of subsidiaries, shareholding percentage and principal businesses.

(4) Other significant accounting policies

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

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

Current assets include:

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

Current liabilities include:

- a. Liabilities held primarily for the purpose of trading;
- b. Liabilities due to be settled within twelve months after the reporting period; and
- c. Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

Assets and liabilities that are not classified as current are classified as noncurrent.

B. Defined benefits of retirement

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 for the current period, and for amendments in significant plans, settlements, or other significant one-off events.

C. Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. The interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

In the application of the Group's accounting policies, the management is required to make judgments, estimates and assumptions which are based on historical experience and other factors that are not readily apparent from other sources. Actual results may differ from these estimates.

The consolidated financial statements for critical accounting judgments and key sources of estimation uncertainty are consistent with the consolidated financial statements for the year ended December 31, 2023.

6. Cash and cash equivalents

|   | June 30,<br>2024  | December 31,<br>2023 | June 30,<br>2023  |
|---|-------------------|----------------------|-------------------|
| Cash on hand  | \$ 822            | \$ 701               | \$ 710            |
| Checking accounts and demand deposits   | 476,934           | 504,127              | 239,850           |
| Cash equivalents (investments with original maturities of less than 3 months) |                   |                      |                   |
| Time deposits   | 78,740            | 75,627               | 75,772            |
| Commercial papers   | 95,072            | 304,039              | 253,280           |
|   | <u>\$ 651,568</u> | <u>\$ 884,494</u>    | <u>\$ 569,612</u> |

7. Financial assets at fair value through other comprehensive income

|   | June 30,<br>2024 | December 31,<br>2023 | June 30,<br>2023 |
|---|------------------|----------------------|------------------|
| <u>Investments in equity instruments -non-current</u> |                  |                      |                  |
| Domestic investments                                  |                  |                      |                  |
| Listed shares   | \$ 40,602        | \$ 31,431            | \$ 36,455        |
| Unlisted shares                                       | <u>1,595</u>     | <u>1,595</u>         | <u>1,595</u>     |
|   | <u>\$ 42,197</u> | <u>\$ 33,026</u>     | <u>\$ 38,050</u> |

These investments in equity instruments are not held for trading. Instead, they 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.

8. Financial assets at amortized cost

|  | June 30,<br>2024  | December 31,<br>2023 | June 30,<br>2023  |
|--|-------------------|----------------------|-------------------|
| Pledged time deposits  | \$ 344,228        | \$ 326,433           | \$ 245,741        |
| Time deposits with original maturities of more than 3 months | <u>105,441</u>    | <u>87,047</u>        | <u>106,810</u>    |
|  | <u>\$ 449,669</u> | <u>\$ 413,480</u>    | <u>\$ 352,551</u> |
| Current  | \$ 249,589        | \$ 215,604           | \$ 177,690        |
| Non-current  | <u>200,080</u>    | <u>197,876</u>       | <u>174,861</u>    |
| Total  | <u>\$ 449,669</u> | <u>\$ 413,480</u>    | <u>\$ 352,551</u> |

Refer to Note 27 for information relating to financial assets at amortized cost pledged as security.

Based on the Group's assessment, the credit risk of the above-mentioned financial assets at amortized cost is not expected to be high and has not increased since initial recognition. The Group does not expect to recognize any credit loss resulting from default events on financial assets at amortized cost that are possible within 12 months after the reporting date. Accordingly, no impairment loss was recognized as of June 30, 2024, December 31, 2023 and June 30, 2023.

9. Accounts receivable

|                                     | June 30,<br>2024  | December 31,<br>2023 | June 30,<br>2023  |
|-------------------------------------|-------------------|----------------------|-------------------|
| <u>At amortized cost</u>            |                   |                      |                   |
| Accounts receivable                 | \$ 830,456        | \$ 1,433,941         | \$ 966,414        |
| Less: Allowance for impairment loss | ( <u>8,265</u> )  | ( <u>8,243</u> )     | ( <u>1,509</u> )  |
|                                     | <u>\$ 822,191</u> | <u>\$ 1,425,698</u>  | <u>\$ 964,905</u> |

The average credit period of sales of goods was 30 to 120 days. No interest was charged on accounts receivable.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to

ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for all accounts receivables at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated by reference to past default experience of the debtor, an analysis of the debtor's current financial position, past experience with collecting payments, observable changes in national or local economic conditions that correlate with defaults on receivables, as well as indicators of the industry in which the debtors operate.

The Group writes off a accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation. For accounts receivable 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.

Considering the above conditions, the Groupe assesses the credit risk of individual customers based on the aging schedule of accounts receivable (based on invoice date). The following table details the loss allowance of accounts receivable.

June 30, 2024

|                               | Less than<br>60 Days | 61 to 90<br>Days | 91 to 120<br>Days | Over 120<br>Days | Total             |
|-------------------------------|----------------------|------------------|-------------------|------------------|-------------------|
| Gross carrying amount         | \$ 689,023           | \$ 55,208        | \$ 11,049         | \$ 75,176        | \$ 830,456        |
| Loss allowance (Lifetime ECL) | -                    | -                | -                 | ( 8,265 )        | ( 8,265 )         |
| Amortized cost                | <u>\$ 689,023</u>    | <u>\$ 55,208</u> | <u>\$ 11,049</u>  | <u>\$ 66,911</u> | <u>\$ 822,191</u> |

December 31, 2023

|                               | Less than<br>60 Days | 61 to 90<br>Days | 91 to 120<br>Days | Over 120<br>Days  | Total               |
|-------------------------------|----------------------|------------------|-------------------|-------------------|---------------------|
| Gross carrying amount         | \$ 1,218,276         | \$ 64,330        | \$ 9,306          | \$ 142,029        | \$ 1,433,941        |
| Loss allowance (Lifetime ECL) | ( 85 )               | ( 408 )          | ( 1,506 )         | ( 6,244 )         | ( 8,243 )           |
| Amortized cost                | <u>\$ 1,218,191</u>  | <u>\$ 63,922</u> | <u>\$ 7,800</u>   | <u>\$ 135,785</u> | <u>\$ 1,425,698</u> |

June 30, 2023

|                               | Less than<br>60 Days | 61 to 90<br>Days | 91 to 120<br>Days | Over 120<br>Days  | Total             |
|-------------------------------|----------------------|------------------|-------------------|-------------------|-------------------|
| Gross carrying amount         | \$ 749,828           | \$ 54,905        | \$ 57,611         | \$ 104,070        | \$ 966,414        |
| Loss allowance (Lifetime ECL) | -                    | -                | -                 | ( 1,509 )         | ( 1,509 )         |
| Amortized cost                | <u>\$ 749,828</u>    | <u>\$ 54,905</u> | <u>\$ 57,611</u>  | <u>\$ 102,561</u> | <u>\$ 964,905</u> |

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

|                                   | For the Six Months Ended June 30 |                 |
|-----------------------------------|----------------------------------|-----------------|
|                                   | 2024                             | 2023            |
| Balance at January 1              | \$ 8,243                         | \$ 1,483        |
| Impairment of loss allowance      | 13                               | 23              |
| Foreign exchange gains and losses | 9                                | 3               |
| Balance at June 30                | <u>\$ 8,265</u>                  | <u>\$ 1,509</u> |

10. Inventories

|                           | June 30,<br>2024  | December 31,<br>2023 | June 30,<br>2023  |
|---------------------------|-------------------|----------------------|-------------------|
| Commodities               | \$ 355,781        | \$ 205,958           | \$ 346,292        |
| Prepayments for contracts | 222,808           | 261,488              | 260,696           |
| Inventories in transit    | 41,658            | 5,397                | 54,619            |
| Maintenance materials     | 765               | 750                  | 725               |
| Total                     | <u>\$ 621,012</u> | <u>\$ 473,593</u>    | <u>\$ 662,332</u> |

The commodities mainly consisted of computer hardware and software.

Prepayment for contracts are the cost incurred to date related to computer hardware, software and labor.

The cost of inventories recognized as cost of goods sold for the three months and six months ended June 30, 2024 and 2023 were \$849,674 thousand, \$790,970 thousand, \$1,644,011 thousand and \$1,460,109 thousand respectively. The cost of goods sold related to the inventories which included the write-down of inventories (reversal of write-down of inventories), totaling \$557 thousand, (\$40) thousand, \$33 thousand and (\$140) thousand, respectively. The reversals of previous write-downs resulted from the sale of these inventories.

## 11. Subsidiaries

### (1) Subsidiaries included in the consolidated financial statements

The consolidated entities were as follows:

| Investor                                     | Investee   | Nature of Activities  | Proportion of Ownership (%) |                  |              | Description |
|--|--|---|-----------------------------|------------------|--------------|-------------|
|  |  |   | June 30,2024                | December 31,2023 | June 30,2023 |             |
| The Company                                  | Casemaker Inc.                                     | Sales of computer software, hardware and related products.  | 100.00%                     | 100.00%          | 100.00%      | A           |
|  | SYSKOM INTERNATIONAL INC.(SYSKOM)                  | Investments in other businesses   | 100.00%                     | 100.00%          | 100.00%      | A           |
|  | Coach Technology Management Inc.                   | Diagnostic consulting for corporate management, domestic and foreign investment referral, and computerized design consulting                                | 97.50%                      | 97.50%           | 97.50%       | A           |
|  | Syscom Computer (Thailand)Co., Ltd.                | Development and maintenance of software and other businesses  | 92.47%                      | 92.47%           | 91.80%       | A 、 C       |
|  | Wisemaker Technology Co.(Wisemaker Technology Co.) | Sales of computer software, hardware and related products.  | 99.24%                      | 99.24%           | 99.04%       | A 、 B       |
|  | Netmaker Technology Co., Ltd.                      | Information software, data processing and electronic information supply services  | 86.60%                      | 86.60%           | 86.60%       | A           |
|  | Syscom Computer (Thailand)Co., Ltd.                | Development and maintenance of software and other businesses  | 0.54%                       | 0.54%            | 0.54%        | A           |
| Coach Technology Management Inc.             | Syscom Computer (Thailand)Co., Ltd.                | Computer equipment software development, sales of selfdeveloped technical achievements services, computer system integration and network wiring engineering | 98.27%                      | 98.27%           | 98.27%       | A           |
| Casemaker Inc. and SYSKOM INTERNATIONAL INC. | Syscom Computer (Shenzhen)Co., Ltd.                | Development and manufacture of computer equipment and computer software; sale of self-manufactured products and provision of technical services             | 79.23%                      | 74.38%           | 74.38%       | A 、 D       |
|  | Xian Linan Computer Co., Ltd.(Xian Linan)          |   |                             |                  |              |             |

A. The subsidiaries are not significant subsidiaries. The financial statements have not been reviewed by CPAs.

B. In January 、February and August 2023, the Company acquired additional 14 thousand shares of Wisemaker Technology Co. from an unrelated party for \$494 thousand; after the acquisition of further interests, the Company' s percentage of ownership in Wisemaker Technology Co. increased to 99.24%.

C. In June and July 2023, the Company acquired additional 40 thousand shares of Syscom Computer (Thailand) Co.,Ltd. from an unrelated party for \$108 thousand; after the acquisition of further interests, the Company's percentage of ownership in Syscom Computer (Thailand) Co.,Ltd. increased to 92.47%.

D. Xian Lian increased its capital by US\$1,500 thousand in February 2024, the Company subscribed for cash capital increase of indirect subsidiary, Xian Lian Company through SYSKOM. The investments amounted to US\$1,300 thousand. The Company's percentage of ownership in Xian Lian increased to 79.23%.

(2) Subsidiaries excluded from the consolidated financial statements: None.

(3) Subsidiaries with material non-controlling interests: None.



12. Investments accounted for using the equity method

|                               | June 30,<br>2024 | December 31,<br>2023 | June 30,<br>2023 |
|-------------------------------|------------------|----------------------|------------------|
| Investments in associates     | \$ 11,543        | \$ 12,432            | \$ 13,375        |
| Investments in joint ventures | <u>55,814</u>    | <u>55,426</u>        | <u>54,056</u>    |
|                               | <u>\$ 67,357</u> | <u>\$ 67,858</u>     | <u>\$ 67,431</u> |

(1) Investments in associates

|  | June 30,<br>2024 | December 31,<br>2023 | June 30,<br>2023 |
|--|------------------|----------------------|------------------|
| <u>Associates that is not individually materiality</u> |                  |                      |                  |
| Unlisted companies                                     |                  |                      |                  |
| DBMaker Japan Inc.                                     | <u>\$ 11,543</u> | <u>\$ 12,432</u>     | <u>\$ 13,375</u> |

As at the end of the reporting period, the proportions of ownership and voting rights in associates held by the Group were as follows:

| Name of the company | June 30,<br>2024 | December 31,<br>2023 | June 30,<br>2023 |
|---------------------|------------------|----------------------|------------------|
| DBMaker Japan Inc.  | 49.89%           | 49.89%               | 49.89%           |

Refer to Table 4 “Information on Investees” for the nature of activities, principal place of business and country of incorporation of the associates.

(2) Investments in joint ventures

|  | June 30,<br>2024 | December 31,<br>2023 | June 30,<br>2023 |
|--|------------------|----------------------|------------------|
| <u>Joint venture that is not individually material</u> |                  |                      |                  |
| CloudMaster Co., Ltd.                                  | <u>\$ 55,814</u> | <u>\$ 55,426</u>     | <u>\$ 54,056</u> |

At the end of the reporting period, the proportion of ownership and voting rights in jointly controlled entity held by the Group was as follows:

|                       | June 30,<br>2024 | December 31,<br>2023 | June 30,<br>2023 |
|-----------------------|------------------|----------------------|------------------|
| CloudMaster Co., Ltd. | 50.00%           | 50.00%               | 50.00%           |

Refer to Table 4 “Information on Investees” for the nature of activities, principal place of business and country of incorporation of the Joint venture.

In March 2013, under the authorization of the Investment Commission of the Ministry of Economic Affairs, the Group incorporated CloudMaster under the joint venture agreement and had 50% of ownership. CloudMaster provides services in information software, data processing and electronic information. Under the joint venture agreement, in the meetings of the board of directors and the shareholders of CloudMaster, majority rule shall prevail. However, the Group’s seat in CloudMaster’s board of director does not exceed half of the board. Besides, under CloudMaster’s policies, significant strategic decisions should be made by unanimous agreement of the shareholders of both entities, and the Group has no right to obtain the variable rewards which is unavailable to CloudMaster’s shareholders and does not have direct ability to affect the rewards from investing in CloudMaster. As a result, the Group has no control over CloudMaster.

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

13. Property, plant and equipment

|                                      | June 30,<br>2024  | December 31,<br>2023 | June 30,<br>2023  |
|--------------------------------------|-------------------|----------------------|-------------------|
| Assets used by the Group             | \$ 350,296        | \$ 343,833           | \$ 336,192        |
| Assets leased under operating leases | <u>16,468</u>     | <u>18,895</u>        | <u>21,268</u>     |
|                                      | <u>\$ 366,764</u> | <u>\$ 362,728</u>    | <u>\$ 357,460</u> |

(1) Assets used by the Group

|                        | June 30,<br>2024  | December 31,<br>2023 | June 30,<br>2023  |
|------------------------|-------------------|----------------------|-------------------|
| Land                   | \$ 123,417        | \$ 122,712           | \$ 122,887        |
| Computer equipment     | 107,024           | 110,685              | 106,209           |
| Buildings              | 44,200            | 44,785               | 45,950            |
| Maintenance equipment  | 55,225            | 46,323               | 47,463            |
| Leasehold improvements | 10,476            | 10,596               | 5,438             |
| Others                 | <u>9,954</u>      | <u>8,732</u>         | <u>8,245</u>      |
|                        | <u>\$ 350,296</u> | <u>\$ 343,833</u>    | <u>\$ 336,192</u> |

Except for the recognition of depreciation expenses, the Group's property, plant and equipment did not have significant addition, disposal and impairment for the six months ended June 30, 2024 and 2023. Depreciation expenses were depreciated on a straight-line basis over the estimated useful life of the asset:

|                           |                |
|---------------------------|----------------|
| Buildings                 | 39 to 60 years |
| Maintenance equipment     | 6 years        |
| Computer equipment        | 3 to 6 years   |
| Leasehold improvements    | 3 to 10 years  |
| Others                    |                |
| - Office equipment        | 3 to 8 years   |
| -Transportation equipment | 5 years        |

(2) Assets leased under operating leases

|                  | June 30,<br>2024 | December 31,<br>2023 | June 30,<br>2023 |
|------------------|------------------|----------------------|------------------|
| Leased equipment | <u>\$ 16,468</u> | <u>\$ 18,895</u>     | <u>\$ 21,268</u> |

Operating leases relate to leases of equipment with lease terms between 1 to 3 years. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating lease payments was as follows:

|        | June 30,<br>2024 | December 31,<br>2023 | June 30,<br>2023 |
|--------|------------------|----------------------|------------------|
| Year 1 | \$ 16,934        | \$ 17,029            | \$ 17,143        |
| Year 2 | 8,356            | 16,787               | 16,897           |
| Year 3 | <u>-</u>         | <u>12</u>            | <u>8,325</u>     |
|        | <u>\$ 25,290</u> | <u>\$ 33,828</u>     | <u>\$ 42,365</u> |

Except for the recognition of depreciation expenses, the Group's Leased equipment did not have significant addition, disposal and impairment for the six months ended June 30, 2024 and 2023.

The equipment leased under operating leases are depreciated on a straight-line basis over 3 to 6 years estimated useful lives.

14. Lease agreements

(1) Right-of-use assets

|  | June 30,<br>2024                      | December 31,<br>2023                | June 30,<br>2023                  |
|--|---------------------------------------|-------------------------------------|-----------------------------------|
| Carrying amounts                               |                                       |                                     |                                   |
| Buildings                                      | <u>\$ 80,407</u>                      | <u>\$ 94,888</u>                    | <u>\$ 119,248</u>                 |
|  | For the Three Months Ended<br>June 30 | For the Six Months Ended<br>June 30 |                                   |
|  | 2024                                  | 2023                                | 2024 2023                         |
| Addition of right-of-use assets                |                                       |                                     | <u>\$ 9,395</u> <u>\$ 123,694</u> |
| Depreciation charge for<br>right-of-use assets |                                       |                                     |                                   |
| Buildings                                      | <u>\$ 12,166</u>                      | <u>\$ 12,395</u>                    | <u>\$ 24,313</u> <u>\$ 24,819</u> |

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2024 and 2023.

(2) Lease liabilities

|                  | June 30,<br>2024 | December 31,<br>2023 | June 30,<br>2023 |
|------------------|------------------|----------------------|------------------|
| Carrying amounts |                  |                      |                  |
| Current          | <u>\$ 46,876</u> | <u>\$ 46,175</u>     | <u>\$ 48,693</u> |
| Non-current      | <u>\$ 34,358</u> | <u>\$ 49,503</u>     | <u>\$ 71,325</u> |

The ranges of discount rate for lease liabilities were 0.75%-7.64%, 0.75%-7.28% and 0.75%-7.28% per annum as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

(3) Material leasing activities and terms

As lessee, the Group leases buildings for the use as offices and dormitory with lease terms of 2 to 10 years. All lease contracts with lease terms over 5 years specify that lease payments will be adjusted every 5 years on the basis of changes in market rental rates. The Group does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms.

(4) Other lease information

Lease-out arrangements under operating leases for freehold property, plant, and equipment were set out in Note 13.

|   | For the Three Months Ended<br>June 30 | For the Six Months Ended<br>June 30 |   |
|---|---------------------------------------|-------------------------------------|---|
|   | 2024                                  | 2023                                | 2024 2023                                 |
| Expenses relating to short-term leases  | <u>\$ 2,557</u>                       | <u>\$ 1,706</u>                     | <u>\$ 4,956</u> <u>\$ 3,332</u>           |
| Expenses relating to variable lease payments not included in the measurement of lease liabilities | <u>\$ 159</u>                         | <u>\$ 146</u>                       | <u>\$ 297</u> <u>\$ 235</u>               |
| Total cash outflow for leases   |                                       |                                     | <u>( \$ 30,558 )</u> <u>( \$ 30,004 )</u> |

As lessee, the Group leases certain buildings and leasehold improvements which qualify as short-term leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. Intangible assets

|                   | June 30,<br>2024 | December 31,<br>2023 | June 30,<br>2023 |
|-------------------|------------------|----------------------|------------------|
| Computer software | \$ 2,270         | \$ 1,719             | \$ 2,032         |
| Goodwill          | 593              | 593                  | 593              |
|                   | <u>\$ 2,863</u>  | <u>\$ 2,312</u>      | <u>\$ 2,625</u>  |

Except for the recognition of amortization expenses, the Group's intangible assets did not have significant addition, disposal and impairment for the six months ended June 30, 2024 and 2023. Computer software is being depreciated on a straight-line basis and will be amortized over 1 to 10 years.

16. Loans

|                             | June 30,<br>2024  | December 31,<br>2023 | June 30,<br>2023  |
|-----------------------------|-------------------|----------------------|-------------------|
| <u>Unsecured borrowings</u> |                   |                      |                   |
| Line of credit borrowings   | <u>\$ 168,739</u> | <u>\$190,855</u>     | <u>\$ 173,178</u> |

The range of interest rates on bank revolving loans was 7.30%- 7.84%, 2.26%- 8.31% and 4.50%-7.69% per annum as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

17. Other payables

|                                       | June 30,<br>2024  | December 31,<br>2023 | June 30,<br>2023  |
|---------------------------------------|-------------------|----------------------|-------------------|
| Payables for dividends                | \$ 240,037        | \$ -                 | \$ 220,031        |
| Payables for salaries or bonus        | 83,616            | 298,098              | 90,980            |
| Payables for insurance                | 40,873            | 19,569               | 29,050            |
| Payables for pension                  | 27,582            | 16,183               | 20,427            |
| Payable for compensation of employees | 16,020            | 10,300               | 14,327            |
| Payables for value-added tax          | 6,842             | 43,128               | 7,132             |
| Payables for annual leave             | 26                | 1,529                | 748               |
| Others                                | <u>16,504</u>     | <u>29,186</u>        | <u>16,994</u>     |
|                                       | <u>\$ 431,500</u> | <u>\$ 417,993</u>    | <u>\$ 399,689</u> |

18. Retirement benefits plans

For the three months and six months ended, June 30, 2024 and 2023, relevant pension costs for defined benefit plans which were determined by the pension cost rates of actuarial valuation as of December 31, 2023 and 2022 were as follows:

|                    | For the Three Months Ended<br>June 30 |               | For the Six Months Ended<br>June 30 |               |
|--------------------|---------------------------------------|---------------|-------------------------------------|---------------|
|                    | 2024                                  | 2023          | 2024                                | 2023          |
| Operating costs    | \$ 21                                 | \$ 39         | \$ 39                               | \$ 67         |
| Operating expenses | <u>174</u>                            | <u>233</u>    | <u>357</u>                          | <u>477</u>    |
|                    | <u>\$ 195</u>                         | <u>\$ 272</u> | <u>\$ 396</u>                       | <u>\$ 544</u> |

19. Equity

(1) Share capital - ordinary shares

|  | June 30,<br>2024    | December 31,<br>2023 | June 30,<br>2023    |
|--|---------------------|----------------------|---------------------|
| Number of authorized shares<br>(in thousands)            | <u>157,000</u>      | <u>157,000</u>       | <u>157,000</u>      |
| Amount of authorized shares                              | <u>\$ 1,570,000</u> | <u>\$ 1,570,000</u>  | <u>\$ 1,570,000</u> |
| Number of issued and fully<br>paid shares (in thousands) | <u>100,000</u>      | <u>100,000</u>       | <u>100,000</u>      |
| Amount of issued and fully<br>paid shares                | <u>\$ 1,000,000</u> | <u>\$ 1,000,000</u>  | <u>\$ 1,000,000</u> |

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

(2) Capital surplus

Such capital surplus arise from the difference between consideration paid or received and the carrying amount of the subsidiaries' net assets during actual acquisition or disposal under equity transactions and from donated assets.

(3) Retained earnings and dividend policy

The shareholders of the Company held their regular meeting on June 13, 2023 and in that meeting, resolved the amendments to the Company's Articles of Incorporation. Under the dividends policy as set forth in the Articles, where the Company made 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, unless the legal reserve has reached the Company's total paid-up capital. The remaining profit shall be set aside or reverse 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 Company's board of directors as the basis for proposing a distribution plan. 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. However, other additional distribution should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders.

Under the dividends policy as set forth in the Articles before the amendments where the Company made 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, unless the legal reserve has reached the Company's total paid-up capital. The remaining profit shall be set aside or reverse 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 Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of employees' compensation and remuneration of directors, refer to "employee's compensation and remuneration of directors" in Note 21,(7).

The Company distributes both cash and share dividends, taking into account its profitability, future capital expenditure requirements and cash position. The distribution of cash dividends should not be less than 10% of the total dividends of the year. The Company may raise the percentage of cash dividend distribution only if the Company's earnings and cash position are strong.

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

Pursuant to existing regulations, the Company is required to set aside additional special reserve equivalent to the net debit balance of the other equity interests. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and is thereafter distributed.

The appropriations of earnings and dividends per share for 2023 and 2022 were approved in the shareholders' meetings on June 12, 2024 and June 13, 2023, respectively, were as follows:

|                                 | 2023              | 2022              |
|---------------------------------|-------------------|-------------------|
| Legal reserve                   | \$ <u>27,613</u>  | \$ <u>26,506</u>  |
| Cash dividends                  | \$ <u>240,000</u> | \$ <u>220,000</u> |
| Cash dividends per share (NT\$) | \$ <u>2.4</u>     | \$ <u>2.2</u>     |

The cash dividends for 2023 were approved by the board of directors on March 12, 2024, and the remaining appropriations of earnings were approved by the shareholders' meeting on June 12, 2024 and June 13, 2023, respectively.

(4) Special reserve

On the first-time adoption of IFRSs, the Company appropriated for special reserve, the amount that was the same as the cumulative translation differences transferred to retained earnings, which was \$17,619 thousand.

(5) Other equity interests

A. Exchange differences on translating the financial statements of foreign operations

|  | For the Six Months Ended June 30 |                     |
|--|----------------------------------|---------------------|
|  | 2024                             | 2023                |
| Balance at January 1   | ( \$ 9,900 )                     | ( \$ 10,592 )       |
| Exchange differences on translating the financial statements of foreign operations | 735                              | 2,212               |
| Share from associates and joint venture accounted for using the equity method      | ( <u>164</u> )                   | ( <u>193</u> )      |
| Balance at June 30   | ( \$ <u>9,329</u> )              | ( \$ <u>8,573</u> ) |

B. Unrealized gain (loss) on financial assets at FVTOCI

|                                      | For the Six Months Ended June 30 |                  |
|--------------------------------------|----------------------------------|------------------|
|                                      | 2024                             | 2023             |
| Balance at January 1                 | \$ 21,628                        | \$ 14,339        |
| Unrealized gain - equity instruments | <u>9,171</u>                     | <u>12,313</u>    |
| Balance at June 30                   | <u>\$ 30,799</u>                 | <u>\$ 26,652</u> |

(6) Non-controlling interests

|   | For the Six Months Ended June 30 |                 |
|---|----------------------------------|-----------------|
|   | 2024                             | 2023            |
| Balance at January 1  | \$ 3,097                         | \$ 4,968        |
| Share in loss for the period  | ( 1,538 )                        | ( 1,079 )       |
| Other comprehensive income (loss) during the period                                       |                                  |                 |
| Exchange difference on translating the financial statements of foreign operations         | 251                              | 71              |
| Effective acquisition of partial interest in a subsidiary by the parent company (Note 11) | -                                | ( 202 )         |
| Changes in ownership interests in subsidiaries (Note 24)                                  | 10,008                           | -               |
| Cash dividends from subsidiaries  | ( 33 )                           | ( 28 )          |
| Balance at June 30  | <u>\$ 11,785</u>                 | <u>\$ 3,730</u> |

20. Revenue

|   | For the Three Months Ended June 30 |                     | For the Six Months Ended June 30 |                     |
|---|------------------------------------|---------------------|----------------------------------|---------------------|
|   | 2024                               | 2023                | 2024                             | 2023                |
| Revenue from contracts with customers           |                                    |                     |                                  |                     |
| Contract revenue and revenue from sale of goods | \$ 1,144,704                       | \$ 1,057,569        | \$ 2,203,876                     | \$ 1,961,260        |
| Revenue from rendering of services              | 399,662                            | 369,706             | 735,714                          | 708,499             |
| Rental income                                   |                                    |                     |                                  |                     |
| Rental income from equipment                    | 4,269                              | 4,378               | 8,538                            | 8,815               |
|   | <u>\$ 1,548,635</u>                | <u>\$ 1,431,653</u> | <u>\$ 2,948,128</u>              | <u>\$ 2,678,574</u> |

(1) Contract information

Revenue from contracts with customers

Contract revenue comes from rendering of computer software and hardware integration services according to contract, which is recognized by reference to the stage of completion of contract activity. The consideration promised is paid by customers based on the schedule in the contract.

Revenue from the sale of goods is recognized when performance obligations are satisfied. The performance obligations are satisfied when customers obtained control and right of use of the promised good and bear inventory risks.

Revenue from rendering of services

Revenue from rendering of services comes from maintenance services. The Group requires partial payments from the customers when the contract is signed. Revenue is recognized on a straight-line basis during the contract period.

|                                     |                   |                      |                   |
|-------------------------------------|-------------------|----------------------|-------------------|
| (2) Contract balances               |                   |                      |                   |
|                                     | June 30,<br>2024  | December 31,<br>2023 | June 30,<br>2023  |
| Accounts receivable (Note 9)        | <u>\$ 822,191</u> | <u>\$ 1,425,698</u>  | <u>\$ 964,905</u> |
| Contract assets                     |                   |                      |                   |
| System integration services         | \$ 674,551        | \$ 483,322           | \$ 521,665        |
| Less: Allowance for impairment loss | <u>-</u>          | <u>-</u>             | <u>-</u>          |
| Contract assets - current           | <u>\$ 674,551</u> | <u>\$ 483,322</u>    | <u>\$ 521,665</u> |
| Contract liabilities                |                   |                      |                   |
| System integration services         | <u>\$ 485,081</u> | <u>\$ 465,330</u>    | <u>\$ 252,555</u> |

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Group's performance and the respective customer's payment. Except for adjustments resulting from the changes in the measure of progress, there was no significant change in the current period.

(3) Revenue from contracts with customers  
For the Six Months Ended June 30, 2024

|   | Reportable segment               |   |                     |
|---|----------------------------------|---|---------------------|
|   | Business segments of the Company | Business segments of the entities controlled by the Company | Total               |
| <u>Type of products or services</u>             |                                  |   |                     |
| Contract revenue and revenue from sale of goods | \$ 2,125,202                     | \$ 78,674   | \$ 2,203,876        |
| Revenue from rendering of services              | 725,517                          | 10,197  | 735,714             |
| Rental income                                   | <u>8,538</u>                     | <u>-</u>  | <u>8,538</u>        |
|   | <u>\$ 2,859,257</u>              | <u>\$ 88,871</u>  | <u>\$ 2,948,128</u> |

For the Six Months Ended June 30, 2023

|   | Reportable segment               |   |                     |
|---|----------------------------------|---|---------------------|
|   | Business segments of the Company | Business segments of the entities controlled by the Company | Total               |
| <u>Type of products or services</u>             |                                  |   |                     |
| Contract revenue and revenue from sale of goods | \$ 1,847,596                     | \$ 113,664  | \$ 1,961,260        |
| Revenue from rendering of services              | 695,079                          | 13,420  | 708,499             |
| Rental income                                   | <u>8,757</u>                     | <u>58</u>   | <u>8,815</u>        |
|   | <u>\$ 2,551,432</u>              | <u>\$ 127,142</u>   | <u>\$ 2,678,574</u> |



21. Net profit

(1) Interest income

|               | For the Three Months Ended<br>June 30 |                 | For the Six Months Ended<br>June 30 |                 |
|---------------|---------------------------------------|-----------------|-------------------------------------|-----------------|
|               | 2024                                  | 2023            | 2024                                | 2023            |
| Bank deposits | <u>\$ 3,619</u>                       | <u>\$ 3,008</u> | <u>\$ 6,321</u>                     | <u>\$ 5,513</u> |

(2) Other income

|                            | For the Three Months Ended<br>June 30 |                 | For the Six Months Ended<br>June 30 |                 |
|----------------------------|---------------------------------------|-----------------|-------------------------------------|-----------------|
|                            | 2024                                  | 2023            | 2024                                | 2023            |
| Government grants          | \$ 10,194                             | \$ 434          | \$ 20,544                           | \$ 434          |
| Marketing incentive income | 8,058                                 | 2,783           | 10,033                              | 4,679           |
| Rental income              | 901                                   | 1,477           | 2,687                               | 2,953           |
| Others                     | <u>1,309</u>                          | <u>401</u>      | <u>2,126</u>                        | <u>1,001</u>    |
|                            | <u>\$ 20,462</u>                      | <u>\$ 5,095</u> | <u>\$ 35,390</u>                    | <u>\$ 9,067</u> |

(3) Other gains and losses

|  | For the Three Months Ended<br>June 30 |                     | For the Six Months Ended<br>June 30 |                     |
|--|---------------------------------------|---------------------|-------------------------------------|---------------------|
|  | 2024                                  | 2023                | 2024                                | 2023                |
| Net foreign exchange (loss)gains   | ( \$ 858 )                            | ( \$ 5,844 )        | \$ 2,705                            | ( \$ 4,436 )        |
| Net (loss)gains on fair value changes of financial assets mandatorily classified as at FVTPL | ( 258 )                               | 1,164               | 1,383                               | 2,306               |
| Net gains on disposal of property, plant and equipment                                       | 88                                    | -                   | 88                                  | -                   |
| Others   | ( <u>58</u> )                         | ( <u>83</u> )       | ( <u>179</u> )                      | ( <u>334</u> )      |
|  | <u>( \$ 1,086 )</u>                   | <u>( \$ 4,763 )</u> | <u>\$ 3,997</u>                     | <u>( \$ 2,464 )</u> |

(4) Finance costs

|                               | For the Three Months Ended<br>June 30 |                 | For the Six Months Ended<br>June 30 |                 |
|-------------------------------|---------------------------------------|-----------------|-------------------------------------|-----------------|
|                               | 2024                                  | 2023            | 2024                                | 2023            |
| Interest on bank loans        | \$ 3,403                              | \$ 3,236        | \$ 6,879                            | \$ 6,371        |
| Interest on lease liabilities | <u>483</u>                            | <u>683</u>      | <u>1,016</u>                        | <u>1,393</u>    |
|                               | <u>\$ 3,886</u>                       | <u>\$ 3,919</u> | <u>\$ 7,895</u>                     | <u>\$ 7,764</u> |

(5) Depreciation and amortization

|   | For the Three Months Ended<br>June 30 |                  | For the Six Months Ended<br>June 30 |                  |
|---|---------------------------------------|------------------|-------------------------------------|------------------|
|   | 2024                                  | 2023             | 2024                                | 2023             |
| An analysis of depreciation by function |                                       |                  |                                     |                  |
| Operating costs                         | \$ 5,258                              | \$ 5,518         | \$ 10,273                           | \$ 10,966        |
| Operating expenses                      | <u>23,370</u>                         | <u>21,938</u>    | <u>46,562</u>                       | <u>44,606</u>    |
|   | <u>\$ 28,628</u>                      | <u>\$ 27,456</u> | <u>\$ 56,835</u>                    | <u>\$ 55,572</u> |
| An analysis of amortization by function |                                       |                  |                                     |                  |
| Operating expenses                      | <u>\$ 251</u>                         | <u>\$ 169</u>    | <u>\$ 419</u>                       | <u>\$ 339</u>    |

(6) Employee benefits expenses

|  | For the Three Months Ended<br>June 30 |                   | For the Six Months Ended<br>June 30 |                   |
|--|---------------------------------------|-------------------|-------------------------------------|-------------------|
|  | 2024                                  | 2023              | 2024                                | 2023              |
| Short-term employee benefits                               |                                       |                   |                                     |                   |
| Salary   | \$ 383,801                            | \$ 383,523        | \$ 658,072                          | \$ 641,234        |
| Labor and health Insurance                                 | 36,599                                | 35,407            | 76,829                              | 72,619            |
| Others   | <u>18,684</u>                         | <u>12,622</u>     | <u>36,181</u>                       | <u>24,399</u>     |
|  | <u>439,084</u>                        | <u>431,552</u>    | <u>771,082</u>                      | <u>738,252</u>    |
| Post-employment benefits<br>(Note 18)                      |                                       |                   |                                     |                   |
| Defined contribution plans                                 | 16,818                                | 15,597            | 33,004                              | 30,528            |
| Defined benefits plans                                     | <u>195</u>                            | <u>272</u>        | <u>396</u>                          | <u>544</u>        |
|  | <u>17,013</u>                         | <u>15,869</u>     | <u>33,400</u>                       | <u>31,072</u>     |
| Total employee benefits<br>expense                         | <u>\$ 456,097</u>                     | <u>\$ 447,421</u> | <u>\$ 804,482</u>                   | <u>\$ 769,324</u> |
| An analysis of employee<br>benefits expense by<br>function |                                       |                   |                                     |                   |
| Operating costs  | \$ 166,965                            | \$ 167,222        | \$ 306,923                          | \$ 307,498        |
| Operating expenses   | <u>289,132</u>                        | <u>280,199</u>    | <u>497,559</u>                      | <u>461,826</u>    |
|  | <u>\$ 456,097</u>                     | <u>\$ 447,421</u> | <u>\$ 804,482</u>                   | <u>\$ 769,324</u> |

(7) Employees' compensation and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued employees' compensation at rates of no less than 3%. The employees' compensation in the amounts of \$2,242 thousand, \$1,403 thousand, \$5,720 thousand and \$4,727 thousand, both representing 3% of net profit before tax for the three and six months ended June 30, 2024 and 2023, respectively. The Company did not accrue remuneration of directors for the six months ended June 30, 2024 and 2023.

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

The appropriations of employees' compensation and remuneration of directors for 2023 and 2022 that were resolved by the board of directors on March 12, 2024 and March 17, 2023, respectively. The employees' compensation amounted to \$10,300 thousand and \$9,600 thousand, respectively. The Company did not accrue remuneration of directors for the years ended December 31, 2023 and 2022.

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

Information on the employees' compensation resolved by the Company's board of directors in 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

22. Income tax

(1) Income tax recognized in profit or loss

The major components of income tax expense were as follows:

|   | For the Three Months Ended<br>June 30 |                 | For the Six Months Ended<br>June 30 |                  |
|---|---------------------------------------|-----------------|-------------------------------------|------------------|
|   | 2024                                  | 2023            | 2024                                | 2023             |
| Current tax   |                                       |                 |                                     |                  |
| In respect of the<br>current period                   | \$ 15,102                             | \$ 10,683       | \$ 37,627                           | \$ 31,358        |
| Adjustments for prior<br>years                        | 122                                   | ( 2,926 )       | 1,221                               | ( 2,926 )        |
| Deferred tax  |                                       |                 |                                     |                  |
| In respect of the<br>current period                   | 97                                    | 334             | 3,265                               | 2,699            |
| Income tax expense<br>recognized in profit or<br>loss | <u>\$ 15,321</u>                      | <u>\$ 8,091</u> | <u>\$ 42,113</u>                    | <u>\$ 31,131</u> |

(2) Income tax assessments

The Company and subsidiaries' income tax returns have been assessed by the tax authority are as follows:

| Name of the company              | Year of assessment |
|----------------------------------|--------------------|
| The Company                      | 2022               |
| Netmaker Technology Co., Ltd.    | 2022               |
| Wisemaker Technology Co.         | 2022               |
| Coach Technology Management Inc. | 2021               |

23. Earnings per share

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

Net profit for the period

|   | For the Three Months<br>Ended June 30 |                  | For the Six Months Ended<br>June 30 |                   |
|---|---------------------------------------|------------------|-------------------------------------|-------------------|
|   | 2024                                  | 2023             | 2024                                | 2023              |
| Earnings used in the computation<br>of basic earnings per share   | <u>\$ 56,930</u>                      | <u>\$ 37,270</u> | <u>\$ 142,602</u>                   | <u>\$ 121,701</u> |
| Earnings used in the computation<br>of diluted earnings per share | <u>\$ 56,930</u>                      | <u>\$ 37,270</u> | <u>\$ 142,602</u>                   | <u>\$ 121,701</u> |

Shares

(Thousand shares)

|   | For the Three Months<br>Ended June 30 |                | For the Six Months Ended<br>June 30 |                |
|---|---------------------------------------|----------------|-------------------------------------|----------------|
|   | 2024                                  | 2023           | 2024                                | 2023           |
| Weighted average number of<br>ordinary shares used in the<br>computation of basic earnings<br>per share   | 100,000                               | 100,000        | 100,000                             | 100,000        |
| Effect of potentially dilutive<br>ordinary shares:  |                                       |                |                                     |                |
| Employees' compensation   | 90                                    | 69             | 163                                 | 143            |
| Weighted average number of<br>ordinary shares used in the<br>computation of diluted earnings<br>per share | <u>100,090</u>                        | <u>100,069</u> | <u>100,163</u>                      | <u>100,143</u> |

Since the Group offered to settle compensation paid to employees in cash or shares, the Group assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. Equity transactions with non-controlling interests

In February 2024, the Group subscribed for new shares issued by Xian Linan Computer Co., Ltd. at a percentage different from its original ownership percentage, and consequently the shareholding in Xian Linan Computer Co., Ltd. increased. Please refer to Note 11.

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over its subsidiary.

|   | Xian Linan<br>Computer Co.,<br>Ltd. |
|---|-------------------------------------|
| Consideration received  | \$ 6,277                            |
| The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests | ( 10,008)                           |
| Differences recognized from equity transactions   | (\$ 3,731)                          |
| <u>Line items adjusted for equity transactions</u>  |                                     |
| Unappropriated earnings   | (\$ 3,731)                          |

25. Financial instruments

(1) Fair value of financial instruments not measured at fair value

The Group's management believes the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values. Therefore, the carrying amounts of balance sheet is a reasonable basis for estimating the fair value.

(2) Fair value of financial instruments measured at fair value on a recurring basis

Fair value hierarchy

June 30, 2024

|   | Level 1   | Level 2 | Level 3  | Total     |
|---|-----------|---------|----------|-----------|
| <u>Financial assets at FVTPL</u>            |           |         |          |           |
| Fund beneficial certificates                | \$ 11,840 | \$ -    | \$ -     | \$ 11,840 |
| <u>Financial assets at FVTOCI</u>           |           |         |          |           |
| Investments in equity instruments at FVTOCI |           |         |          |           |
| Listed shares                               | \$ 40,602 | \$ -    | \$ -     | \$ 40,602 |
| Unlisted shares                             | -         | -       | 1,595    | 1,595     |
| Total                                       | \$ 40,602 | \$ -    | \$ 1,595 | \$ 42,197 |

December 31, 2023

|   | Level 1   | Level 2 | Level 3  | Total     |
|---|-----------|---------|----------|-----------|
| <u>Financial assets at FVTPL</u>            |           |         |          |           |
| Fund beneficial certificates                | \$ 10,457 | \$ -    | \$ -     | \$ 10,457 |
| <u>Financial assets at FVTOCI</u>           |           |         |          |           |
| Investments in equity instruments at FVTOCI |           |         |          |           |
| Listed shares                               | \$ 31,431 | \$ -    | \$ -     | \$ 31,431 |
| Unlisted shares                             | -         | -       | 1,595    | 1,595     |
| Total                                       | \$ 31,431 | \$ -    | \$ 1,595 | \$ 33,026 |

June 30, 2023

|   | Level 1   | Level 2 | Level 3  | Total     |
|---|-----------|---------|----------|-----------|
| <u>Financial assets at FVTPL</u>            |           |         |          |           |
| Fund beneficial certificates                | \$ 454    | \$ -    | \$ -     | \$ 454    |
| <u>Financial assets at FVTOCI</u>           |           |         |          |           |
| Investments in equity instruments at FVTOCI |           |         |          |           |
| Listed shares                               | \$ 36,455 | \$ -    | \$ -     | \$ 36,455 |
| Unlisted shares                             | -         | -       | 1,595    | 1,595     |
| Total                                       | \$ 36,455 | \$ -    | \$ 1,595 | \$ 38,050 |

There were no transfers between Levels 1 and 2 for the six months ended June 30, 2024 and 2023.

(3) Categories of financial instruments

|  | June 30,<br>2024 | December 31,<br>2023 | June 30,<br>2023 |
|--|------------------|----------------------|------------------|
| <u>Financial assets</u>                          |                  |                      |                  |
| Mandatorily classified as at FVTPL               | \$ 11,840        | \$ 10,457            | \$ 454           |
| Financial assets at amortized cost (Note 1)      | 1,955,146        | 2,742,050            | 1,894,333        |
| Financial assets at FVTOCI                       |                  |                      |                  |
| Equity instruments                               | 42,197           | 33,026               | 38,050           |
| <u>Financial liabilities</u>                     |                  |                      |                  |
| Financial liabilities at amortized cost (Note 2) | 1,683,587        | 2,062,512            | 1,842,496        |

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, accounts receivable, and other receivables.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term loans, notes payable, accounts payable and other payables.

(4) Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, accounts receivable, accounts payable, borrowings and lease liabilities. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree

and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

A. Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see a. below) and interest rates (see b. below).

a. Foreign currency risk

The Group have foreign currency sales and purchases, which exposes the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 29.

Sensitivity analysis

The Group is mainly exposed to USD.

The following details the Group's sensitivity to a 10% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity rate of 10% used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates. For the six months ended June 30, 2024 and 2023, there would be an increase of \$11,085 thousand and \$3,533 thousand, respectively, in pre-tax profit associated with New Taiwan dollars strengthen 10% against USD. For a 10% weakening of New Taiwan dollars against USD, there would be an equal and opposite impact on pre-tax profit and the balances would be negative. The effect of exchange rate changes was mainly attributable to the exposure outstanding on USD cash, payables and borrowings, which were not hedged at the end of the reporting period.

b. Interest rate risk

The Group is exposed to interest rate risk because the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

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

|                               | June 30,<br>2024 | December 31,<br>2023 | June 30,<br>2023 |
|-------------------------------|------------------|----------------------|------------------|
| Fair value interest rate risk |                  |                      |                  |
| - Financial assets            | \$ 616,941       | \$ 786,099           | \$ 684,306       |
| - Financial liabilities       | 81,234           | 95,678               | 120,018          |
| Cash flow interest rate risk  |                  |                      |                  |
| - Financial assets            | 476,875          | 506,639              | 233,346          |
| - Financial liabilities       | 168,739          | 190,855              | 173,178          |

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. A 1 basis point increase or decrease

is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2024 and 2023 would increase/decrease by \$385 thousand and \$75 thousand, respectively.

B. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of counterparties to discharge its obligation and due to the financial guarantees provided by the Group, could arise from the carrying amount of the respective recognized financial assets as stated in the consolidated Balance Sheet.

The Group adopted a policy of only dealing with creditworthy counterparties. Before trading with new customers, the Group assessed the credit quality of potential customer by internal credit checking and set the credit limit which is reassessed annually.

C. Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2024 and 2023, the Group had available unutilized short-term bank loan facilities set out in b. below.

a. Liquidity and interest risk rate table for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

June 30, 2024

|   | Payment on demand or less than 1 month | 1~3 months          | 3 months~1 year   | 1~5 years        | More than 5 years |
|---|--|---------------------|-------------------|------------------|-------------------|
| <u>Non-derivative financial liabilities</u> |  |                     |                   |                  |                   |
| Non-interest bearing                        | \$ -                                   | \$ 1,513,323        | \$ -              | \$ -             | \$ -              |
| Lease liabilities                           | 4,234                                  | 8,132               | 36,123            | 35,071           | -                 |
| Variable interest rate liabilities          | 1,110                                  | 37,791              | 136,819           | -                | -                 |
|   | <u>\$ 5,344</u>                        | <u>\$ 1,559,246</u> | <u>\$ 172,942</u> | <u>\$ 35,071</u> | <u>\$ -</u>       |

Additional information about the maturity analysis for lease liabilities:

|                   | Less than 1 year | 1 to 5 years     | 5 to 10 years |
|-------------------|------------------|------------------|---------------|
| Lease liabilities | <u>\$ 48,489</u> | <u>\$ 35,071</u> | <u>\$ -</u>   |

### December 31, 2023

|   | Payment on demand or less than 1 month | 1~3 months          | 3 months~1 year   | 1~5 years        | More than 5 years |
|---|--|---------------------|-------------------|------------------|-------------------|
| <u>Non-derivative financial liabilities</u> |  |                     |                   |                  |                   |
| Non-interest bearing                        | \$ -                                   | \$ 1,870,360        | \$ -              | \$ -             | \$ -              |
| Lease liabilities                           | 4,208                                  | 8,360               | 35,575            | 50,404           | -                 |
| Variable interest rate liabilities          | 26,664                                 | 53,049              | 115,673           | -                | -                 |
|   | <u>\$ 30,872</u>                       | <u>\$ 1,931,769</u> | <u>\$ 151,248</u> | <u>\$ 50,404</u> | <u>\$ -</u>       |

Additional information about the maturity analysis for lease liabilities:

|                   | Less than 1 year | 1 to 5 years     | 5 to 10 years |
|-------------------|------------------|------------------|---------------|
| Lease liabilities | <u>\$ 48,143</u> | <u>\$ 50,404</u> | <u>\$ -</u>   |

### June 30, 2023

|   | Payment on demand or less than 1 month | 1~3 months          | 3 months~1 year   | 1~5 years        | More than 5 years |
|---|--|---------------------|-------------------|------------------|-------------------|
| <u>Non-derivative financial liabilities</u> |  |                     |                   |                  |                   |
| Non-interest bearing                        | \$ -                                   | \$ 1,668,104        | \$ -              | \$ -             | \$ -              |
| Lease liabilities                           | 4,270                                  | 8,546               | 38,121            | 72,463           | -                 |
| Variable interest rate liabilities          | 7,209                                  | 66,715              | 104,008           | -                | -                 |
| Fixed interest rate liabilities             | -                                      | -                   | -                 | -                | -                 |
|   | <u>\$ 11,479</u>                       | <u>\$ 1,743,365</u> | <u>\$ 142,129</u> | <u>\$ 72,463</u> | <u>\$ -</u>       |

Additional information about the maturity analysis for lease liabilities:

|                   | Less than 1 year | 1 to 5 years     | 5 to 10 years |
|-------------------|------------------|------------------|---------------|
| Lease liabilities | <u>\$ 50,937</u> | <u>\$ 72,463</u> | <u>\$ -</u>   |

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

### b. Financing facilities

|   | June 30, 2024       | December 31, 2023   | June 30, 2023       |
|---|---------------------|---------------------|---------------------|
| Unsecured bank financing facilities, reviewed annually and payable on demand: |                     |                     |                     |
| Amount used   | \$ 866,501          | \$ 918,091          | \$ 876,569          |
| Amount unused   | <u>1,838,082</u>    | <u>1,874,583</u>    | <u>1,620,721</u>    |
|   | <u>\$ 2,704,583</u> | <u>\$ 2,792,674</u> | <u>\$ 2,497,290</u> |

### 26. Related Party Transactions

Transactions and balances between the Company and its subsidiaries, which were related parties of the Company, had been eliminated on consolidation and are not disclosed in this note. Besides as disclosed elsewhere in the other notes, details of transactions between the Group and other related parties were disclosed below.



## (1) Related-party and its relationship

| Related party  | Relationship              |
|--|---------------------------|
| Furly Investment Co., Ltd.(Furly Investment)         | Substantive related party |
| Chuan Gao Investment Co., Ltd.(Chuan Gao Investment) | Substantive related party |
| Welida Investment Co., Ltd.                          | Substantive related party |
| DBMaker Japan Inc.                                   | Associate                 |
| CloudMaster Co., Ltd.( CloudMaster)                  | Joint ventures            |

## (2) Operating revenue (sales, maintenance and rental revenue)

| Related Party Categories | For the Three Months Ended<br>June 30 |                 | For the Six Months Ended<br>June 30 |                  |
|--------------------------|---------------------------------------|-----------------|-------------------------------------|------------------|
|                          | 2024                                  | 2023            | 2024                                | 2023             |
| Associate                | \$ 6,016                              | \$ 8,810        | \$ 8,615                            | \$ 15,200        |
| Joint ventures           | <u>441</u>                            | <u>294</u>      | <u>1,877</u>                        | <u>716</u>       |
|                          | <u>\$ 6,457</u>                       | <u>\$ 9,104</u> | <u>\$ 10,492</u>                    | <u>\$ 15,916</u> |

## (3) Operating costs (including sales, maintenance and rental)

| Related Party Categories | For the Three Months Ended<br>June 30 |                 | For the Six Months Ended<br>June 30 |                 |
|--------------------------|---------------------------------------|-----------------|-------------------------------------|-----------------|
|                          | 2024                                  | 2023            | 2024                                | 2023            |
| Associate                | \$ -                                  | \$ 2,797        | \$ -                                | \$ 2,797        |
| Joint ventures           | <u>-</u>                              | <u>-</u>        | <u>-</u>                            | <u>4</u>        |
|                          | <u>\$ -</u>                           | <u>\$ 2,797</u> | <u>\$ -</u>                         | <u>\$ 2,801</u> |

## (4) Receivables from related parties (excluding loans to related parties)

| Line Item           | Related Party<br>Categories | June 30,<br>2024 | December 31,<br>2023 | June 30,<br>2023 |
|---------------------|-----------------------------|------------------|----------------------|------------------|
| Accounts receivable | Associate                   | \$ 11,152        | \$ 15,160            | \$ 2,842         |
|                     | Joint ventures              | <u>66</u>        | <u>247</u>           | <u>12</u>        |
|                     |                             | <u>\$ 11,218</u> | <u>\$ 15,407</u>     | <u>\$ 2,854</u>  |

The outstanding accounts receivable from related parties are unsecured. For the six months ended June 30, 2024 and 2023, no impairment loss was recognized on accounts receivable from related parties.

## (5) Payables to related parties (excluding loans from related parties)

| Line Item        | Related Party<br>Categories | June 30,<br>2024 | December 31,<br>2023 | June 30,<br>2023 |
|------------------|-----------------------------|------------------|----------------------|------------------|
| Accounts payable | Associate                   | \$ 1,120         | \$ 1,206             | \$ 1,592         |
|                  | Joint ventures              | 6                | 1,500                | 4                |
|                  | Substantive related party   | <u>4</u>         | <u>9</u>             | <u>6</u>         |
|                  |                             | <u>\$ 1,130</u>  | <u>\$ 2,715</u>      | <u>\$ 1,602</u>  |

The outstanding accounts payable from related parties are unsecured.

## (6) Acquisitions of property, plant and equipment

| Related Party Categories | For the Six Months Ended June 30 |             |
|--------------------------|----------------------------------|-------------|
|                          | 2024                             | 2023        |
| Associate                | <u>\$ 2,242</u>                  | <u>\$ -</u> |

## (7) Lease agreement

|                                    | Related Party Categories<br>/Name | For the Six Months Ended June 30 |                   |
|------------------------------------|-----------------------------------|----------------------------------|-------------------|
|                                    |                                   | 2024                             | 2023              |
| Acquisition of right-of-use assets | Substantive related party         |                                  |                   |
|                                    | Chuan Gao Investment              | \$ -                             | \$ 68,488         |
|                                    | Furly Investment                  | -                                | 51,843            |
|                                    |                                   | <u>\$ -</u>                      | <u>\$ 120,331</u> |

| Line Item         | Related Party Categories<br>/Name | June 30,<br>2024 | December 31,<br>2023 | June 30,<br>2023  |
|-------------------|-----------------------------------|------------------|----------------------|-------------------|
| Lease liabilities | Substantive related party         |                  |                      |                   |
|                   | Chuan Gao Investment              | \$ 38,414        | \$ 50,483            | \$ 62,422         |
|                   | Furly Investment                  | 26,330           | 34,923               | 43,427            |
|                   |                                   | <u>\$ 64,744</u> | <u>\$ 85,406</u>     | <u>\$ 105,849</u> |

| Line Item     | Related Party Categories/<br>Name | For the Three Months Ended<br>June 30 |               | For the Six Months Ended<br>June 30 |                 |
|---------------|-----------------------------------|---------------------------------------|---------------|-------------------------------------|-----------------|
|               |                                   | 2024                                  | 2023          | 2024                                | 2023            |
| Finance costs | Substantive related party         |                                       |               |                                     |                 |
|               | Chuan Gao Investment              | \$ 206                                | \$ 328        | \$ 442                              | \$ 687          |
|               | Furly Investment                  | 146                                   | 235           | 314                                 | 492             |
|               |                                   | <u>\$ 352</u>                         | <u>\$ 563</u> | <u>\$ 756</u>                       | <u>\$ 1,179</u> |

## (8) Rental expenses

| Line Item          | Related Party Categories/<br>Name | For the Three Months Ended<br>June 30 |                 | For the Six Months Ended<br>June 30 |                 |
|--------------------|-----------------------------------|---------------------------------------|-----------------|-------------------------------------|-----------------|
|                    |                                   | 2024                                  | 2023            | 2024                                | 2023            |
| Operating expenses | Substantive related party         |                                       |                 |                                     |                 |
|                    | Chuan Gao Investment              | \$ 1,728                              | \$ 1,006        | \$ 3,317                            | \$ 2,012        |
|                    | Furly Investment                  | 536                                   | 334             | 939                                 | 669             |
|                    |                                   | <u>\$ 2,264</u>                       | <u>\$ 1,340</u> | <u>\$ 4,256</u>                     | <u>\$ 2,681</u> |

## (9) Rental income

| Line Item    | Related Party Categories/<br>Name | For the Three Months Ended<br>June 30 |        | For the Six Months Ended<br>June 30 |        |
|--------------|-----------------------------------|---------------------------------------|--------|-------------------------------------|--------|
|              |                                   | 2024                                  | 2023   | 2024                                | 2023   |
| Other income | Joint venture                     |                                       |        |                                     |        |
|              | CloudMaster                       | \$ 118                                | \$ 441 | \$ 532                              | \$ 919 |

## (10) Compensation of key management personnel

|                              | For the Three Months Ended<br>June 30 |                  | For the Six Months Ended<br>June 30 |                   |
|------------------------------|---------------------------------------|------------------|-------------------------------------|-------------------|
|                              | 2024                                  | 2023             | 2024                                | 2023              |
| Short-term employee benefits | \$ 72,386                             | \$ 74,151        | \$ 135,266                          | \$ 136,547        |
| Post-employment benefits     | 3,412                                 | 3,256            | 6,682                               | 6,458             |
|                              | <u>\$ 75,798</u>                      | <u>\$ 77,407</u> | <u>\$ 141,948</u>                   | <u>\$ 143,005</u> |

The remuneration of directors and key executives was determined by the Remuneration Committee based on the performance of individuals and market trends.

27. Assets Pledged as Collateral

The assets pledged as collaterals for system design contract, bank loans and for product warranty were as follows:

|  | June 30,<br>2024  | December 31,<br>2023 | June 30,<br>2023  |
|--|-------------------|----------------------|-------------------|
| Pledge deposits (classified as financial assets at amortized cost) | <u>\$ 344,228</u> | <u>\$ 326,433</u>    | <u>\$ 245,741</u> |

28. Significant Contingent Liabilities and Unrecognized Commitments

As of June 30, 2024, for the contracts with customers, the Group issued guarantee notes and had bank guarantee amounting to \$100,272 thousand and \$697,762 thousand, respectively.

29. Significant 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:

June 30, 2024

|                              | Foreign currency | Exchange rate | Carrying amount |
|------------------------------|------------------|---------------|-----------------|
| <u>Financial assets</u>      |                  |               |                 |
| <u>Monetary items</u>        |                  |               |                 |
| USD                          | \$ 1,973         | 32.45         | \$ 64,032       |
| <u>Non-monetary item</u>     |                  |               |                 |
| JPY                          | 57,228           | 0.2017        | 11,543          |
| <u>Financial liabilities</u> |                  |               |                 |
| <u>Monetary items</u>        |                  |               |                 |
| USD                          | 5,389            | 32.45         | 174,885         |

December 31, 2023

|                              | Foreign currency | Exchange rate | Carrying amount |
|------------------------------|------------------|---------------|-----------------|
| <u>Financial assets</u>      |                  |               |                 |
| <u>Monetary items</u>        |                  |               |                 |
| USD                          | \$ 3,090         | 30.705        | \$ 94,864       |
| <u>Non-monetary items</u>    |                  |               |                 |
| JPY                          | 57,237           | 0.2172        | 12,432          |
| <u>Financial liabilities</u> |                  |               |                 |
| <u>Monetary items</u>        |                  |               |                 |
| USD                          | 5,590            | 30.705        | 171,642         |

June 30, 2023

|                              | Foreign currency | Exchange rate | Carrying amount |
|------------------------------|------------------|---------------|-----------------|
| <u>Financial assets</u>      |                  |               |                 |
| <u>Monetary items</u>        |                  |               |                 |
| USD                          | \$ 4,435         | 31.14         | \$ 138,106      |
| <u>Non-monetary items</u>    |                  |               |                 |
| JPY                          | 62,211           | 0.215         | 13,375          |
| <u>Financial liabilities</u> |                  |               |                 |
| <u>Monetary items</u>        |                  |               |                 |
| USD                          | 5,570            | 31.14         | 173,439         |

The significant realized and unrealized foreign exchange gains (losses) were as follows:

| For the Three Months Ended June 30 |                  |                                |                  |                                |
|------------------------------------|------------------|--------------------------------|------------------|--------------------------------|
| Foreign<br>currency                | 2024             |                                | 2023             |                                |
|                                    | Exchange rate    | Net<br>exchange<br>(loss) gain | Exchange rate    | Net<br>exchange<br>(loss) gain |
| USD                                | 32.354(USD: NTD) | \$ 119                         | 30.705(USD: NTD) | \$ 2,449                       |
| USD                                | 7.108(USD: RMB)  | ( 570)                         | 7.009(USD: RMB)  | ( 8,317)                       |

  

| For the Six Months Ended June 30 |                  |                                |                  |                                |
|----------------------------------|------------------|--------------------------------|------------------|--------------------------------|
| Foreign<br>currency              | 2024             |                                | 2023             |                                |
|                                  | Exchange rate    | Net<br>exchange<br>(loss) gain | Exchange rate    | Net<br>exchange<br>(loss) gain |
| USD                              | 31.901(USD: NTD) | \$ 3,612                       | 30.550(USD: NTD) | \$ 1,996                       |
| USD                              | 7.105(USD: RMB)  | ( 289)                         | 6.925(USD: RMB)  | ( 6,458)                       |

30. Separately Disclosed Items

- (1) Information on significant transactions:
  - A. Financing provided to others: None.
  - B. Endorsements/guarantees provided (Table 1).
  - C. Marketable securities held (excluding investment in subsidiaries, associates and joint ventures) (Table 2).
  - D. Marketable securities acquired and disposed of at costs or prices at least NT\$300 million or 20% of the paid-in capital: None.
  - E. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
  - F. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
  - G. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
  - H. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
  - I. Trading in derivative instruments: None.
  - J. Other: Intercompany relationships and significant intercompany transactions: (Table 3).
- (2) Information on investees: (Table 4).
- (3) Information on investments in Mainland China:
  - A. 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, 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 5).
  - B. 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: None.
    - 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 end of period balance, the interest rate range, and total current period interest with respect to 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.
- (4) 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 6).

31. Segment Information

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments were the operating segments of the Company and the entities controlled by the Company.

(1) Segment revenue and results

|   | Segment revenue          |                     | Segment profit or loss   |                   |
|---|--------------------------|---------------------|--------------------------|-------------------|
|   | For the Six Months Ended |                     | For the Six Months Ended |                   |
|   | June 30                  |                     | June 30                  |                   |
|   | 2024                     | 2023                | 2024                     | 2023              |
| Reportable segment  |                          |                     |                          |                   |
| Business segments of the Company                            | \$ 2,861,423             | \$ 2,553,828        | \$ 156,712               | \$ 151,539        |
| Business segments of the entities controlled by the Company | 108,281                  | 142,160             | ( 12,355 )               | ( 3,870 )         |
| Elimination of inter-segment revenue                        | ( 21,576 )               | ( 17,414 )          | 457                      | 519               |
| Total of reportable segments                                | <u>\$ 2,948,128</u>      | <u>\$ 2,678,574</u> | 144,814                  | 148,188           |
| Non-operating income and expense                            |                          |                     | 38,363                   | 3,565             |
| Net profit before tax                                       |                          |                     | <u>\$ 183,177</u>        | <u>\$ 151,753</u> |

Segment revenue reported above represents revenue generated from external customers and inter-segment transactions.

(2) Total segment assets and liabilities

|   | June 30,<br>2024    | December 31,<br>2023 | June 30,<br>2023    |
|---|---------------------|----------------------|---------------------|
| <u>Segment assets</u>                                       |                     |                      |                     |
| Business segments of the Company                            | \$ 4,033,565        | \$ 4,484,930         | \$ 3,926,996        |
| Business segments of the entities controlled by the Company | <u>372,545</u>      | <u>361,340</u>       | <u>378,465</u>      |
| Total   | <u>\$ 4,406,110</u> | <u>\$ 4,846,270</u>  | <u>\$ 4,305,461</u> |
| <u>Segment liabilities</u>                                  |                     |                      |                     |
| Business segments of the Company                            | \$ 2,143,236        | \$ 2,474,375         | \$ 2,080,082        |
| Business segments of the entities controlled by the Company | <u>228,269</u>      | <u>254,591</u>       | <u>255,919</u>      |
| Total   | <u>\$ 2,371,505</u> | <u>\$ 2,728,966</u>  | <u>\$ 2,336,001</u> |

SYSCOM COMPUTER ENGINEERING CO. AND SUBSIDIARIES  
Endorsements/Guarantees Provided  
For the Six Months Ended June 30, 2024

Table 1 (In Thousands of New Taiwan Dollars and U.S Dollars/Foreign Currency)

| No. | Endorser/<br>Guarantor                   | Endorsee/<br>Guarantee                  |                        | Limits on<br>Endorsement/<br>Guarantee Given<br>on Behalf of<br>Each Party | Maximum Amount<br>Endorsed/<br>Guaranteed During<br>the Period | Outstanding<br>Endorsement/<br>Guarantee at the<br>End of the Period | Actual Borrowing<br>Amount  | Amount Endorsed/<br>Guaranteed by<br>Collateral | Ratio of<br>Accumulated<br>Endorsement<br>/Guarantee to<br>Net Equity in<br>Latest<br>Financial<br>Statements<br>(%) | Aggregate<br>Endorsement/<br>Guarantee Limit | Endorsement<br>/Guarantee<br>Given by<br>Parent on<br>Behalf of<br>Subsidiaries | Endorsement<br>/Guarantee<br>Given by<br>Subsidiaries<br>on Behalf of<br>Parent | Endorsement<br>/Guarantee<br>Given on<br>Behalf of<br>Companies in<br>Mainland<br>China |
|-----|--|---|------------------------|--|--|--|-----------------------------|---|--|--|---|---|---|
|     |  | Name                                    | Relationship           |  |  |  |                             |   |  |  |   |   |   |
| 0   | Syscom<br>Computer<br>Engineering<br>Co. | Syscom Computer<br>(Shenzhen) Co., Ltd. | Indirect<br>subsidiary | 20% of the net<br>worth<br>\$404,564                                       | \$ 298,540<br>( USD 9,200)                                     | \$ 220,660<br>( USD 6,800)   | \$ 168,740<br>( USD 5,200 ) | \$ -  | 10.91  | 50% of the net<br>worth<br>\$1,011,410       | Yes   | No  | Yes   |
|     |  | Xian Linan Computer Co.,<br>Ltd.        | Indirect<br>subsidiary | Same as above  | 42,996<br>( USD 1,325)   | 8,924<br>( USD 275)  | -                           | -   | 0.44   | Same as above                                | Yes   | No  | Yes   |
|     |  | Netmaker Technology Co.,<br>Ltd.        | Subsidiaries           | Same as above  | 85,000   | 85,000   | -                           | -   | 4.20   | Same as above                                | Yes   | No  | No  |
|     |  | Coach Technology<br>Management Inc.     | Subsidiaries           | Same as above  | 15,000   | 15,000   | -                           | -   | 0.74   | Same as above                                | Yes   | No  | No  |
|     |  | Syscom Computer<br>(Thailand)Co., Ltd.  | Subsidiaries           | Same as above  | 8,867<br>( THB 10,000)   | 8,867<br>( THB 10,000)   | -                           | -   | 0.44   | Same as above                                | Yes   | No  | No  |

Note : The above amounts were translated into New Taiwan dollar at the prevailing exchange rate as of June 30, 2024.

SYSCOM COMPUTER ENGINEERING CO. AND SUBSIDIARIES  
Marketable Securities Held  
June 30, 2024

Table 2 (In Thousands of New Taiwan Dollars and in thousands of Shares (Thousands of Units))

| Holding Company Name             | Type and name of marketable securities  | Relationship with the Holding Company | Financial Statement Account   | June 30, 2024          |                 |                             |            | Note |
|----------------------------------|---|---------------------------------------|---|------------------------|-----------------|-----------------------------|------------|------|
|                                  |   |                                       |   | Number of shares/units | Carrying amount | Percentage of Ownership (%) | Fair value |      |
| SYSCOM COMPUTER ENGINEERING CO.  | <u>Beneficial certificates</u>          |                                       |   |                        |                 |                             |            |      |
|                                  | Yuanta Japan Leaders Equity Fund        | —                                     | Financial assets at fair value through profit or loss - current                 | 1,000                  | \$ 11,380       | -                           | \$ 11,380  |      |
|                                  | <u>Stocks</u>                           |                                       |   |                        |                 |                             |            |      |
|                                  | Engsound Technical Enterprise Co., Ltd. | —                                     | Financial assets at fair value through other comprehensive income - non-current | 273                    | 1,595           | 9.09                        | 1,595      |      |
|                                  | Turn Cloud Technology Service Inc.      | —                                     | Financial assets at fair value through other comprehensive income - non-current | 195                    | 38,886          | 0.90                        | 38,886     |      |
|                                  | Shin Kong Financial Holding Co., Ltd.   | —                                     | Financial assets at fair value through other comprehensive income - non-current | 166                    | 1,635           | -                           | 1,635      |      |
| Coach Technology Management Inc. | Dimension Computer Technology Co., Ltd. | —                                     | Financial assets at fair value through other comprehensive income - non-current | 2                      | 81              | -                           | 81         |      |
|                                  | <u>Beneficial certificates</u>          |                                       |   |                        |                 |                             |            |      |
|                                  | Fuh Hwa Money Market Fund               | —                                     | Financial assets at fair value through profit or loss - current                 | 31                     | 460             | -                           | 460        |      |

Note 1: The securities referred to in this table include stocks, bonds, mutual funds and securities derived from the above - mentioned items within the scope of International Financial Reporting Standard No. 9 “Financial Instruments”.

Note 2: The above shares or certificates were not provided as guarantee.

SYSCOM COMPUTER ENGINEERING CO. AND SUBSIDIARIES  
Intercompany Relationships and Significant Intercompany Transactions and Subsidiary and Between Subsidiaries  
For the Six Months Ended June 30, 2024

Table 3 (In Thousands of New Taiwan Dollars)

| No. | Name of the trader | Counterparty of the transaction      | Relationship with the trader (Note) | Transaction details                 |          |                       |   |
|-----|--------------------|--------------------------------------|-------------------------------------|-------------------------------------|----------|-----------------------|---|
|     |                    |                                      |                                     | Account on the financial statements | Amount   | Trading terms         | As a percentage of consolidated total revenue or total assets |
| 0   | The Company        | Netmaker Technology Co.              | 1                                   | Prepayment for purchases            | \$ 1,134 | General trading terms | -   |
|     | The Company        | Netmaker Technology Co.              | 1                                   | Maintenance revenue                 | 1,147    | General trading terms | -   |
|     | The Company        | Netmaker Technology Co.              | 1                                   | Cost of goods sold                  | 1,269    | General trading terms | -   |
|     | The Company        | Netmaker Technology Co.              | 1                                   | Maintenance costs                   | 1,693    | General trading terms | -   |
|     | The Company        | Wisemaker Technology Co.             | 1                                   | Accounts payable                    | 1,576    | General trading terms | -   |
|     | The Company        | Wisemaker Technology Co.             | 1                                   | Cost of goods sold                  | 10,210   | General trading terms | -   |
|     | The Company        | Wisemaker Technology Co.             | 1                                   | Maintenance costs                   | 2,063    | General trading terms | -   |
|     | The Company        | Wisemaker Technology Co.             | 1                                   | Maintenance costs                   | 2,063    | General trading terms | -   |
| 1   | Casemaker Inc.     | Syscom Computer (Shenzhen) Co., Ltd. | 2                                   | Sales revenue                       | 5,481    | General trading terms | -   |

Note: 1.Parent to subsidiary.  
Note: 2.Subsidiary to subsidiary.



SYSCOM COMPUTER ENGINEERING CO. AND SUBSIDIARIES  
Information on Investees  
June 30, 2024

Table 4 (In Thousands of New Taiwan Dollars/Thousands of Shares)

| Investor Company                 | Investee Company                   | Location           | Main Businesses and Products  | Original investment amount |                   | As of June 30, 2024          |                         |                 | Net Income (Loss) of the Investee(Note) | Share of Profit (Loss) | Note                   |
|----------------------------------|------------------------------------|--------------------|---|----------------------------|-------------------|------------------------------|-------------------------|-----------------|---|------------------------|------------------------|
|                                  |                                    |                    |   | June 30, 2024              | December 31, 2023 | Number of Shares (Thousands) | Percentage of Ownership | Carrying amount |   |                        |                        |
| SYSCOM COMPUTER ENGINEERING CO.  | Coach Technology Management Inc.   | Taipei City        | Diagnostic consulting for corporate management, domestic and foreign investment referral, and computerized design consulting. | \$ 19,200                  | \$ 19,200         | 1,950                        | 97.50                   | \$ 6,627        | \$ 79                                   | \$ 77                  | Subsidiary             |
|                                  | Casemaker Inc.                     | California, U.S.A. | Sales of computer software, hardware and related products.  | USD 1,300                  | USD 1,300         | 1,300                        | 100.00                  | 104,640         | ( 358)                                  | ( 358)                 | Subsidiary             |
|                                  | SYSCOM INTERNATIONAL INC.          | Cayman Islands     | Investments in other businesses   | USD 7,400                  | USD 6,050         | 7,400                        | 100.00                  | ( 72,605)       | ( 9,834)                                | ( 9,834)               | Subsidiary             |
|                                  | Netmaker Technology Co., Ltd.      | Taipei City        | Information software, data processing and electronic information supply services  | 18,763                     | 18,763            | 2,858                        | 86.60                   | 33,650          | ( 2,302)                                | ( 1,994)               | Subsidiary             |
|                                  | Wisemaker Technology Co.           | Taipei City        | Sales of computer software, hardware and related products.  | 42,191                     | 42,191            | 2,679                        | 99.24                   | 52,860          | ( 3,063)                                | ( 3,039)               | Subsidiary             |
|                                  | DBMaker Japan, Inc.                | Tokyo, Japan       | Development and sales of computer system software and hardware  | JPY 53,260                 | JPY 53,260        | 5                            | 49.89                   | 11,543          | ( 4)                                    | ( 2)                   | Equity-method investee |
|                                  | Syscom Computer(Thailand)Co., Ltd. | Thailand           | Development and maintenance of software and other businesses  | THB 33,134                 | THB 33,134        | 3,440                        | 92.47                   | 3,013           | 64                                      | 59                     | Subsidiary             |
|                                  | Cloudmaster Co., Ltd.              | Taipei City        | Information software, data processing and electronic information supply services  | 65,000                     | 65,000            | 6,500                        | 50.00                   | 55,814          | 1,104                                   | 552                    | Equity-method investee |
| Coach Technology Management Inc. | Syscom Computer(Thailand)Co., Ltd. | Thailand           | Development and maintenance of software and other businesses  | THB 200                    | THB 200           | 20                           | 0.54                    | 18              | 64                                      | Not applicable         | Subsidiary             |

Note: The foreign currency amount of the net income of the investee is expressed in New Taiwan dollars at the average exchange rate of the six months ended June 30,2024.

SYSCOM COMPUTER ENGINEERING CO. AND SUBSIDIARIES  
Information on Investments in Mainland China  
For the Six Months Ended June 30, 2024

Table 5 (In Thousands of New Taiwan Dollars/foreign currency)

| Investee Company                    | Main Businesses and Products  | Paid-in capital             | Method of Investment | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 | Remittance of Funds     |        | Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2024 | Net Income (Loss) of the Investee         | % Ownership of Direct or Indirect Investment | Investment Gain (Loss)                    | Carrying Amount as of June 30, 2024           | Accumulated Repatriation of Investment Income as of June 30, 2024 | Note |
|-------------------------------------|---|-----------------------------|----------------------|---|-------------------------|--------|---|---|--|---|---|---|------|
|                                     |   |                             |                      |   | Outward                 | Inward |   |   |  |   |   |   |      |
| Syscom Computer (Shenzhen)Co., Ltd. | Computer equipment software development, sales of self-developed technical achievements services, computer system integration and network wiring engineering. | \$ 146,025<br>( USD 4,500 ) | Note 1               | \$ 135,317<br>( USD 4,170 )   | \$ -                    | \$ -   | \$ 135,317<br>( USD 4,170 )   | ( \$ 6,339 )<br>( (USD 199) )<br>(Note 2) | 98.27%                                       | ( \$ 6,229 )<br>( (USD 195) )<br>(Note 2) | ( \$ 107,472 )<br>( (USD 3,312) )<br>(Note 2) | \$ -  |      |
| Xian Linan Computer Co., Ltd.       | Development and manufacture of computer equipment and computer software; sale of self-manufactured products and provision of technical services.              | 123,310<br>( USD 3,800 )    | Note 1               | 49,259<br>( USD 1,518 )   | 42,185<br>( USD 1,300 ) | -      | 91,444<br>( USD 2,818 )   | ( 5,027 )<br>( (USD 158) )<br>(Note 2)    | 79.23%                                       | ( 3,924 )<br>( (USD 123) )<br>(Note 2)    | 29,324<br>( USD 904 )<br>(Note 2)             | -   |      |

| Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2024 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3) |
|---|--|--|
| \$ 226,761<br>( USD 6,988 )   | \$ 226,761<br>( USD 6,988 ) (Note 1(II))                     | \$ 1,213,692   |
|   | 14,155<br>( USD 436 ) (Note 1(I))                            |  |

Note 1: Investment methods are classified into the following two categories:  
(I) An investee of CASEMaker, Inc., a wholly owned subsidiary of Syscom Computer Engineering Company and capital increase from capital surplus.  
(II) An investee of Syscom International Inc., a wholly owned subsidiary of Syscom Computer Engineering Company.

Note 2: Amount was recognized based on the financial statements which were not reviewed by CPAs on June 30, 2024.

Note 3: According to the "Principles for the Review of Investment or Technical Cooperation in the Mainland Area" stipulated by the Investment Commission of the Ministry of Economic Affairs (MOEAIC), the upper limit is calculated as follows:  
60% of the shareholders' equity = \$2,022,820 × 60% = \$1,213,692

Note 4: The foreign currency amounts of original investment amount and carrying value are expressed in New Taiwan dollars at exchange rate as of June 30, 2024. The foreign currency amount of net income is expressed in New Taiwan dollars at average exchange rate for the six months ended June 30, 2024.

SYSCOM COMPUTER ENGINEERING CO.  
Information on major shareholders  
June 30, 2024

Table 6

| Name of major shareholder | Shareholding          |                         |
|---------------------------|-----------------------|-------------------------|
|                           | Number of shares held | Shareholding percentage |
| Jui-Fu Liu                | 18,346,787            | 18.35%                  |
| Chi-Shan Liu              | 7,598,911             | 7.60%                   |
| Su-Chen Yang              | 7,256,001             | 7.26%                   |

Note: 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 parent company only financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.