

Information Technology Total Services Co., Ltd.  
and Subsidiaries  
Consolidated Financial Report and Independent  
Auditors' Report  
For the Years Ended December 31, 2024 and 2023  
(Stock Code: 6697)

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Information Technology Total Services Co., Ltd. and Subsidiaries

Consolidated Financial Statement and Independent Auditors' Report for the Years Ended

December 31, 2024 and 2023

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Information Technology Total Services Co., Ltd.

Declaration for Consolidated Financial Statement of Affiliated Companies

Considering that the companies to be included into the consolidated financial statements of affiliates under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” were the same as those to be included into the consolidated financial statements of the parent and subsidiaries under IFRS 10 for 2024 (from January 1, 2024 to December 31, 2024), and the relevant information to be disclosed in the consolidated financial statements of the affiliates has already been disclosed in said consolidated financial statements of the parent company and subsidiaries, no consolidated financial statements of affiliates were prepared separately.

Declared by:

Company Name: Information Technology Total Services Co., Ltd.

Responsible Person: Shang-Wei Kao

February 24, 2025

## Independent Auditor's Report

(2025) Cai-Shen-Bao-Zi No. 24004645

To Information Technology Total Services Co., Ltd.:

### **Audit opinion**

We have reviewed the accompanying consolidated balance sheets of Information Technology Total Services Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") for the years ended December 31, 2024 and 2023, and the relevant consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and consolidated cash flows for the periods from January 1 to December 31, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and promulgated by the Financial Supervisory Commission (FSC), based on our audit results and the audit reports of other certified public accountants (CPAs) (see the section of "Other matters").

### **Basis of audit opinion**

We conducted audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Report section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results and the audit reports of other accountants, we are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of our audit opinion.

## **Key audit matters**

Key audit matters refer to the most vital matters in our audit of the consolidated financial statements of the Group for the year ended December 31, 2024, based on our professional judgment. These matters were addressed in our audit of the consolidated financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

Key audit matters of the consolidated financial statements of the Group for the year ended December 31, 2024, are stated as follows:

### **Service revenue – the correctness of recognition of the establishment of information systems**

#### Description

Please refer to Note 4(26) of the consolidated financial statements for the accounting policies for the revenue recognition of the Group. For critical accounting estimates and assumptions, please refer to Note 5 of the consolidated financial statements.

The main business items of the Group are information software, information processing, and electronic information supply, and the sale of a variety of information equipment, as well as other products and services. Among them, the service revenue from the construction of information systems is recognized as revenue according to the percentage of completion method when the service is provided to each customer during the financial reporting period. The percentage of completion is determined on the basis of the cost incurred as of the balance sheet date, which is determined based on the total estimated cost of the service contract. Because the percentage of completion involves the judgment of the management, and the service revenue for 2024 has a material impact on the consolidated financial statements, we have listed the recognition of the service revenue as a key audit matter.

#### Corresponding audit procedures

The main corresponding procedures we have implemented for said specific aspect of

the key audit matter are as follows:

1. Understand the control process of the revenue recognition regarding information system construction services to evaluate the effectiveness of the internal control of the revenue recognition.
2. Randomly audit the service revenue from information system construction projects recognized throughout the year; check the prices of customer service contracts, the service items provided, and the payment conditions; obtain the project cost details; check the receipts for the costs invested; and verify the percentages of the costs invested, to confirm the correctness of the time point and amount of service revenue recognized based on the percentage of completion of each project.
3. Examine the completed contracts after the balance sheet date and examine the difference between the actual costs and the estimated costs, so as to evaluate the reasonableness of the calculation of the percentage of completion.

### **Other matters – other CPAs’ audit**

As stated in Note 6(7) of the consolidated financial statements, the financial statements of the Group’s investees using the equity method included in the consolidated financial statements were not audited by ourselves but by other CPAs. Therefore, in the opinion expressed by us regarding aforementioned consolidated financial statements, the amounts listed in the investees’ financial statements and relevant information disclosed in Note 13 are based on the audit reports of other CPAs. The amount of investment in the aforementioned companies using the equity method as of December 31, 2024 and 2023 was NT\$43,221 thousand and NT\$41,768 thousand, respectively, both accounting for 4% of the total consolidated assets. For the years ended December 31, 2024 and 2023, the comprehensive income recognized for the aforementioned companies was NT\$6,000 thousand and NT\$8,553 thousand, respectively, accounting for 8% and 12% of the consolidated comprehensive income, respectively.

### **Other matters – parent company only financial report**

The Company has also prepared the parent company only financial statements for the years ended December 31, 2024 and 2023, for which we have issued an unqualified opinion, alongside the audit report as in the section of “Other matters.”

## **Responsibilities of the management and governance bodies for the consolidated financial statements**

The management is responsible for preparing the financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and pronouncements of interpretation approved and published by the Financial Supervisory Commission, and maintaining the necessary internal control related to preparation of the consolidated financial statements to ensure that the consolidated financial statements are free of material misstatement due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the ability of the Group to continue as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting, unless the management intends to liquidate the Group or cease operations or has no viable alternative but to liquidate or cease operations.

The governance bodies of the Group (including the Audit Committee) are responsible for supervising the financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance means a high degree of assurance. However, there is no guarantee that any material misstatement contained in the consolidated financial statements will be discovered during an audit conducted in accordance with the auditing standards of the Republic of China. Misstatement can arise from fraud or error. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the consolidated financial statements, they are considered material.

We rely on our professional judgment and professional skepticism during an audit conducted in accordance with the auditing standards of the Republic of China. We also

performed the following tasks:

1. We identified and assessed the risk of any misstatement in the consolidated financial statements due to fraud or error, designed and implemented response measures suitable for the evaluated risks, and acquired sufficient and appropriate audit evidence to use as the basis of our audit opinions. Since fraud may involve collusion, forgery, omission on purpose, fraudulent statements or violation of internal control, we did not find that the risk of misstatement due to fraud was higher than the same due to errors.
2. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Conclude on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists for said events or conditions, we shall remind users of the consolidated financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusion was based on the audit evidence obtained as of the date of this audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately present the relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Group.

The matters communicated between ourselves and the governance bodies include the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provided governance bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and communicated with them all relationships and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governance bodies, we determined the key audit matters for the audit of the Group's consolidated financial statements for the year ended December 31, 2024. We have clearly indicated such matters in the audit report unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases in which we decided not to communicate specific items in the audit report, for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

PricewaterhouseCoopers Taiwan

Ping-Chun Chih

CPA

Tsung-Hsi Lai

Former Securities Administration Commission, Ministry of Finance  
Approval No.: (1999) Tai-Cai-Zheng (VI) No. 16120  
Securities and Futures Bureau, Financial Supervisory Commission,  
Executive Yuan  
Approval No.: Jin-Guan-Zheng-VI-Zi No. 0960038033

February 24, 2025

Information Technology Total Services Co., Ltd. and Subsidiaries  
December 31, 2024 and 2023

Unit: NT\$ thousand

Assets	Note	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalent	6(1)	\$ 301,109	30	\$ 306,754	30
1136	Financial assets measured at amortized cost – current	6(3) and (8)	16,479	2	1,126	-
1140	Contract assets – current	6(19)	104,195	10	89,442	9
1150	Notes receivable, net	6(4)	4,049	1	6,362	1
1170	Accounts receivable, net	6(4)	245,462	24	271,596	27
1180	Accounts receivable - related parties, net	7	97,536	10	74,760	7
1200	Other receivables		7,861	1	5,332	1
1210	Other receivables – related parties	7	13	-	-	-
130X	Inventories	6(5)	3,542	-	2,661	-
1410	Prepayments	6(6)	12,470	1	16,701	2
1470	Other current assets		1,807	-	79	-
11XX	<b>Total current assets</b>		<u>794,523</u>	<u>79</u>	<u>774,813</u>	<u>77</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive profit or loss - non-current	6(2)	34,724	3	32,524	3
1535	Financial assets measured at amortized cost – non-current	6(3) and (8)	178	-	246	-
1550	Investment using equity method	6(7)	46,869	5	45,137	4
1600	Property, plant, and equipment	6(8)	28,780	3	31,910	3
1755	Right-of-use assets	6(10)	4,691	1	9,243	1
1780	Intangible assets	6(9)	10,720	1	888	-
1840	Deferred income tax assets	6(25)	3,297	-	1,334	-
1920	Refundable deposits		11,497	1	8,890	1
1930	Long-term notes and accounts receivable	6(11)	70,346	7	98,363	10
1990	Other non-current assets – others	6(13)	248	-	8,197	1
15XX	<b>Total non-current assets</b>		<u>211,350</u>	<u>21</u>	<u>236,732</u>	<u>23</u>
1XXX	<b>Total assets</b>		<u>\$ 1,005,873</u>	<u>100</u>	<u>\$ 1,011,545</u>	<u>100</u>

(Continued on the next page)

Information Technology Total Services Co., Ltd. and Subsidiaries  
December 31, 2024 and 2023

Unit: NT\$ thousand

Liability and equity	Note	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
<b>Current liabilities</b>						
2130	Contract liabilities – current	6(19)	\$ 39,818	4	\$ 24,223	2
2150	Notes payable		540	-	720	-
2170	Accounts payable		254,691	25	287,656	28
2180	Accounts payable – related parties	7	2,879	-	8,637	1
2200	Other payables	6(12)	66,263	7	75,853	8
2220	Other payables – related parties	7	1,859	-	2,381	-
2230	Income tax liabilities in the current period	6(25)	9,809	1	7,022	1
2250	Liability reserve - current	6(14)	8,025	1	-	-
2280	Lease liabilities – current		3,677	-	4,612	-
2399	Other current liabilities – others		8,213	1	4,850	1
21XX	<b>Total current liabilities</b>		<u>395,774</u>	<u>39</u>	<u>415,954</u>	<u>41</u>
<b>Non-current liabilities</b>						
2570	Deferred income tax liabilities	6(25)	9,877	1	6,884	1
2580	Lease liabilities – non-current		1,177	-	4,877	-
2645	Deposit received		397	-	397	-
25XX	<b>Total non-current liabilities</b>		<u>11,451</u>	<u>1</u>	<u>12,158</u>	<u>1</u>
2XXX	<b>Total liabilities</b>		<u>407,225</u>	<u>40</u>	<u>428,112</u>	<u>42</u>
<b>Equity</b>						
<b>Equity attributable to owners of the parent company</b>						
	Share capital	6(15)				
3110	Common shares		273,234	27	273,234	27
	Capital surplus	6(16)				
3200	Capital surplus		158,042	16	158,042	16
	Retained earnings	6(17)				
3310	Legal Reserve		61,365	6	53,949	5
3320	Special reserves		1,628	-	1,042	-
3350	Undistributed Earnings		102,405	10	98,794	10
	Other equity	6(18)				
3400	Other equity		1,974	1	(1,628)	-
31XX	<b>Total equity attributable to owners of the parent company</b>		<u>598,648</u>	<u>60</u>	<u>583,433</u>	<u>58</u>
3XXX	<b>Total equity</b>		<u>598,648</u>	<u>60</u>	<u>583,433</u>	<u>58</u>
	Material contingent liabilities and unrecognized contractual commitments	9				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 1,005,873</u>	<u>100</u>	<u>\$ 1,011,545</u>	<u>100</u>

The attached Notes to the financial statements are part of this consolidated financial statement and should be read in conjunction.

Chairman: Shang-Wei Kao

Manager: Chih-Chun Wang

Accounting Manager: Chin-Lang Huang

Information Technology Total Services Co., Ltd. and Subsidiaries  
Consolidated Statement of Comprehensive Income  
January 1 to December 31, 2024 and 2023

Unit: NTD thousand  
(except for earnings per share in NT\$1)

	Item	Note	2024		2023	
			Amount	%	Amount	%
4000	Operating Revenue	6(19) and 7	\$ 1,186,477	100	\$ 1,343,318	100
5000	Operating costs	6(5)(13) (24) and 7	( 1,014,930)	( 85)	( 1,157,535)	( 86)
5950	Gross profit, net		<u>171,547</u>	<u>15</u>	<u>185,783</u>	<u>14</u>
	Operating expenses	6(13) (24) and 7				
6100	Selling expenses		( 16,359)	( 1)	( 19,616)	( 1)
6200	Administrative expenses		( 77,134)	( 7)	( 80,284)	( 6)
6300	R&D expense		( 8,581)	( 1)	( 9,809)	( 1)
6000	Total operating expenses		( 102,074)	( 9)	( 109,709)	( 8)
6900	Operating profits		<u>69,473</u>	<u>6</u>	<u>76,074</u>	<u>6</u>
	Non-operating income and expense					
7100	Interest revenue	6(20)	5,497	-	1,672	-
7010	Other revenue	6(21)	11,221	1	3,480	-
7020	Other gains and losses	6(22)	( 6,318)	( 1)	106	-
7050	Financial costs	6(10)(23)	( 652)	-	( 239)	-
7060	Share of profit or loss on associates and joint ventures accounted for using the equity method	6(7)	<u>5,996</u>	<u>1</u>	<u>8,263</u>	<u>1</u>
7000	Total non-operating income and expenses		<u>15,744</u>	<u>1</u>	<u>13,282</u>	<u>1</u>
7900	<b>Profit before tax</b>		<u>85,217</u>	<u>7</u>	<u>89,356</u>	<u>7</u>
7950	Income tax expense	6(25)	( 13,776)	( 1)	( 15,193)	( 1)
8200	<b>Current net income</b>		<u>\$ 71,441</u>	<u>6</u>	<u>\$ 74,163</u>	<u>6</u>
	<b>Other net consolidated incomes</b>					
	<b>Items not recategorized to profits and losses</b>					
8320	Share of other comprehensive income on associates and joint ventures accounted for using the equity method – items not reclassified to profit or loss		\$ 354	-	(\$ 6)	-
8349	Income tax related to not recategorized items	6(25)	( 71)	-	1	-
	<b>Items possibly recategorized to profits and losses later</b>					
8361	Difference in exchange from the conversion of financial statements of overseas operating entities	6(18)	4,502	-	( 732)	-
8399	Income tax related to items likely to be reclassified	6(25)	( 900)	-	146	-
8300	<b>Other net consolidated incomes</b>		<u>\$ 3,885</u>	<u>-</u>	<u>(\$ 591)</u>	<u>-</u>
8500	<b>Current total comprehensive income</b>		<u>\$ 75,326</u>	<u>6</u>	<u>\$ 73,572</u>	<u>6</u>
	Net profit attributable to:					
8610	the owner of parent company		<u>\$ 71,441</u>	<u>6</u>	<u>\$ 74,163</u>	<u>6</u>
	Total comprehensive income attributable to:					
8710	the owner of parent company		<u>\$ 75,326</u>	<u>6</u>	<u>\$ 73,572</u>	<u>6</u>
	Earnings per share	6(26)				
9750	Basic earnings per share		<u>\$ 2.61</u>	<u>2.61</u>	<u>\$ 2.71</u>	<u>2.71</u>
9850	Diluted earnings per share		<u>\$ 2.60</u>	<u>2.60</u>	<u>\$ 2.70</u>	<u>2.70</u>

The attached Notes to the financial statements are part of this consolidated financial statement and should be read in conjunction.

Chairman: Shang-Wei Kao

Manager: Chih-Chun Wang

Accounting Manager: Chin-Lang Huang

Information Technology Total Services Co., Ltd. and Subsidiaries  
Consolidated Statement of Changes in Equity  
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

	Notes	Equity attributable to owners of the parent company					Difference in exchange from the conversion of financial statements of overseas operating entities	Total
		Common shares	Capital surplus-additional paid-in capital	Legal reserve	Special reserves	Undistributed Earnings		
		<u>Retained earnings</u>						
<u>2023</u>								
Balance on January 1, 2023		\$ 273,234	\$ 158,042	\$ 48,340	\$ 5,484	\$ 69,520	( \$ 1,042 )	\$ 553,578
Current net income		-	-	-	-	74,163	-	74,163
Current other comprehensive income	6(18)	-	-	-	-	( 5 )	( 586 )	( 591 )
Current total comprehensive income		-	-	-	-	74,158	( 586 )	73,572
2022 earnings allocation and appropriation	6(17)							
Allocated legal reserve		-	-	5,609	-	( 5,609 )	-	-
Reversal of special reserves		-	-	-	( 4,442 )	4,442	-	-
Distribution of cash dividends		-	-	-	-	( 43,717 )	-	( 43,717 )
Balance on December 31, 2023		<u>\$ 273,234</u>	<u>\$ 158,042</u>	<u>\$ 53,949</u>	<u>\$ 1,042</u>	<u>\$ 98,794</u>	<u>( \$ 1,628 )</u>	<u>\$ 583,433</u>
<u>2024</u>								
Balance on January 1, 2024		<u>\$ 273,234</u>	<u>\$ 158,042</u>	<u>\$ 53,949</u>	<u>\$ 1,042</u>	<u>\$ 98,794</u>	<u>( \$ 1,628 )</u>	<u>\$ 583,433</u>
Current net income		-	-	-	-	71,441	-	71,441
Current other comprehensive income	6(18)	-	-	-	-	283	3,602	3,885
Current total comprehensive income		-	-	-	-	71,724	3,602	75,326
2023 earnings allocation and appropriation	6(17)							
Allocated legal reserve		-	-	7,416	-	( 7,416 )	-	-
Appropriated special reserve		-	-	-	586	( 586 )	-	-
Distribution of cash dividends		-	-	-	-	( 60,111 )	-	( 60,111 )
Balance on December 31, 2024		<u>\$ 273,234</u>	<u>\$ 158,042</u>	<u>\$ 61,365</u>	<u>\$ 1,628</u>	<u>\$ 102,405</u>	<u>\$ 1,974</u>	<u>\$ 598,648</u>

The attached Notes to the financial statements are part of this consolidated financial statement and should be read in conjunction.

Chairman: Shang-Wei Kao

Manager: Chih-Chun Wang

Accounting Manager: Chin-Lang Huang

Information Technology Total Services Co., Ltd. and Subsidiaries  
Consolidated Statement of Cash Flows  
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

	Note	January 1 to December 31, 2024		January 1 to December 31, 2023
<u>Cash flow of operating activities</u>				
Net profit before tax this term		\$ 85,217	\$	89,356
Adjustments				
Income, expense, and loss				
Depreciation expenses	6(8)(10)			
	(24)	12,112		13,500
Amortization expenses	6(24)	1,410		1,303
Interest expenses	6(23)	652		239
Interest revenue	6(20)	( 5,497 )	(	( 1,672 )
Dividend revenue	6(21)	( 3,403 )	(	( 2,635 )
Share of profit on associates and joint ventures accounted for the using equity method	6(7)		(	
		5,996	(	8,263
Losses from disposal of property, plant, and equipment	6(22)	2		-
Gain on lease modification	6(22)	( 2 )	(	-
Changes in assets/liabilities related to operating activities				
Net changes in assets related to operating activities				
Contract assets – current		( 14,753 )	(	( 54,207 )
Notes receivable		2,313	(	( 4,705 )
Notes receivable – related parties		-		441
Accounts receivable		26,134		22,292
Accounts receivable – related parties		( 22,776 )	(	( 3,543 )
Other receivables		( 2,529 )	(	698
Other receivables – related parties		( 13 )	(	61
Inventories		( 881 )	(	5,278
Prepayments		4,231		7,768
Other current assets – others		( 1,728 )	(	27
Net changes in liabilities related to operating activities				
Contract liabilities – current		15,595		9,590
Notes payable		( 180 )	(	( 171 )
Accounts payable		( 32,965 )	(	100,046
Accounts payable – related parties		( 5,758 )	(	296
Other payables		( 7,244 )	(	1,203
Other payables – related parties		( 522 )	(	( 597 )
Liability reserve		8,025		-
Other current liabilities – others		3,363	(	( 8,436 )
Cash inflow from operations		54,807		167,869
Interest received		4,235		1,672
Dividends received		5,821		12,044
Interest paid		( 652 )	(	( 239 )
Income tax paid		( 10,931 )	(	( 13,071 )
Net cash inflow from operating activities		53,280		168,275

(Continued on the next page)

Information Technology Total Services Co., Ltd. and Subsidiaries  
Consolidated Statement of Cash Flows  
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

	Note	January 1 to December 31, 2024	January 1 to December 31, 2023
<u>Cash flow of Investment activities</u>			
Cash paid for purchase of property, plant, and equipment	6(27)	(\$ 6,780)	(\$ 3,827)
Proceeds from disposal of property, plant, and equipment		1	-
Cash paid for acquisition of intangible assets		( 540)	( 1,000)
Financial assets measured at amortized cost – increase		( 15,285)	( 260)
Decrease in long-term notes and accounts receivable		29,279	31,732
Increase in prepayment for equipment		( 2,753)	( 7,949)
Increase in refundable deposit		( 2,607)	( 983)
Net cash inflow from investing activities		1,315	17,713
<u>Cash flow of fund-raising activities</u>			
Decrease in guarantee deposits	6(28)	-	( 346)
Repayment of lease principal	6(28)	( 4,610)	( 6,127)
Distribution of cash dividends	6(17)	( 60,111)	( 43,717)
Net cash outflow from financing activities		( 64,721)	( 50,190)
Exchange rate effect		4,481	( 536)
Increase (decrease) in cash and cash equivalents in the current period		( 5,645)	135,262
Balance of cash and cash equivalents at beginning of period	6(1)	306,754	171,492
Balance of cash and cash equivalents at ending of period	6(1)	\$ 301,109	\$ 306,754

The attached Notes to the financial statements are part of this consolidated financial statement and should be read in conjunction.

Chairman: Shang-Wei Kao

Manager: Chih-Chun Wang

Accounting Manager: Chin-Lang Huang

Information Technology Total Services Co., Ltd. and Subsidiaries  
Notes to Consolidated Financial Statements  
For the Years Ended December 31, 2024 and 2023

Unit: NTD thousand  
(Unless otherwise specified)

I. Company History

Information Technology Total Services Co., Ltd. (the “Company”) was incorporated in December 1990. The main business items of the Company and its subsidiaries (collectively, the “Group”) are information technology outsourcing (ITO), business process outsourcing (BPO), and innovative applications and services of the Internet of Things (IoT). TECO Electric and Machinery Co., Ltd. holds 41.97% of the Company’s equity, and TECO Electric and Machinery Co., Ltd. is the ultimate parent company of the Group.

II. Date and Procedures for Approval of the Financial Report

The consolidated financial report was released after being approved by the board of directors on February 24, 2025.

III. Application of Newly Issued and Amended Standards and Interpretations

(I) Effect of adopting the newly promulgated or amended IFRSs endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the “FSC”)

The table below lists the applicable new, revised, and amended standards and interpretations of the IFRSs as endorsed and issued into effect by the FSC in 2024:

<u>New, Amended, or Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendment to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024

The Group has assessed that the above standards and interpretations have no material impact on the Group’s financial position and financial performance.

(II) Effect of not adopting the newly promulgated or amended IFRS endorsed by the FSC

The table below lists the applicable new, revised, and amended standards and interpretations of the IFRSs as endorsed by the FSC in 2025:

<u>New, Amended, or Revised Standards and Interpretations</u>	<u>Effective Date</u> <u>Announced by IASB</u>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Group has assessed that the above standards and interpretations have no material impact on the Group’s financial position and financial performance.

(III) Effect of the IFRSs issued by the IASB but not yet endorsed by the FSC

The table below summarizes the newly issued, revised, and amended IFRSs issued by the IASB but not yet endorsed by the FSC:

<u>New, Amended, or Revised Standards and Interpretations</u>	<u>Effective Date</u> <u>Announced by IASB</u>
Amendments to the IFRS 9 and IFRS 7 “classification and measurement of financial instruments”	January 1, 2026
Amendment to IFRS 9 and IFRS 7 “Contract with Natural Power Dependence”	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 IAS
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Annual Improvements to IFRS - Book 11	January 1, 2026

The Group has assessed that the above standards and interpretations have no material impact on the Group’s financial position and financial performance, except the following:

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 “Presentation and Disclosure in Financial Statements” has replaced IAS 1 and updated the structure of the statement of comprehensive income, added the disclosure of management performance measurement, and strengthened the summary and division of the use in the main financial statements and notes.

#### IV. Summary of significant accounting policies

The main accounting policies used in the preparation of this consolidated financial report are described below. Unless otherwise stated, said policies apply consistently throughout all reporting periods.

##### (I) Compliance statement

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) as endorsed and promulgated by the FSC.

##### (II) Basis of preparation

1. Except for the following important items, the consolidated financial statements have been prepared at historical cost:
  - (1) Financial assets at fair value through profit or loss.
  - (2) Financial assets at fair value through other comprehensive income.
2. To prepare the financial statements in compliance with the IFRSs, some important accounting estimates shall be adopted. In the process of adopting the Group’s accounting policies, the management also has to make their own judgments. For detailed items which require professional judgment or which are complex, or those concerning material assumptions or estimates of the consolidated financial statements, please refer to Note 5.

##### (III) Basis of consolidation

1. Principles for preparing consolidated financial statements
  - (1) The Group includes all subsidiaries as entities in the preparation of the consolidated financial statements. A subsidiary refers to an entity under the control of the Group. When the Group is exposed to variable returns from the participation in the entity or has rights to said variable returns, and has the ability to affect such returns through its power over the entity, the Group controls the entity. Subsidiaries are included in the consolidated financial statements from the day when the Group obtains control over them, and the consolidation is terminated on the day when the control is lost.
  - (2) Transactions, balances, and unrealized gains and losses between companies within the Group have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary and are consistent with the policies adopted by the Group.
  - (3) The various components of profit or loss and other comprehensive income are attributable to the owners of the parent company and non-controlling interests; the total comprehensive income is also attributable to the owners of the parent company and

non-controlling interests, even if the resulting loss of non-controlling interests occurs.

- (4) If the change in the ownership of a subsidiary does not result in the loss of control (transaction with non-controlling interests), it is treated as an equity transaction, that is, as a transaction with owners. The difference between the adjusted amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity.
- (5) When the Group loses control over a subsidiary, the remaining investment in the former subsidiary is remeasured at fair value and used as the fair value of the financial asset initially recognized or as the cost of the investment in an associate or joint venture initially recognized; the difference between the fair value and the carrying amount is recognized as the current profit or loss. For all amounts previously recognized in other comprehensive income related to the subsidiary, the accounting treatment is on the same basis as if the Group directly disposes of the relevant assets or liabilities, that is, the gains or losses previously recognized as other comprehensive income will be reclassified as profit or loss when the relevant assets or liabilities are disposed of, so when the control over the subsidiary is lost, the gains or losses will be reclassified from equity in profit or loss.

2. The subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Business nature	Percentage of ownership		Description
			December 31, 2024	December 31, 2023	
<u>Name</u>	<u>Name</u>	<u>Business nature</u>	<u>2024</u>	<u>2023</u>	<u>Description</u>
Information Technology Total Services Co., Ltd.	Unison Service Corporation	Customer relationship management services and consulting services for customer service center establishment	100%	100%	
Information Technology Total Services Co., Ltd.	Universal Mail Service Ltd.	Postal information integration and bill printing outsourcing services	100%	100%	
Information Technology Total Services Co., Ltd.	Information Technology Total Services (BVI) CO., LTD.	Investment holding company	100%	100%	
Information Technology Total Services (BVI) CO., LTD.	Information Technology (Wuxi) Co., Ltd.	ERP establishment, system maintenance, and information equipment procurement	100%	100%	

Note: The deregistration was completed on August 11, 2022.

3. The subsidiaries not included in the consolidated financial statements: N/A.

4. Different adjustments and treatment methods of subsidiaries in the accounting period: N/A.
5. Significant restrictions: None.
6. Subsidiaries with non-controlling interests that are material to the Group: N/A.

(IV) Foreign currency exchange

The items listed in the financial statements of each entity in the Group are measured in the currency of the main economic environment in which the entity operates (i.e. the functional currency). The consolidated financial statements are presented in the Company's functional currency, New Taiwan dollars.

1. Foreign currency transactions and balances

- (1) In foreign currency transactions, the spot exchange rate on the transaction or measurement date is used for translation to the functional currency. The exchange difference from the translation is recognized in profit or loss of the period.
- (2) The monetary assets and balance of liabilities in foreign currency are adjusted based on the spot exchange rate valuation on the balance sheet date. The exchange difference from the adjustment is recognized in profit or loss of the period.
- (3) The non-monetary assets and balance of liabilities in foreign currency measured at fair value through profit or loss are adjusted based on the spot exchange rate valuation on the balance sheet date. The exchange difference from the adjustment is recognized in profit or loss of the period; for those measured at fair value through other comprehensive income, the adjustment is made based on the spot exchange rate valuation on the balance sheet date. The exchange difference from the adjustment is recognized in other comprehensive income; those that are not measured at fair value are measured based on the historical exchange rate on the initial transaction date.
- (4) All the translation profits or losses are stated under the "other profits and losses" in the income statement.

2. Translation of foreign operations

For all entities of the Group and associates whose functional currencies are different from the presentation currency, their business results and financial position shall be translated into the presentation currency using the following method:

- (1) The assets and liabilities presented at each balance sheet are translated at the closing exchange rate at the balance sheet date;
- (2) The income and expenses presented in each statement of comprehensive income are translated at the average exchange rate of the current period; and
- (3) All exchange differences arising from translation are recognized in other comprehensive income.

(V) Criteria for classification of current and non-current assets and liabilities

1. Financial assets that meet any of the following conditions shall be classified as current assets:

- (1) The assets are expected to be realized, sold or consumed in a normal operating cycle.
- (2) The liabilities are held mainly for the purpose of trading.
- (3) The assets are expected to be realized within 12 months after the balance sheet date.
- (4) The cash or cash equivalents, excluding those that are restricted for being used for exchange or settlement of liabilities within 12 months after the balance sheet date.

The Group classifies all assets that do not meet the conditions above as non-current.

2. Liabilities that meet one of the following conditions are classified as current liabilities:

- (1) The liabilities are expected to be settled in a normal operating cycle.
- (2) The liabilities are held mainly for the purpose of trading.
- (3) The liabilities expected to be due and settled within 12 months after the balance sheet date.
- (4) The Group does not have the right to defer the settlement of liabilities for at least 12 months after the reporting period.

The Group classifies all liabilities that do not meet the conditions above as non-current.

(VI) Cash equivalents

Cash equivalents refer to short-term and highly liquid investments that can be converted into a certain amount of cash at any time and the risk of value changes is very small. Time deposits in alignment with the above definition that are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

1. The Group may, upon initial recognition, make an irrevocable choice to recognize the fair value changes of equity instrument investments that are not held for trading in other comprehensive income; or debt instrument investments that meet the following conditions at the same time:

- (1) The financial asset is held under an operating model for the purpose of collecting contractual cash flows and selling.
- (2) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. The Group accounts the financial assets at fair value through other comprehensive income transacted according to practices on the date of transaction.
3. The Group measures said assets at fair value plus transaction costs upon initial recognition, which are subsequently measured at fair value:
  - (1) Changes in the fair value of equity instruments are recognized in other comprehensive income. Upon derecognition, the accumulated gains or losses previously recognized in other comprehensive income shall not be subsequently reclassified to profit or loss and shall be transferred to retained earnings instead. When the right to receive dividends is established, economic benefits related to dividends are likely to flow in, and when the amount of dividends can be reliably measured, the Group recognizes dividend income in profit or loss.
  - (2) Changes in the fair value of debt instruments are recognized in other comprehensive income, and impairment losses, interest revenue, and foreign currency exchange gains and losses before derecognition are recognized in profit or loss. Upon derecognition, the accumulated gains or losses previously recognized in other comprehensive income will be reclassified from equity to profit or loss.

(VIII) Financial assets measured at amortized cost

1. Financial assets meeting all of the following criteria:
  - (1) Financial assets held under a business model where the purpose is to collect contractual cash flows.
  - (2) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. The Group accounts the financial assets measured at the amortized costs according to practices on the date of transaction on the date of transaction.
3. The Group measures the fair value of such assets plus transaction cost upon initial recognition and subsequently uses the effective interest method to recognize them in interest income or impairment losses during the outstanding period as per the amortization procedure. Upon derecognition, such gain or loss is recognized in profit or loss.
4. The Group holds time deposits that do not constitute cash equivalents for only a short period. Therefore, the deposits are measured at the amounts of investment since the effect of their discounting is not immaterial.

(IX) Accounts and notes receivable

1. These are the accounts and notes with which the right to receive the amount of the consideration for transfer of commodities or services is acquired unconditionally.
2. The non-interest-bearing short-term accounts and notes receivable are barely affected by

discounting, so the Group measures them based on the original invoice amount.

(X) Impairment of financial assets

The Group, at each balance sheet date, considers all reasonable and corroborative information (including forward-looking information) based on the debt instrument investments at fair value through other comprehensive income, financial assets at amortized cost, and accounts receivable or contract assets that contain significant financial components, lease receivables, loan commitments, and financial guarantee contracts. For those with no significant increase in credit risk since initial recognition, the loss allowance is measured at 12-month expected credit losses; for those with a significant increase in credit risk since initial recognition, the loss allowance is measured at the lifetime expected credit losses. For accounts receivable or contract assets that do not contain significant financial components, the loss allowance is measured at the lifetime expected credit losses.

(XI) Derecognition of Financial Assets

When the Group's contractual right to receive cash flows from financial assets has expired, said financial assets will be derecognized.

(XII) Inventories

Inventory is evaluated on the basis of the cost and net realizable value, whichever is lower; the cost is defined using the weighted average method. When cost and net realizable value are compared to see which is lower, the item-by-item comparison method is adopted. The net realizable value refers to the balance of the estimated selling price in the ordinary course of business less the estimated cost required for completion and the estimated cost necessary to complete the sale.

(XIII) Investment using equity method

1. Associates refer to all entities that the Group has a significant influence on without control. Generally, the Group holds at least 20% of their voting shares directly or indirectly. The Group adopts the equity method to treat the investment in associates, which is recognized at cost of acquisition.
2. The Group recognizes the share of profit or loss on associates after acquisition in current profit or loss, and recognizes the share of other comprehensive income on associates after acquisition as other comprehensive income. If the Group's share of losses on an associate equals or exceeds its equity in the associate (including any other unsecured receivables), the Group will not recognize further losses unless the Group has incurred legal obligations or constructive obligations to said associate, or made payments on behalf of said associate.
3. When equity changes which are not related to profit or loss and other comprehensive income occur to an associate, and said changes do not affect the shareholding percentage

of the associate, the Group recognizes all equity changes in “capital surplus” based on the shareholding percentage.

4. Unrealized gains or losses arising from transactions between the Group and associates have been eliminated based on the proportion of its equity of the associates; unless evidence shows that the assets transferred have been impaired, the unrealized losses are also eliminated. The accounting policies of the associates have been adjusted as necessary and are consistent with the policies adopted by the Group.
5. Where the Group disposes of an associate and if it loses significant influence on the associate, for all amounts previously recognized in other comprehensive income related to the associate, the accounting treatment is on the same basis as if the Group directly disposes of the relevant assets or liabilities, that is, the gains or losses previously recognized in other comprehensive income will be reclassified to profit or loss when the relevant assets or liabilities are disposed of, and when the significant influence on the associate is lost, the gains or losses will be reclassified from equity to profit or loss. If the Company still has significant influence on the associate, only the amount previously recognized in other comprehensive income is transferred out in the manner above on a pro-rata basis.

(XIV) Property, plant, and equipment

1. The acquisition cost is the account entry basis for property, plant, and equipment. The interest accruing during the purchase and construction period is capitalized.
2. Subsequent costs are included in the carrying amount of the assets or recognized as a separate asset only when the future economic benefits related to an item are likely to flow into the Group and the cost of the item can be reliably measured. The carrying amount of the part replaced shall be derecognized. All other repair and maintenance expenses are recognized in profit or loss of the period when incurred.
3. The cost model is used for subsequent measurement of property, plant, and equipment. Except for the land, others are depreciated on the straight-line basis within the useful life. Each and every major part of the property, plant, and equipment are depreciated individually.
4. The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end by the Group. If expectations for the assets’ residual values and useful lives differ from previous estimates or the patterns of consumption of the assets’ future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” from the date of the change. The useful life of each asset is as follows:

Machinery and equipment	2–11 years
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Office equipment	2–12 years
Leasehold improvements	3–12 years
Other equipment	3–5 years

(XV) Lessee’s lease transactions – right-of-use assets/lease liabilities

1. Leased assets are recognized in right-of-use assets and lease liabilities on the date they are available for use by the Group. When a lease contract is a short-term lease or lease of a low-value asset, the lease payment is recognized as an expense during the lease term using the straight-line method.
2. Lease liabilities are recognized at the present value of the lease payments that have not been paid at the commencement date of a lease at the discounted interest rate of the Group’s incremental borrowings. The lease payments include:
 

Fixed payments, less any rental incentives that can be collected;

Subsequently, the interest approach is adopted to measure said payments at amortized cost, and interest expenses are recognized during the lease term. Where the lease period of payment is changed due to the factor other than modification of the contract, the right-of-use assets will be adjusted based on the remeasurement.
3. The right-of-use asset is recognized at cost at the commencement date of a lease, and the cost includes:
  - (1) The original measured amount of the lease liability;
  - (2) Any lease payments paid on or before the commencement date;
  - (3) Any original direct costs incurred; and

Subsequently, the measurement is based on the cost model, and the depreciation expense is recognized when the useful life of the right-of-use asset expires or the lease term expires, whichever is earlier. When the lease liability is reassessed, the remeasurement of the lease liability will be adjusted for the right-of-use asset.
4. For lease modifications with the scope of a lease reduced, the lessee will reduce the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and the difference between said carrying amount and the remeasured amount of the lease liability is recognized in profit or loss.

(XVI) Intangible assets

Computer software

Computer software is recognized at acquisition cost and amortized based on the estimated useful lives of 1 to 3 years using the straight-line method.

(XVII) Impairment of non-financial assets

On the date of the balance sheet, the Group estimates the recoverable amount of assets with signs of impairment, and the recoverable amount will be recognized as impairment loss if it is lower than the carrying amount. The recoverable amount refers to the fair value of an asset less the cost of disposal or its value in use, whichever is higher. If impairment of assets was not recognized in the previous year or was reduced, an impairment loss will be reversed. However, the increased carrying amount of the assets due to reversal of the impairment loss shall not exceed the carrying amount after deduction of the depreciation or amortization if the impairment loss of the assets is not recognized.

(XVIII) Accounts and notes payable

1. These refer to the debts incurred due to the purchase of raw materials, products, or services on credit and the operating and non-operating notes payable.
2. Short-term accounts and notes payable of which the interests are outstanding are measured by the Company based on the original invoice amount.

(XIX) Derecognition of financial liabilities

The Group derecognizes financial liabilities when the obligations specified in a contract are fulfilled, cancelled, or expired.

(XX) Offsetting of financial assets and liabilities

The financial assets and liabilities may be offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts of the financial assets and liabilities and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(XXI) Liability reserve

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The measurement of the liability reserve is based on the optimal estimate of the present value required to settle the obligation on the balance sheet date.

(XXII) Employee benefits

1. Short-term employee benefits  
Short-term employee benefits are measured at non-discounted amount expected to be paid and recognized in expense when related services are provided.
2. Pension

(1) Defined appropriation plan

The amount of the pension fund to be appropriated under the defined pension appropriation plan is recognized in pension cost of the period on the accrual basis. Prepayment of contribution is recognized in assets within the scope of the refundable cash or future deductible contribution.

(2) Defined benefit plan

- A. The net obligation under the defined benefit plan is calculated by discounting the future benefit amount earned by the employees from provision of current or previous services. The par value of the plan assets is deducted from the present value of the defined benefit obligation on the balance sheet date. The net obligation under the defined benefit plan is calculated annually by actuaries using the projected unit benefit method. The discount rate is the market yield rate of government bonds (at the balance sheet date) with the currency and period consistent with those of the defined benefit plan at the balance sheet date.
- B. The remeasurement generated by the defined benefit plan is recognized in other comprehensive income in the current period and presented in retained earnings.
- C. The expenses related to the previous service cost is directly recognized in profit or loss.

3. Post-employment benefits

Post-employment benefits are benefits provided when an employee's employment is terminated before the normal retirement date or when the employee decides to accept the benefits offered by the Company in exchange for termination of employment. The Group recognizes expenses when it is no longer able to withdraw the offer of post-employment benefits or when the relevant restructuring costs are recognized, whichever is earlier. Benefits that are not expected to be fully settled 12 months after the balance sheet date shall be discounted.

4. Employee compensation and directors' remuneration

Remuneration to employees and directors is recognized in expenses and liabilities when the Company has a present statutory or presumed obligation and the obligation can be estimated reliably. If subsequently the finally determined distribution amount is different from the estimated amount, the difference will be dealt with according to the principle of changes in accounting estimates. If the remuneration to employees is paid in the form of stock, the number of shares shall be calculated based on the closing price on the day before the date of the resolution of the Board of Directors.

(XXIII) Income tax

- 1. The tax expenses include current and deferred income taxes. The income tax is recognized in the profit or loss except the income taxes relevant to the items which are recognized in

other comprehensive income or directly counted into the equity, which are recognized in other comprehensive income or directly counted into equity respectively.

2. The Group calculates current income tax based on the tax rates that have been enacted or substantively enacted at the balance sheet date in the country where the taxable income is generated and the business is operated. The management regularly evaluates the status of income tax filings with respect to applicable income tax regulations and, where applicable, estimates the income tax liabilities based on the expected taxes to be paid to the taxation authority. The additional income tax imposed on the undistributed earnings according to the Income Tax Act is recognized in tax expenses of undistributed earnings based on the actual distribution of earnings after the earnings distribution proposal is approved at the shareholders' meeting held in the year next to the year when the earnings are generated.
3. The deferred income tax is recognized based on the temporary difference between the tax base of assets and liabilities and their carrying amount in the consolidated balance sheet under the balance sheet method. The deferred income tax liabilities of the goodwill derived from the initial recognition are not recognized. The deferred income tax is not recognized if it is derived from initial recognition of asset or liabilities in a transaction (excluding mergers of companies) and does not affect the accounting profit or taxable income (tax loss) or derive equivalent taxable income and deductible temporary difference at the time of translation. For temporary differences caused by the investment in a subsidiary or an associate, if the Group can control the timing of the reversal of the temporary differences, and it is probable that temporary differences will not be reversed in the foreseeable future, the liabilities will not be recognized. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the relevant deferred income tax asset is realized or the deferred income tax liability is settled.
4. The deferred income tax assets are recognized when the temporary difference is likely to be used for the offset of taxable income in the future. Unrecognized and recognized deferred income tax assets are reassessed on every balance sheet date.

#### (XXIV) Share capital

Common stocks are classified as equity. Directly included in and listed as price reduction in the equity as the incremental costs for issuing new shares net of income taxes.

#### (XXV) Dividend allocation

Dividends are recognized in the Company's financial statements in the period in which they are approved to be distributed as resolved by the Company's shareholders' meeting. Cash dividends are recognized as liabilities. Stock dividends are recognized as stock dividends to be allocated and reclassified to ordinary shares on the record date of the issue of new shares.

(XXVI) Recognition of revenue

1. Sales revenue

The Group sells various products related to information equipment. Sales revenue is recognized when the control of products is transferred to customers, that is, when products are delivered to the buyer and the Group has no outstanding performance obligations that may affect the buyer's acceptance of the products.

2. Service revenue

(1) The Group provides information software, data processing, electronic information supply, and other relevant services. When the result of a transaction for the provision of services can be reliably estimated, it shall be recognized in revenue according to the percentage of completion method. The percentage of completion is estimated based on the proportion of the cost incurred to the estimated total transaction cost and the value of the service transferred to a customer as of the balance sheet date (and as for the value of the contract performance completed to the customer so far, the amount, for which receipts can be issued, is recognized in revenue based on practical expediency). When the result of the transaction cannot be estimated reliably, revenue is recognized within the range where the cost recognized is likely to be recovered. Where a customer makes a payment according to the contract price in line with the agreed payment schedule, when the service provided by the Group exceeds the customer's payable, it is recognized as a contract asset, and if the customer pays more than the service provided by the Group, it is recognized as a contract liability.

The Group also provides services for information software and its license maintenance. Because it is still part of the information service, it is recognized in service revenue after the performance obligations are fulfilled.

(2) The Group's estimates of revenue, cost, and percentage of completion are revised as circumstances change. Any increase or decrease in the estimated revenue or cost due to changes in estimates will be reflected in profit or loss during the period in which the circumstances resulting in the correction become known to the management.

(XXVII) Operating segments

The Group's information on operating segments is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources to the operating segments and assessing their performance. The board of directors has been identified as the Group's chief operating decision-maker.

## V. Major sources of uncertainty for significant accounting judgments, estimates and assumptions

When the Group prepared the consolidated financial statements, the management exercised their judgment to determine the accounting policies to be adopted, and made accounting estimates and assumptions based on reasonable expectations of future events as of the balance sheet date. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such estimates and assumptions cause the risk of material adjustment to the carrying amount of assets and liabilities in the following fiscal year. Please refer to the uncertainties to significant account judgments, estimates, and assumptions as stated below:

### (I) Significant judgments used in the accounting policies

#### Recognition of total revenue or net revenue

The Group determines whether the nature of its commitment to customers refers to the performance obligation to provide its own products or services (i.e. the Group is the principal), or to arrange for the provision of the products or services for the other party (i.e. the Group is the agent), subject to the transaction type and economic substance. When the Group controls a specific product or service before transferring the same to a customer, the Group is the principal and recognizes the revenue based on the total consideration that is expected to be received from the transfer of the specific product or service. If the Group does not control the specific product or service before transferring the same to the customer, the Group is an agent, who arranges for provision of the specific product or service to the customer on behalf of the other party, and recognizes the revenue based on the charges or commission it is entitled to receive with respect to the arrangement.

The Group determines the control over the specific product or service before the same is transferred to the customer, based on the following indicators:

- a. The Group is primarily responsible for the commitment to complete the provision of the specific product or service.
- b. The Group is exposed to the inventory risk before transferring the specific product or service to the customer or after control is transferred.
- c. The Group may set the price of the specific product or service at its sole discretion.

### (II) Significant accounting estimates and assumptions

#### Recognition of revenue

The service revenue is the revenue recognized according to the percentage of completion method, which is calculated according to the degree of service provided during the service contract period, and the relevant service costs are recognized as expenses during the period in which they are incurred. The degree of service provided is calculated by referring to the cost

incurred by each service contract as of the end of the financial reporting period as a percentage of the estimated total cost of the service contract. The estimated total cost of service contracts is assessed by the management as per the nature of different cases, estimated manpower requirements, and contract duration and based on the Company's subjective judgment. The actual results may differ from the estimates, so there may be significant changes.

## VI. Description of Significant Accounting Titles

### (I) Cash and cash equivalent

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and working capital	\$ 274	\$ 277
Checking deposit, demand deposit and time deposit	<u>300,835</u>	<u>306,477</u>
Total	<u>\$ 301,109</u>	<u>\$ 306,754</u>

1. The financial institutions the Group deals with have high credit ratings. The Group also deals with multiple financial institutions at the same time to diversify credit risks. Therefore, the expected risk of default is rather low.
2. As of December 31, 2024 and 2023, the Group provided restricted cash and cash equivalents as performance bonds, amounting to NT\$3,553 and NT\$767, respectively (recognized in "1136 Financial assets measured at amortized cost – current" and "1535 Financial assets measured at amortized cost – non-current").

### (II) Financial assets at fair value through other comprehensive income

<u>Item</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Non-current items:		
Unlisted stocks	<u>\$ 34,724</u>	<u>\$ 32,524</u>

1. The Group has elected to classify unlisted stocks with stable dividends as financial assets measured at fair value through other comprehensive income. The fair values of these investments as of December 31, 2024 and 2023, were NT\$34,724 and NT\$32,524.
2. The amount of financial assets at fair value through other comprehensive income recognized in dividend revenue under profit or loss in 2024 and 2023 was NT\$3,403 and NT\$2,635, respectively.
3. As of December 31, 2024 and 2023, regardless of the collateral held and other credit enhancements, the maximum amount of the exposure to the credit risk arising from the Group's financial assets at fair value through other comprehensive income were in the

amount of NT\$34,724 and NT\$32,524.

4. For information on the price risk and the fair value of financial assets at fair value through other comprehensive income, please refer to Note 12(2) and (3).

(III) Financial assets measured at amortized cost

<u>Item</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current item:		
Time deposits	\$ 13,104	\$ 605
Performance bond	<u>3,375</u>	<u>521</u>
Total	<u>\$ 16,479</u>	<u>\$ 1,126</u>
Non-current items:		
Performance bond	<u>\$ 178</u>	<u>\$ 246</u>

1. Financial assets measured at amortized cost which are recognized in profit or loss are detailed as follows:

	<u>2024</u>	<u>2023</u>
Interest revenue	<u>\$ 74</u>	<u>\$ 13</u>

2. As of December 31, 2024 and 2023, regardless of the collateral held or other credit enhancements, the maximum amount of the exposure to the credit risk arising from the Group's financial assets measured at amortized cost was in the amount of NT\$16,657 and NT\$1,372, respectively.
3. For the financial assets measured at amortized cost which have been pledged by the Group as collateral, see Note 8.
4. Please refer to Note 12(2) for information on the credit risk of financial assets at amortized cost. The counterparties for the Group's investment in certificates of deposit are financial institutions with high credit ratings. Therefore, the expected risk of default is rather low.

(IV) Notes and Accounts Receivable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable	<u>\$ 4,049</u>	<u>6,362</u>
Accounts receivable	\$ 247,450	\$ 273,584
Less: Allowance loss	<u>( 1,988)</u>	<u>( 1,988)</u>
	<u>\$ 245,462</u>	<u>\$ 271,596</u>

- The aging analysis of accounts receivable and notes receivable is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Not past due	\$ 240,870	\$ 266,300
Within 30 days	300	6,884
31–90 days	8,148	6,757
91–180 days	2,181	5
181 days or more	-	-
	<u>\$ 251,499</u>	<u>\$ 279,946</u>

The aging analysis stated above is based on the number of overdue days.

- The balances of accounts receivable and notes receivable as of December 31, 2024 and 2023 were all generated from customer contracts. In addition, the balance of accounts receivable from customer contracts on January 1, 2023, was NT\$319,583.
- As of December 31, 2024 and 2023, regardless of the collateral held and other credit enhancements, the maximum amount of the exposure to the credit risk arising from the Group's notes receivable was in the amount of NT\$4,049 and NT\$6,362, respectively; the maximum amount of the exposure to the credit risk arising from the Group's accounts receivable was in the amount of NT\$245,462 and NT\$271,596, respectively, on December 31, 2024 and 2023.
- Please refer to Note 12(2) for more information on the credit risk of the accounts and notes receivable.

(V) Inventories

	<u>December 31, 2024</u>		
	<u>Costs</u>	<u>Allowance</u>	<u>for</u>
		<u>valuation loss</u>	<u>Carrying amount</u>
Raw materials	\$ 1,198	\$ -	1,198
Goods in process	10	-	10
Finished products	598	-	598
Merchandise inventory	1,691	-	1,691
Software and hardware costs and consumables for projects	2,734	( 2,689)	45
	<u>\$ 6,231</u>	<u>(\$ 2,689)</u>	<u>\$ 3,542</u>
	<u>December 31, 2023</u>		
	<u>Costs</u>	<u>Allowance</u>	<u>for</u>
		<u>valuation loss</u>	<u>Carrying amount</u>
Merchandise inventory	\$ 163	\$ -	\$ 163

Software and hardware costs and consumables for projects	<u>5,263</u>	<u>( 2,765)</u>	<u>2,498</u>
	<u>\$ 5,426</u>	<u>(\$ 2,765)</u>	<u>\$ 2,661</u>

1. The cost of inventories and consumables sold by the Group in 2024 and 2023 were NT\$295,073 and NT\$359,521, respectively.
2. The Group recognized a decrease in the cost of goods sold, NT\$84, because of a recovery in the net realizable value of inventories resulting from the continued clearance sale of old inventories in 2024.

(VI) Prepayments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Prepaid license fee	\$ 1,010	\$ 953
Prepaid maintenance fee	1,700	3,066
Refundable tax	302	-
Other prepaid expenses	<u>9,458</u>	<u>12,682</u>
	<u>\$ 12,470</u>	<u>\$ 16,701</u>

(VII) Investment using equity method

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Tension Envelope Taiwan Corporation	\$ 43,221	\$ 41,768
An-Hui Information Technology Co., Ltd.	<u>3,648</u>	<u>3,369</u>
	<u>\$ 46,869</u>	<u>\$ 45,137</u>

1. The Group holds 50% of the voting rights of Tension Envelope Taiwan Corporation (hereinafter referred to as “Tension Envelope”). However, the Group does not have substantive control over Tension Envelope. Tension Envelope’s operating decisions and personnel appointments by its board of directors are guided by another parent company that holds 50% of its voting rights, so the Group’s investment in Tension Envelope is handled using the equity method.
2. The Group holds 15% of the voting rights of An-Hui Information Technology Co., Ltd. (hereinafter referred to as “An-Hui Information”), obtaining a seat on the board. With significant influence on An-Hui Information, the Group adopts the equity method for investment in An-Hui Information.
3. Associates

(1) The basic information of the Group’s associates is as follows:

<u>Company name</u>	<u>Location</u>	<u>Shareholding percentage</u>		<u>Relationship</u>	<u>Measurement method</u>
		<u>December 31, 2024</u>	<u>December 31, 2023</u>		
Tension Envelope Taiwan Corporation	Taiwan	50%	50%	Suppliers of the Group	Equity method
An-Hui Information Technology Co., Ltd.	Taiwan	15%	15%	Strategic collaboration	Equity method

(2) The carrying amounts of the Group's associates that are individually immaterial and their share of operating results are aggregated below:

As of December 31, 2024 and 2023, the carrying amounts of the Group's associates that are individually immaterial were NT\$46,869 and NT\$45,137, respectively.

	<u>2024</u>	<u>2023</u>
Net income from continuing operations in the current period	\$ 13,293	\$ 15,147
Other comprehensive income (net of tax)	<u>707</u>	<u>(12)</u>
Current total comprehensive income	<u>\$ 14,000</u>	<u>\$ 15,135</u>

(VIII)Property, plant, and equipment

	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Others</u>	<u>Total</u>
January 1, 2024					
Costs	\$ 59,325	\$ 13,169	\$ 12,757	\$ 966	\$ 86,157
Accumulated depreciation and impairment	<u>( 36,380)</u>	<u>( 10,114)</u>	<u>( 6,981)</u>	<u>( 832)</u>	<u>( 54,307)</u>
	<u>\$ 22,945</u>	<u>\$ 3,055</u>	<u>\$ 5,776</u>	<u>\$ 134</u>	<u>\$ 31,910</u>
January 1, 2024	\$ 22,945	\$ 3,055	\$ 5,776	\$ 134	\$ 31,910
Additions	1,145	2,262	1,021	114	4,542
Disposal	-	-	-	( 3)	( 3)
Depreciation expenses	( 3,837)	( 1,701)	( 2,095)	( 56)	( 7,689)
Net exchange difference	<u>-</u>	<u>14</u>	<u>-</u>	<u>6</u>	<u>14</u>
December 31, 2024	<u>\$ 20,253</u>	<u>\$ 3,630</u>	<u>\$ 4,702</u>	<u>\$ 195</u>	<u>\$ 28,780</u>
December 31, 2024					
Costs	\$ 60,470	\$ 14,506	\$ 13,777	\$ 990	\$ 89,743
Accumulated depreciation and impairment	<u>( 40,217)</u>	<u>( 10,876)</u>	<u>( 9,075)</u>	<u>( 795)</u>	<u>( 61,963)</u>
	<u>\$ 20,253</u>	<u>\$ 3,630</u>	<u>\$ 4,702</u>	<u>\$ 195</u>	<u>\$ 28,780</u>

	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Others</u>	<u>Total</u>
January 1, 2023					
Costs	\$ 55,355	\$ 12,085	\$ 11,867	\$ 917	\$ 80,224
Accumulated depreciation and impairment	( 32,762)	( 8,459)	( 4,948)	( 790)	( 46,959)
	<u>\$ 22,593</u>	<u>\$ 3,626</u>	<u>\$ 6,919</u>	<u>\$ 127</u>	<u>\$ 33,265</u>
January 1, 2023	\$ 22,593	\$ 3,626	\$ 6,919	\$ 127	\$ 33,265
Additions	3,970	1,258	890	67	6,185
Depreciation expenses	( 3,618)	( 1,823)	( 2,033)	( 58)	( 7,532)
Net exchange difference	-	( 6)	-	( 2)	( 8)
December 31, 2023	<u>\$ 22,945</u>	<u>\$ 3,055</u>	<u>\$ 5,776</u>	<u>\$ 134</u>	<u>\$ 31,910</u>
December 31, 2023					
Costs	\$ 59,325	\$ 13,169	\$ 12,757	\$ 966	\$ 86,217
Accumulated depreciation and impairment	( 36,380)	( 10,114)	( 6,981)	( 832)	( 54,307)
	<u>\$ 22,945</u>	<u>\$ 3,055</u>	<u>\$ 5,776</u>	<u>\$ 134</u>	<u>\$ 31,910</u>

The Group did not pledge property, plant, and equipment as collateral.

(IX) Intangible assets

	<u>2024</u>	<u>2023</u>
	<u>Computer software</u>	<u>Computer software</u>
January 1		
Costs	\$ 3,999	\$ 25,899
Cumulative amortization	( 3,111)	( 24,708)
	<u>\$ 888</u>	<u>\$ 1,191</u>
January 1	\$ 888	\$ 1,191
Additions	540	1,000
Reclassification in the current period	10,702	-
Amortization expenses	( 1,410)	( 1,303)
December 31	<u>\$ 10,720</u>	<u>\$ 888</u>
December 31		
Costs	\$ 15,241	\$ 3,999
Cumulative amortization	( 4,521)	( 3,111)
	<u>\$ 10,720</u>	<u>\$ 888</u>

(X) Lease transaction – lessee

1. The assets leased by the Group include buildings as well as machinery and equipment. The lease terms usually range from 2 to 5 years. The lease contracts are negotiated separately and contain various terms and conditions. Except that the leased asset cannot be used as collateral for loans, no other restrictions are imposed.
2. The carrying amount of the right-of-use assets and the recognized depreciation expenses are described below:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 3,180	\$ 6,435
Machinery and equipment	<u>1,511</u>	<u>2,808</u>
	<u>\$ 4,691</u>	<u>\$ 9,243</u>
	<u>2024</u>	<u>2023</u>
	<u>Depreciation</u>	<u>Depreciation</u>
	<u>expenses</u>	<u>expenses</u>
Buildings	\$ 3,126	\$ 4,344
Machinery and equipment	<u>1,297</u>	<u>1,624</u>
	<u>\$ 4,423</u>	<u>\$ 5,968</u>

3. The additions of the Group's right-of-use assets in 2024 and 2023 were NT\$0 and NT\$946, respectively.
4. Information on the profit or loss items related to lease contracts is as follows:

	<u>2024</u>	<u>2023</u>
<u>Items affecting the current profit or loss</u>		
Interest expense on lease liabilities	\$ 109	\$ 193
Expenses of short-term lease contracts and leases of low-value assets	14,073	11,535
Gain on lease modification	2	-

5. The Group's total cash outflows from leases in 2024 and 2023 were NT\$18,792 and NT\$17,855, respectively.

(XI) Long-term notes and accounts receivable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Long-term accounts receivable	\$ 72,439	\$ 101,719
Less: Unrealized interest revenue	( 2,093)	( 3,356)
Total	<u>\$ 70,346</u>	<u>\$ 98,363</u>

1. The expected recovery is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
2–5 years	<u>\$ 72,439</u>	<u>\$ 101,719</u>

2. The amounts of notes and payments due within one year as of December 31, 2024 and 2023, were NT\$44,680 and NT\$47,643, respectively, which have all been reclassified to “1170 Accounts receivable.”

(XII) Other payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Salary payable	\$ 36,793	\$ 42,767
Employee compensation and directors’ and supervisors’ remuneration payable	10,856	14,130
Labor and health insurance premium and pension payable	6,619	6,544
Business tax payable	4,090	1,656
Social insurance fund payable	1,119	999
Payables for equipment	1,218	3,456
Service fee payable	880	1,770
Expenses payable – others	<u>4,688</u>	<u>4,531</u>
	<u>\$ 66,263</u>	<u>\$ 75,853</u>

(XIII) Pension

1. Before the settlement of the Labor Retirement Reserve Fund (the old fund) on February 3, 2017, the Company established the defined benefit pension regulations in accordance with the provisions of the Labor Standards Act, which were applicable to all formal employees who were employed prior to the enforcement of the Labor Pension Act on July 1, 2005, and to the formal employees who still chose the old fund mechanism under the Labor Standards Act after the Labor Pension Act took effect. Under the defined benefit pension plan, two units are granted for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units granted and the average monthly salary of the last six months

prior to retirement. The Company contributes 2% of the employee’s total wage as the pension fund on a monthly basis and deposits it in the specific account with the Bank of Taiwan in the name of Labor Pension Reserve Committee.

2. (1) Since July 1, 2005, the Company and its domestic subsidiaries have established defined contribution retirement regulations in accordance with the Labor Pension Act, which are applicable to employees with Taiwanese nationality. For the pension plan under the Labor Pension Act chosen by employees, the Company and its domestic subsidiaries make monthly contributions to employees’ individual pension accounts at 6% of the monthly salaries. Based on employee’s individual pension accounts and the amount of accumulated income from the annual investment and utilization plan, the payment of employee pension is made on a monthly basis or in a lump sum.
- (2) Amounts recognized in the balance sheet are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Net defined benefit assets (recognized in “1990 Other non-current assets – others”)	<u>\$ 248</u>	<u>\$ 248</u>

There was no change in the net defined benefit assets in 2024 and 2023.

3. Some subsidiaries of the Group make monthly contributions according to a certain percentage of local employees’ salaries in accordance with the pension system stipulated by the government of the People’s Republic of China; the contribution percentages were 16% in both 2024 and 2023. The pension for each employee is managed by the government; thus, the Group does not have further obligations except for making monthly contributions.
4. The cost of pensions recognized based on the methods above for 2024 and 2023 were NT\$14,342 and NT\$13,915, respectively.

(XIV) Liability reserve

	<u>Others</u>
2024	
Balance, January 1	\$ -
Additional liability reserve in the current period	<u>8,025</u>
December 31	<u>\$ 8,025</u>

Liability reserve is analyzed as following:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current	<u>\$ 8,025</u>	<u>\$ -</u>

The Group provides the liability reserve, NT\$8025, because the Company has to pay to compensate the loss of the supplier due to the termination of the contract. The gain or loss on the recognition of the liability reserve is recognized as other losses.

(XV) Share capital

As of December 31, 2024, the Company's registered capital was NT\$400,000, divided into 40,000 thousand shares, and the paid-in capital was NT\$273,234, with a par value of NT\$10 per share. The payment for the issued shares of the Company has been received.

(XVI) Capital surplus

According to the Company Act, the Company may distribute the capital surplus gained from the income derived from the issuance of new shares at a premium or from endowments received by the Company by issuing new shares or allocating cash to its original shareholders in proportion to the number of shares being held except for the part of the capital surplus needed for makeup of loss and if the Company incurs no accumulated loss. According to the Securities and Exchange Act, when the aforementioned capital surplus is used for capitalization, the total capital surplus used every year shall not exceed 10% of the paid-in capital. The Company shall not use the capital surplus to compensate the capital losses, unless the surplus reserve is insufficient to compensate such losses.

(XVII) Retained earnings

1. The earnings distribution plan specified in the Company's Articles of Incorporation is as follows:

According to the Company's Articles of Incorporation, if the Company has earnings upon the annual account settlement, an amount shall be first allocated for tax payments and for making up accumulated losses in accordance with law. Then, 10% shall be set aside as legal reserve, provided that the legal reserve shall no longer be appropriated if the legal reserve reaches the total amount of the Company's paid-in capital. In addition, a special surplus reserve shall be set aside or reversed in accordance with the regulations of the competent authority. If there is any remaining balance, the undistributed surplus of the previous year shall be added up, and the Board of Directors shall formulate a surplus distribution proposal. The stock dividend proposal shall be submitted to the shareholders' meeting for resolution and distribution. For the cash dividend distribution proposal, the Board of Directors is authorized to make the distribution with the attendance of more than two-thirds of the

directors and the resolution of more than half of the directors present. The distribution shall be reported to the shareholders' meeting.

2. The legal reserve shall not be used except for compensation for the Company's losses and the issue of new shares or cash in proportion to the shareholders' original shares. However, in the case of the issue of new shares or cash, it shall be limited to the portion of the legal reserve in excess of 25% of the paid-in capital.
3. (1) In accordance with the regulations, the Company shall set aside a special reserve from the debit balance on other equity items on the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount may be included in the distributable earnings.  
 (2) Upon the first-time adoption of IFRSs, the special reserve was set aside per Letter Jin-Guan-Zheng-Fa-Zi No. 1090150022 dated March 31, 2021. When the Company subsequently uses, disposes of, or reclassifies relevant assets, the original proportion of the special reserve shall be reversed. If the aforementioned assets are investment property, it shall be reversed at the time of disposal or reclassification in the case of land, while for property other than land, it shall be reversed phase by phase during the period of use.
4. On May 30, 2024 and May 29, 2023, the Company's shareholders' meeting passed the earnings distribution proposal for the years 2023 and 2022 as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>Dividends per share (NTD)</u>	<u>Amount</u>	<u>Dividends per share (NTD)</u>
Legal Reserve	\$ 7,416		\$ 5,609	
Special reserves	586		( 4,442)	
Cash dividend	<u>60,111</u>	\$ 2.2	<u>43,717</u>	\$ 1.6
Total	<u>\$ 68,113</u>		<u>\$ 44,884</u>	

5. On February 24, 2025, the Board of Directors proposed to distribute a dividend of NT\$2.1 per ordinary share from the earnings for 2024, and the total dividend was NT\$57,379.

(XVIII) Other equity items

	<u>2024</u>	<u>2023</u>
January 1	(\$ 1,628)	(\$ 1,042)
Foreign currency exchange difference	<u>3,602</u>	<u>( 586)</u>
December 31	<u>\$ 1,974</u>	<u>(\$ 1,628)</u>

(XIX) Operating Revenue

	<u>2024</u>	<u>2023</u>
Income from customer contracts		
Service revenue	\$ 1,179,333	\$ 1,329,575
Sales revenue	<u>7,144</u>	<u>13,743</u>
Total	<u>\$ 1,186,477</u>	<u>\$ 1,343,318</u>

1. Details of revenue from customer contracts

The Group's revenue comes from the provision of goods and services that are gradually transferred over time and transferred at a certain point in time. The revenue can be broken down into the following main product lines:

<u>2024</u>	<u>Information technology outsourcing</u>	<u>Business process outsourcing</u>
Revenue from contracts with external customers	<u>\$ 733,742</u>	<u>\$ 452,733</u>
Time point of revenue recognition		
Revenue recognized at a point in time	\$ 217,042	\$ 22,542
Revenue recognized gradually over time	<u>516,700</u>	<u>430,191</u>
	<u>\$ 733,742</u>	<u>\$ 452,733</u>
<u>2023</u>	<u>Information technology outsourcing</u>	<u>Business process outsourcing</u>
Revenue from contracts with external customers	<u>\$ 865,097</u>	<u>\$ 478,222</u>
Time point of revenue recognition		
Revenue recognized at a point in time	\$ 264,345	\$ 62,372
Revenue recognized gradually over time	<u>600,752</u>	<u>415,850</u>
	<u>\$ 865,097</u>	<u>\$ 478,222</u>

2. Contract assets and contract liabilities

Contract assets and contract liabilities related to revenue from customer contracts recognized by the Group are as follows:

(1) Contract assets and liabilities:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contract assets:			
Information system consultancy contracts	<u>\$ 104,195</u>	<u>\$ 89,442</u>	<u>\$ 35,235</u>
Contract liabilities:			
Advance receipts	<u>\$ 39,818</u>	<u>\$ 24,223</u>	<u>\$ 14,633</u>

(2) Contract liabilities at beginning of period recognized in revenue in current period:

	<u>2024</u>	<u>2023</u>
Advance receipts	\$ 8,530	\$ 14,341

(3) Unfulfilled long-term consultancy contract

As of December 31, 2024 and 2023, the contract prices allocated to the unfulfilled (or not yet fully fulfilled) portions of the long-term consultancy contracts signed by the Group and its customers were NT\$160,292 and NT\$47,715, respectively. The management expects that the transaction prices allocated to the unfulfilled contractual obligations as of December 31, 2024 and 2023, that will be recognized in revenue for the years 2025 and 2024 are NT\$160,292 and NT\$47,715, respectively. The aforementioned amounts do not include the amount of consideration for restricted changes.

In addition to the above-mentioned contracts, all other information system consultancy contracts of the Group are contracts that are shorter than one year or are billed based on actual service hours. According to IFRS 15, there is no need to disclose the transaction prices allocated to the unfulfilled contractual obligations of these contracts.

3. The notes and accounts receivable with payment periods exceeding one year are recognized in “1930 Long-term notes and accounts receivable.”

(XX) Interest revenue

	<u>2024</u>	<u>2023</u>
Bank deposit interest	\$ 4,136	\$ 1,634
Interest income measured at amortized cost	74	13
Other interest revenue	<u>1,287</u>	<u>25</u>
	<u>\$ 5,497</u>	<u>\$ 1,672</u>

(XXI) Other revenue

	<u>2024</u>	<u>2023</u>
Commission revenue	\$ 7,470	\$ -
Dividend revenue	3,403	2,635
Non-operating income	<u>348</u>	<u>845</u>
	<u>\$ 11,221</u>	<u>\$ 3,480</u>

(XXII) Other gains and losses

	<u>2024</u>		<u>2023</u>
Gain on foreign exchange	\$ 1,743		\$ 117
Losses from disposal of property, plant, and equipment	( 2)		-
Gain on lease modification	2		-
Other losses	<u>( 8,061)</u>		<u>( 11)</u>
	<u>\$ 6,318</u>		<u>\$ 106</u>

(XXIII) Financial costs

	<u>2024</u>		<u>2023</u>
Interest on leases	\$ 109		\$ 193
Bank borrowings	522		44
Other financial expenses	<u>21</u>		<u>2</u>
	<u>\$ 652</u>		<u>\$ 239</u>

(XXIV) Additional information on the nature of expenses (including the employee benefit expenses)

	<u>2024</u>		<u>2023</u>
Salary expenses	\$ 254,267		\$ 240,547
Expenses for labor and health insurance	24,460		23,684
Pension expenses	14,342		13,915
Other employment expenses	14,482		13,673
Depreciation expense on property, plant and equipment	7,689		7,532
Depreciation expense on right-of-use assets	4,423		5,968
Amortization expense of intangible assets	<u>1,410</u>		<u>1,303</u>
	<u>\$ 321,073</u>		<u>\$ 306,622</u>

Note: Additional information on the nature of said expenses, including the operating costs

1. According to the Company's Articles of Incorporation, after deducting accumulated losses from the Company's profit for the year, if there are earnings, the Company shall appropriate 1–10% of the balance for employee compensation and no more than 5% for the remuneration of directors.

2. The Company's estimated amounts of employee compensation for 2024 and 2023 were NT\$6,457 and NT\$6,889, respectively; the estimated amounts for directors' remuneration were NT\$4,612 and NT\$4,918, respectively, and the foregoing amounts were accounted for under salary expenses.

In 2024, according to the profit situation until the current period, said estimates were made at 1–10% and no greater than 5%, respectively. The actual amounts to be distributed resolved by the board of directors were NT\$6,457 and NT\$4,612, of which employee compensation was paid in cash.

The amounts of employee compensation and directors' remuneration for the year 2023 as resolved by the Board of Directors were NT\$6,889 and NT\$4,918, respectively, which were consistent with the amounts recognized in the financial statements for 2023. The remuneration to employees for 2023 was paid in cash.

Information on employee compensation and directors' remuneration approved by the board of directors of the Company is available on the Market Observation Post System.

(XXV) Income tax

1. Income tax expense

(1) Components of income tax expense:

	<u>2024</u>	<u>2023</u>
Current income tax:		
Income tax current income	\$ 15,990	\$ 12,358
Additional tax levied on undistributed earnings	303	592
Income tax overestimates for prior years	<u>(2,576)</u>	<u>(2,725)</u>
Total current income tax	<u>13,717</u>	<u>10,225</u>
Deferred tax:		
Initial generation and reversal of temporary differences	<u>59</u>	<u>4,968</u>
Total deferred income tax	<u>59</u>	<u>4,968</u>
Income tax expense	<u>\$ 13,776</u>	<u>\$ 15,193</u>

(2) The amount of income tax related to other comprehensive income:

	<u>2024</u>	<u>2023</u>
Translation differences on foreign operations	\$ 900	(\$ 146)
Remeasurement of defined benefit obligations – investment using equity	<u>71</u>	<u>(1)</u>

method

\$ 971 (\$ 147)

2. Reconciliation between income tax expense and accounting profit

	<u>2024</u>		<u>2023</u>
Income tax calculated based on net profit before tax at the statutory tax rate (Note)	\$ 21,998		\$ 20,350
Effect of items that may not be recognized according to laws	( 76)	5,6	( 19) 3,0
Income exempt from taxation according to tax law	-		( 5)
Income tax overestimates for prior years	( 76)	2,5	( 25) 2,7
Additional tax levied on undistributed earnings	303		592
Use of tax loss carryforwards not recognized in prior years	<u>( 73)</u>		<u>-</u>
Income tax expense	<u>\$ 13,776</u>		<u>\$ 15,193</u>

Note: The tax rate applicable is based on the tax rates applicable to income in relevant countries.

3. The amount of each deferred income tax asset or liability arising from temporary differences and tax losses is as follows:

	<u>2024</u>		<u>Recognition</u> <u>in other</u> <u>Recognized in comprehensive</u>	
	<u>January 1</u>	<u>profit or loss</u>	<u>e income</u>	<u>December 31</u>
Temporary differences:				
- Deferred income tax assets:				
Allowance for inventory valuation losses	\$ 516	(\$ 16)	\$ -	\$ 500
Liability reserve	-	1,605	-	1,605
Compensation for unused annual leave	147	610	-	757
Interest revenue on long-term receivables	671	( 252)	-	419
Unrealized exchange losses	-	16	-	16
Subtotal	<u>1,334</u>	<u>1,963</u>	<u>-</u>	<u>3,297</u>

	<u>January 1</u>	<u>Recognized in comprehensive profit or loss</u>	<u>Recognition in other e income</u>	<u>December 31</u>
- Deferred income tax liabilities:				
Overpaid pension	(\$ 49)	\$ -	\$ -	(\$ 49)
Effect of foreign investment income	( 6,519)	( 1,906)	-	( 8,425)
Unrealized exchange gain	-	( 116)	-	( 116)
Difference in exchange from the conversion of financial statements of overseas operating entities	( 118)	-	( 900)	( 1,018)
Remeasurement of defined benefit plan – investment using equity method	( 198)	-	( 71)	( 269)
Subtotal	( 6,884)	( 2,022)	( 971)	( 9,877)
Total	(\$ 5,550)	(\$ 59)	(\$ 971)	(\$ 6,580)

	<u>2023 January 1</u>	<u>Recognized in comprehensive profit or loss</u>	<u>Recognition in other e income</u>	<u>December 31</u>
Temporary differences:				
- Deferred income tax assets:				
Loss on allowance for bad debts	\$ 4,410	(\$ 4,410)	\$ -	\$ -
Allowance for inventory valuation losses	516	-	-	516
Compensation for unused annual leave	147	-	-	147
Interest revenue on long-term receivables	774	( 103)	-	671
Subtotal	5,847	( 4,513)	-	1,334

	<u>2023</u>		<u>Recognition</u> <u>in other</u>	
	<u>January 1</u>	<u>Recognized in comprehensive</u> <u>profit or loss</u>	<u>income</u>	<u>December 31</u>
- Deferred income tax liabilities:				
Overpaid pension	(\$ 49)	\$ -	\$ -	(\$ 49)
Effect of foreign investment income	( 6,064)	( 455)	-	( 6,519)
Difference in exchange from the conversion of financial statements of overseas operating entities	( 264)	-	146	( 118)
Remeasurement of defined benefit plan – investment using equity method	( 199)	-	1	( 198)
Subtotal	( 6,576)	( 455)	147	( 6,884)
Total	(\$ 729)	(\$ 4,968)	\$ 147	(\$ 5,550)

4. The Company's profit-seeking business income tax has been approved by the tax authority up until 2022.

(XXVI) Earnings per share

	<u>2024</u>		<u>Earnings per</u>
	<u>Amount after</u>	<u>Weighted average</u> <u>number of</u> <u>outstanding shares</u>	<u>share (NTD)</u>
	<u>tax</u>	<u>(thousand shares)</u>	
<u>Basic earnings per share</u>			
Current net income attributable to ordinary shareholders of the parent company	\$ 71,441	27,323	<u>\$ 2.61</u>
<u>Diluted earnings per share</u>			
Employee compensation	-	152	
Current net income attributable to ordinary shareholders of the parent company plus potential effect of ordinary shares	\$ 71,441	27,475	<u>\$ 2.60</u>

	<u>2023</u>		
	<u>Amount after</u>	<u>Weighted average</u>	<u>Earnings per</u>
	<u>tax</u>	<u>number of</u>	<u>share (NTD)</u>
		<u>outstanding shares</u>	
		<u>(thousand shares)</u>	
<u>Basic earnings per share</u>			
Current net income attributable to ordinary shareholders of the parent company	\$ 74,163	27,323	<u>\$ 2.71</u>
<u>Diluted earnings per share</u>			
Employee compensation	-	<u>159</u>	
Current net income attributable to ordinary shareholders of the parent company plus potential effect of ordinary shares	<u>\$ 74,163</u>	<u>27,482</u>	<u>\$ 2.70</u>

(XXVII) Additional information on cash flows

Investing activities with only partial cash payment:

	<u>2024</u>	<u>2023</u>
Purchase of property, plant, and equipment	\$ 4,542	\$ 6,185
Add: Payables for equipment, beginning of period	3,456	1,098
Less: Payables for equipment, end of period	<u>(1,218)</u>	<u>(3,456)</u>
Cash paid in the current period	<u>\$ 6,780</u>	<u>\$ 3,827</u>

(XXVIII) Changes in liabilities from financing activities

	<u>January 1, 2024</u>	<u>Changes</u>	<u>No effect on</u>	<u>December 31, 2024</u>
		<u>cash flows</u>	<u>inchanges in cash</u>	
			<u>flows</u>	
Lease liabilities	\$ 9,489	(\$ 4,610)	(\$ 25)	\$ 4,854
Deposit received	<u>397</u>	<u>-</u>	<u>-</u>	<u>397</u>
Total liabilities from financing activities	<u>\$ 9,886</u>	<u>(\$ 4,610)</u>	<u>(\$ 25)</u>	<u>\$ 5,251</u>
	<u>January 1, 2023</u>	<u>Changes</u>	<u>No effect on</u>	<u>December 31, 2023</u>
		<u>cash flows</u>	<u>inchanges in cash</u>	
			<u>flows</u>	
Lease liabilities	\$ 14,816	(\$ 6,127)	\$ 800	\$ 9,489
Deposit received	<u>743</u>	<u>(346)</u>	<u>-</u>	<u>397</u>
Total liabilities from financing activities	<u>\$ 15,559</u>	<u>(\$ 6,473)</u>	<u>\$ 800</u>	<u>\$ 9,886</u>

## VII. Related Party Transactions

### (I) Names of related parties and relationships

Names of related parties	Relationship with the Group
TECO Electric and Machinery Co., Ltd.	Ultimate parent company
An-Hui Information Technology Co., Ltd. (An-Hui Information Tension Envelope)	Associates
Teco Industrial (Malaysia) Sdn., Bhd.	Associates
TECO (Vietnam) Electronic & Machinery Co., Ltd. (Vietnam TECO)	Other related parties
Teco Australia PTY. LTD. (Teco Australia)	Other related parties
TECO Electric & Machinery Sdn. Bhd.	Other related parties
TECO ELECTRIC & MACHINERY (PTE) LTD. (TECO Singapore)	Other related parties
Teco Middle East Electrical & Machinery Co., Ltd.	Other related parties
TECO Technology (Vietnam) Co., Ltd. (TECO Technology Vietnam)	Other related parties
Teco Westinghouse Motor Company (TWMC)	Other related parties
Teco Westinghouse Motor Company S. A. de C. V. (Teco Mexico)	Other related parties
TEMICO Motor India Private Limited (TEMICO India)	Other related parties
MOTOVARIO S.P.A (Teco Italy)	Other related parties
PT. TECO MULTIGUNA ELEKTR	Other related parties
Shanghai TECO Electric and Machinery Co., Ltd. (Shanghai TECO) Century Development Corporation	Other related parties
Taian Technology (Wuxi) Co., Ltd. (Taian Technology)	Other related parties
Taiwan Pelican Express Co., Ltd. (Taiwan Pelican Express)	Other related parties
An-Shin Food Services Co., Ltd. (An-Shin Food)	Other related parties
A-Ok Technical Service Co., Ltd.	Other related parties
E-Joy Electronics International Co., Ltd.	Other related parties
Taian-Ecobar Technology Co., Ltd.	Other related parties
Jiangxi TECO Westinghouse Motor Coil Co., Ltd.	Other related parties
Jiangxi TECO Electric and Machinery Co., Ltd. (Jiangxi TECO)	Other related parties
Jiangxi TECO Air Conditioning Equipment Co., Ltd. (Jiangxi TECO Air Conditioning)	Other related parties
TECO Sun Energy Company Limited	Other related parties
TECO International Investment Co., Ltd.	Other related parties
Tong-An Assets Management & Development Co., Ltd.	Other related parties
Zimtech Co., Ltd.	Other related parties
Yatec Engineering Corporation	Other related parties
Tung Pei Industrial Co., Ltd. (Tung Pei Industrial)	Other related parties
Tecnos International Consultant Co., Ltd. (Tecnos International)	Other related parties
Qingdao TECO Precision Mechatronics Co., Ltd.	Other related parties
Fujian TECO Precision Co., Ltd.	Other related parties
Advantech Co., Ltd. (Advantech)	Other related parties

Names of related parties	Relationship with the Group
Nidec Corporation	Other related parties
TECO Tour Travel Service Co., Ltd. (TECO Tour Travel)	Other related parties
Fujio Food System Taiwan Co., Ltd.	Other related parties
Jie Zheng Property Service & Management Co., Ltd.	Other related parties
Wuxi TECO Electric & Machinery Co. Ltd. (Wuxi TECO)	Other related parties
Wuxi TECO Precision Industry Co., Ltd. (Wuxi TECO Precision)	Other related parties
Wuxi TECO Electro Devices Co., Ltd.. (Wuxi TECO Electro)	Other related parties
Wuxi TECO Electro Devices Co., Ltd. (Wuxi TECO Electro Devices)	Other related parties
Technical Information International Co., Ltd. (Technical Information International)	Other related parties
TECO Group Science-Technology (Hangzhou) Co., Ltd.	Other related parties
Royal Co., Ltd. (Royal)	Other related parties
Royal Host Taiwan Co., Ltd. (Royal Host)	Other related parties
TECO Image Systems Co., Ltd. (TECO Image)	Other related parties
Tecom Co., Ltd.	Other related parties
Tong-An Investment Co., Ltd.	Other related parties
Jinglaoman Food & Beverage Co., Ltd.	Other related parties
KOGYOKU FOODS CO., LTD.	Other related parties
TECO Electro Devices Co., Ltd.	Note
On April 10, 2024, the board of directors of TECO Electric and Machinery Co., Ltd. approved its merger with TECO Electro Devices Co., Ltd., with the former being the surviving company and the latter being the extinguishing company. The record date for the merger was August 31, 2024.	

(II) Significant transactions with related parties

1. Operating Revenue

	<u>2024</u>	<u>2023</u>
Sale of goods:		
Other related parties		
- WUXI TECO	\$ 3,272	\$ 3,671
- Taian Technology	1,491	1,827
- Jiangxi TECO	889	739
- Shanghai TECO	363	1,514
- Wuxi TECO Precision	78	851
- Jiangxi TECO Air Conditioning	448	402
- Others	290	235
Sale of services:		
Parent company	218,927	209,361
Other related parties		
- Taiwan Pelican Express	34,994	34,084
- WUXI TECO	16,185	19,691

- Others	<u>95,348</u>	<u>99,566</u>
Total	<u>\$ 372,285</u>	<u>\$ 371,941</u>

- (1) There are no significant differences in the transaction prices and payment terms of sales revenue in the transactions with non-associates, and the payment period is 60 to 90 days.
- (2) Service transactions include software business contracts, including enterprise resource planning and logistics outsourcing systems. Most of them are individual projects. Therefore, the contract price is determined by negotiation between both parties. The payment period is usually 30 to 120 days, and there are no significant differences in transactions with non-associates.

## 2. Purchase

	<u>2024</u>	<u>2023</u>
Purchase of materials:		
Parent company	\$ -	\$ 940
Associates		
- Tension Envelope	2,017	2,595
Purchase of services:		
Parent company	2,398	1,933
Other related parties		
- Technical Information International	10,939	11,443
- Taiwan Pelican Express	2,327	2,400
- Others	<u>679</u>	<u>1,943</u>
Total	<u>\$ 18,360</u>	<u>\$ 21,254</u>

- (1) No other transactions of the same types are available for comparison in terms of the purchase price and payment terms with associates, so such price and terms are decided in accordance with the contracts between both parties.
- (2) The purchase of services from the parent company is mainly personnel support for operational needs, and there are no similar types of transactions for comparison. The payment period is an open account with net 30 to 60 days.
- (3) The purchase of services from other related parties is personnel support, consulting fees, and freight for operational needs. The price conditions are roughly the same as those with general suppliers. The payment period is open account with net 30 to 60 days.

## 3. Receivables from related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable:		
Parent company	\$ 57,700	\$ 43,974
Other related parties		
- Teco Italy	14,639	-
- Taiwan Pelican Express	4,732	2,866
- WUXI TECO	2,432	6,330
- A-Ok	5,524	1,909
- Others	<u>12,509</u>	<u>19,681</u>
Subtotal	<u>97,536</u>	<u>74,760</u>
Other receivables – others:		
Other related parties		
- Others	<u>13</u>	<u>-</u>
Subtotal	<u>13</u>	<u>-</u>
Total	<u>\$ 97,549</u>	<u>\$ 74,760</u>

(1) Receivables from related parties mainly come from the provision of relevant services, including information software, data processing, and electronic information supply.

(2) Other receivables from related parties mainly include the out-of-pocket expenses for telecommunications fees.

#### 4. Payables to related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts payable:		
Parent company	\$ 198	\$ 216
Other related parties		
- Technical Information International	1,676	6,774
- Taiwan Pelican Express	260	699
- Tecnos International	144	347
- Others	32	68
Associates		
- Tension Envelope	<u>569</u>	<u>533</u>
Subtotal	<u>2,879</u>	<u>8,637</u>
Other payables – others:		
Parent company	1,833	2,365
Other related parties		
- Others	<u>26</u>	<u>16</u>
Subtotal	<u>1,859</u>	<u>2,381</u>
Total	<u>\$ 4,738</u>	<u>\$ 11,018</u>

#### 5. Lease transaction – lessee

(1) The Group has leased buildings from the parent company and Taian Technology. The lease terms are 2023 and 2024, with monthly payments.

(2) Rental expenses

	<u>2024</u>	<u>2023</u>
Parent company	\$ 6,303	\$ 6,303
Taian Technology	<u>385</u>	<u>323</u>
Total	<u>\$ 6,688</u>	<u>\$ 6,626</u>

(III) Information on remuneration to key management personnel

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 23,426	\$ 21,054
Benefits after severance/retirement	<u>673</u>	<u>721</u>
Total	<u>\$ 24,099</u>	<u>\$ 21,775</u>

VIII. Pledged assets

The details of the assets pledged by the Group as collateral are as follows:

<u>Assets</u>	<u>Carrying amount</u>		<u>Purpose of collateral</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>	
Financial assets measured at amortized cost - current	\$ 3,375	\$ 521	Business performance bond
Financial assets measured at amortized cost - non-current	<u>178</u>	<u>246</u>	"
Total	<u>\$ 3,553</u>	<u>\$ 767</u>	

IX. Material contingent liabilities and unrecognized contractual commitments

(I) Contingency

N/A.

(II) Commitments

For the operating lease agreements, please refer to Note 7(2)5.

X. Major Disaster Loss

N/A.

## XI. Material events after the balance sheet date

N/A.

## XII. Others

### (I) Capital management

The Group's capital management objectives are to ensure that the Group can continue as a going concern, maintain the best capital structure to meet the needs for equipment, and provide dividends to shareholders. Therefore, the Group's capital management aims to ensure that it has the necessary financial resources and operating plans to maintain or adjust the capital structure to respond to the operating capital, capital expenditures, research and development expenses, debt repayment, and dividend payments required in the following year.

### (II) Financial instruments

#### 1. Type of financial instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets at fair value through other comprehensive income		
Investment in designated equity instruments selected	\$ 34,724	\$ 32,524
Financial assets measured at amortized cost		
Cash and cash equivalent	301,109	306,754
Financial assets measured at amortized cost	16,657	1,372
Notes receivable	4,049	6,362
Accounts receivable (including from related parties)	342,998	346,356
Other receivables (including from related parties)	7,874	5,332
Refundable deposits	11,497	8,890
Long-term accounts receivable	<u>70,346</u>	<u>98,363</u>
	<u>\$ 789,254</u>	<u>\$ 805,953</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost		
Notes payable	\$ 540	\$ 720
Accounts payable (including to related parties)	257,570	296,293

Other payables (including to related parties)	68,122	78,234
Deposit received	<u>397</u>	<u>397</u>
	<u>\$ 326,629</u>	<u>\$ 375,644</u>
Lease liabilities	<u>\$ 4,854</u>	<u>\$ 9,489</u>

## 2. Risk management policy

- (1) The daily operations of the Group are affected by a number of financial risks, including market risks (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk. The overall risk management policy of the Group focuses on unpredictable events in the financial market and seeks to reduce the potential adverse effects on the Group's financial position and financial performance.
- (2) Risk management is carried out by the Group's finance department in accordance with the policy approved by the board of directors. The Group's finance department is responsible for identifying, evaluating, and avoiding financial risks through close collaboration with the Group's operating units. The board of directors has formulated principles for overall risk management, and also provided written policies for specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and investment using remaining liquidity.

## 3. Nature and level of material financial risks

### (1) Market risk

#### Exchange rate risk

- A. The Group operates its business transnationally, so it is subject to the exchange rate risk arising from transactions in currencies different from the functional currencies (mainly USD and CNY) used by the Company and its subsidiaries. Exchange rate risk arises from future business transactions and assets and liabilities recognized.
- B. The Group's business involves a number of non-functional currencies. Therefore, it is affected by exchange rate fluctuations. Information on foreign currency assets and liabilities with significant exchange rate fluctuations is as follows:

	<u>December 31, 2024</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Book amount</u>
	<u>(in thousands)</u>		<u>(NTD)</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,066	32.785	\$ 34,949
AUD:NTD	81	20.39	1,652

<u>Non-monetary items</u>			
USD:NTD	1,058	32.785	34,677
<u>December 31, 2023</u>			
	<u>Foreign currency</u>		<u>Book amount</u>
	<u>(in thousands)</u>	<u>Exchange rate</u>	<u>(NTD)</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 511	30.71	\$ 15,693
<u>Non-monetary items</u>			
USD:NTD	1,058	30.71	32,491

- C. Exchange rate fluctuations have a significant influence on the Group's monetary items. The aggregate amounts of all exchange gains (including realized and unrealized) recognized for 2024 and 2023 were NT\$1,743 and NT\$117.
- D. The Group's foreign currency market risk analysis due to significant influence of exchange rate fluctuations is as follows:

<u>2024</u>				
<u>Sensitivity analysis</u>				
	<u>Exchange rate</u>	<u>Effect on pre-tax profit</u>	<u>Effect on other</u>	
	<u>band</u>	<u>and loss</u>	<u>comprehensive income</u>	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:N	1%	\$ 349	\$	-
TD				
AUD:N	1%	17		-
TD				

<u>2023</u>				
<u>Sensitivity analysis</u>				
	<u>Exchange rate</u>	<u>Effect on pre-tax profit</u>	<u>Effect on other</u>	
	<u>band</u>	<u>and loss</u>	<u>comprehensive income</u>	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:N	1%	\$ 157	\$	-
TD				

Price risk

- A. The Group's equity instruments exposed to price risk are financial assets held at fair value through other comprehensive income. In order to manage the price risk

of equity instrument investment, the Group has diversified its investment portfolio, and the method of the diversification is based on the limits set by the Group.

- B. The Group mainly invests in equity instruments issued by domestic and foreign companies, and the prices of these equity instruments are affected by the uncertainty of the future values of said instruments. If the price of said equity instruments rose or fell by 1%, with all other factors remaining unchanged, the other comprehensive income would have increased or decreased by both NT\$350 and NT\$325 for 2024 and 2023 because of the gains or losses on the equity instrument investment at fair value through other comprehensive income.

(2) Credit risk

- A. The credit risk of the Group is the risk of financial loss suffered by the Group arising from the failure of customers or counterparties of financial instruments to fulfill contractual obligations. It mainly comes from counterparties' inability to settle accounts receivable in accordance with the payment terms, and the contractual cash flow of debt instrument investment classified as measured at amortized cost, at fair value through other comprehensive income, and at fair value through profit and loss.
- B. The Group has established credit risk management from the Group's perspective. In accordance with the internal credit policy, each operating entity within the Group must conduct management and credit risk analysis of each new customer before deciding payment and delivery terms and conditions. The internal risk control system evaluates the credit quality of customers by considering their financial positions, past experience, and other factors. The credit facilities with respect to individual risks are determined by the Board of Directors pursuant to internal and external rating. Use of the credit facilities is monitored on a regular basis.
- C. The Group, in accordance with the credit risk management procedures, deems contract payments that are overdue for more than 365 days according to the agreed payment terms or show signs that the debt cannot be repaid to be in default.
- D. The Company adopts IFRS 9 to set the following assumptions as the basis for judging whether the credit risk of financial instruments has increased significantly since initial recognition:  
When a contract payment is overdue for more than 30 days in accordance with the agreed payment terms, it is deemed that the credit risk of a financial asset has increased significantly since the initial recognition.
- E. The indicators used by the Group to determine investment in debt instruments as credit impairment are as follows:
  - (A) The issuer has encountered major financial difficulties, or has an increased

- possibility of going into bankruptcy or other financial restructuring;
- (B) The active market of financial assets disappears due to financial difficulties of the issuer;
- (C) The issuer's delay or non-payment of interest or principal;
- (D) Any adverse changes in national or regional economic situations that lead to breach of contract on the side of the issuer.
- F. The Group groups customers' accounts receivable according to the characteristics of trade credit risk, and adopts a simplified approach to estimate expected credit losses based on the loss rate method.
- G. After the recourse procedures, the Group provides loss allowance and recognizes overdue receivables for the amount of the financial asset that cannot be reasonably expected to be recovered. However, the Group will continue to carry out the legal recourse procedures to preserve the creditor's rights. The Group's claims for which loss allowance has been provided with recourse activities still underway was NT\$0 on both December 31, 2024 and 2023.
- H. The Group has included forward-looking considerations for the future and adjusted the loss rate established based on historical and current information for a specific period to estimate the loss allowance for notes receivable (including related parties), accounts receivable (including related parties), and long-term notes and accounts receivable (including related parties). The loss rate method as of December 31, 2024 and 2023, is as follows:

	<u>Not past due</u>	<u>Within 30 days</u>	<u>31-90 days</u>	<u>Over 91 days</u>	<u>Individual assessment</u>	<u>Total</u>
<u>December 31, 2024</u>						
Expected loss rate	0%~1%	0%~10%	0%~10%	0%~45%	100%	
Total carrying amount	#####	\$ 300	\$ 8,148	\$ 2,181	\$ -	#####
Loss allowance	\$ 327	\$ 25	\$ 731	\$ 905	\$ -	\$ 1,988
	<u>Not past due</u>	<u>Within 30 days</u>	<u>31-90 days</u>	<u>Over 91 days</u>	<u>Individual assessment</u>	<u>Total</u>
<u>December 31, 2023</u>						
Expected loss rate	0%~1%	0%~10%	0%~20%	0%~40%	100%	
Total carrying amount	#####	\$ 9,554	\$ 6,942	\$ 139	\$ -	#####
Loss allowance	\$ 129	\$ 682	\$ 1,171	\$ 6	\$ -	\$ 1,988

- I. The table of the changes in the Group's simplified loss allowance for accounts receivable is as follows:

2024

2023

	<u>Accounts receivable</u>	<u>Accounts receivable</u>
January 1	\$ 1,988	\$ 24,038
Unrecoverable written-off amount	<u>-</u>	<u>( 22,050)</u>
December 31	<u>\$ 1,988</u>	<u>\$ 1,988</u>

(3) Liquidity risk

- A. The cash flow forecast is executed by each operating entity in the Group and is compiled by the Group's finance department. The Group's finance department monitors the forecast of the Group's liquidity requirements to ensure that it has sufficient funds to meet operational needs, and maintains sufficient available credit limits at all times so that the Group does not violate the relevant borrowing limits or terms. The forecast considers the Group's debt financing plan, compliance with debt terms, compliance with the financial ratio targets of the internal balance sheet, and the requirements of external regulatory laws.
- B. As of December 31, 2024 and 2023, the Group's available credit limit was NT\$590,471 and NT\$507,331, respectively.
- C. The following table shows the Group's non-derivative financial liabilities and derivative financial liabilities that are settled on a net or total basis, grouped according to the relevant maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contract maturity date. Derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the expected maturity date. The contractual cash flows disclosed in the table below are the undiscounted amounts.

December 31, 2024	<u>Less than one year</u>	<u>1–5 years</u>	<u>Over 5 years</u>	<u>Total</u>
<u>Non-derivative financial liabilities:</u>				
Notes payable	\$ 540	\$ -	\$ -	\$ 540
Accounts payable (including to related parties)	257,570	-	-	257,570
Other payables (including to related parties)	68,122	-	-	68,122
Lease liabilities	3,677	1,177	-	4,854
Deposit received	397	-	-	397

December 31, 2023	<u>Less than one year</u>	<u>1–5 years</u>	<u>Over 5 years</u>	<u>Total</u>
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Non-derivative financial liabilities:

Notes payable	\$ 720	\$ -	\$ -	\$ 720
Accounts payable (including to related parties)	296,293	-	-	296,293
Other payables (including to related parties)	78,234	-	-	78,234
Lease liabilities	4,612	4,877	-	9,489
Deposit received	397	-	-	397

(III) Fair value information

- The fair value levels of the financial instruments and non-financial instruments measured using the valuation technique are defined as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date. An active market refers to a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the stocks listed on an exchange or over-the-counter market, invested in by the Group, belongs to this level.

Level 2: Inputs, other than quoted market prices within Level 1 that are observable, either directly or indirectly, for assets or liabilities.

Level 3: Unobservable inputs for assets or liabilities. The Group's equity instrument investments without active markets belong to this level.

- Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, notes payable, accounts payable, and other payables are reasonable approximations of the fair values.

- Financial and non-financial instruments measured at fair value are classified by the Group based on the nature, characteristics, risk, and the level of fair value of assets and liabilities. The relevant information is as follows:

- The Group's classification is based on the nature of assets and liabilities. The relevant information is as follows:

On December 31, 2024, the recurring fair value of the total of assets under Level 1, Level 2 and Level 3 and financial assets/equity securities at fair value through other comprehensive income were \$ - \$ - \$ 34,724 \$ 34,724

On December 31, 2023, the recurring fair value of the total of assets under Level 1, Level 2 and Level 3 and financial assets/equity securities at fair value through other comprehensive income were \$ - \$ - \$ 32,524 \$

32,524

- (2) The methods and assumptions used by the Group to measure fair value are as follows:
- A. The Group has used quoted market prices as fair value inputs (i.e., Level 1), listed below by the characteristics of instruments:

Quoted market price	<u>TWSE/TPEX listed stocks</u> Closing price
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- B. Except for the above-mentioned financial instruments with active markets, the fair value of other financial instruments is obtained through valuation techniques or with reference to the quoted prices of counterparties. For the fair value obtained through the valuation techniques, the Group refers to the current fair value of other financial instruments with similar conditions and characteristics, the discounted cash flow method, or other valuation techniques, including calculations using models based on the market information available at the consolidated balance sheet date (e.g. the yield curve published by Taipei Exchange and the average quoted price of Reuters commercial paper benchmark).
- C. When evaluating non-standard and less complex financial instruments, such as debt instruments, interest rate swap contracts, foreign exchange swap contracts, and options, all without active markets, the Group adopts the valuation techniques widely used by market participants. The parameters used in the valuation models for such financial instruments are usually information observable in the market.
- D. The output of the valuation models is an estimated value, and the valuation techniques may not reflect all the relevant factors of the financial instruments and non-financial instruments held by the Group. Therefore, the estimated value of the valuation models will be appropriately adjusted according to additional parameters, such as model risk or liquidity risk. According to the Group's fair value valuation model management policies and relevant control procedures, the management believes that in order to properly express the fair value of financial instruments and non-financial instruments in the consolidated balance sheet, valuation adjustments are appropriate and necessary. The price information and parameters used in the evaluation process are carefully evaluated and appropriately adjusted according to current market conditions.
- E. The Group incorporates credit risk valuation adjustments into the calculation of the fair value of financial instruments and non-financial instruments to reflect a counterparty's credit risk and the credit quality of the Group.
4. There were no transfers between Level 1 and Level 2 fair value in 2024 and 2023.
5. The table below shows the changes in Level 3 fair value in 2024 and 2023:

	<u>2024</u>	<u>2023</u>
	<u>Equity instruments</u>	<u>Equity instruments</u>
January 1	\$ 32,524	\$ 32,530
Exchange rate effect	<u>2,200</u>	<u>( 6)</u>
December 31	<u>\$ 34,724</u>	<u>\$ 32,524</u>

6. In the Group's valuation process for fair value classified as Level 3, the investment department is responsible for independent fair value verification for financial instruments, uses data from independent sources to make the valuation results close to the market level, and confirms that the source of the data is independent, reliable, consistent with other resources, and representative of the executable price, while regularly calibrating the valuation model, conducting back-testing, updating the inputs and data required by the valuation model, and making any other necessary fair value adjustments to ensure that the valuation results are reasonable.
7. The quantitative information on the significant unobservable inputs of the valuation model used in the Level 3 fair value measurement and the sensitivity analysis of the significant unobservable input change are explained as follows:

	<u>Fair value on</u> <u>December 31,</u> <u>2024</u>	<u>Valuation</u> <u>technique</u>	<u>Significant</u> <u>unobservable</u> <u>inputs</u>	<u>Interval</u> <u>(weighted</u> <u>average)</u>	<u>Relation between input</u> <u>and fair value</u>
Non-derivative equity instruments:					
Unlisted stock	\$ 34,724	Comparable public company approach	Market multiples	20.78%	The higher the multiple, the higher the fair value.
			Liquidity discount	35.00%	The higher the discount, the lower the fair value.

	<u>Fair value on</u> <u>December 31,</u> <u>2023</u>	<u>Valuation</u> <u>technique</u>	<u>Significant</u> <u>unobservable</u> <u>inputs</u>	<u>Interval</u> <u>(weighted</u> <u>average)</u>	<u>Relation between input</u> <u>and fair value</u>
Non-derivative equity instruments:					
Unlisted stock	\$ 32,524	Comparable public company approach	Market multiples	20.78%	The higher the multiple, the higher the fair value.
			Liquidity discount	35.00%	The higher the discount, the lower the fair value.

8. The Group has selected the valuation model and valuation parameters after careful evaluation, but different valuation results may occur due to the use of different valuation models or valuation parameters. For financial assets and financial liabilities classified as Level 3, if the valuation parameters change, the effect on the current profit and loss or other comprehensive income is as follows:

		<u>December 31, 2024</u>				
		<u>Recognized in profit or loss</u>		<u>Recognition in other comprehensive income</u>		
	<u>Input</u>	<u>Change</u>	<u>Favorable change</u>	<u>Adverse change</u>	<u>Favorable change</u>	<u>Adverse change</u>
Financial assets						
Equity instruments	Discounts and market multiples for lack of market liquidity	±1%	\$ -	\$ -	\$ 347	(\$ 347)

		<u>December 31, 2023</u>				
		<u>Recognized in profit or loss</u>		<u>Recognition in other comprehensive income</u>		
	<u>Input</u>	<u>Change</u>	<u>Favorable change</u>	<u>Adverse change</u>	<u>Favorable change</u>	<u>Adverse change</u>
Financial assets						
Equity instruments	Discounts and market multiples for lack of market liquidity	±1%	\$ -	\$ -	\$ 325	(\$ 325)

### XIII. Additional Disclosures

#### (I) Information on material transactions

1. Funds lent to others: N/A.
2. Endorsements/guarantees provided to others: N/A.
3. Marketable securities held at the end of the period (excluding investment in subsidiaries, associates, and joint ventures): Please refer to Table 1.
4. Marketable securities acquired or sold amounting to at least NT\$300 million or 20% of the

paid-in capital: N/A.

5. Acquisition of real estate amounting to at least NT\$300 million or 20% of the paid-in capital: N/A.
6. Disposal of real estate amounting to at least NT\$300 million or 20% of the paid-in capital: N/A.
7. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Please refer to Table 2.
8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: N/A.
9. Trading in derivative instruments: N/A.
10. Business relations and important transactions between parent company and subsidiaries and among subsidiaries and amounts: Please refer to Table 3.

(II) Information related to reinvested enterprises

Information on names and locations of investees (excluding investees in China): Please refer to Table 4.

(III) Information on Investment in China

1. Basic information: Please refer to Table 5.
2. Significant transactions with investees in China, either directly or indirectly, through a business in a third region: N/A.

(IV) Information on major shareholders

Information on major shareholders: Please refer to Table 6.

XIV. Segment Information

(I) General information

The management of the Group has identified the segments to be reported based on the information to be reported used by the board of directors in making decisions. The Group's board of directors adopts the overall financial information and financial ratios of the Group as indicators for performance evaluation. Therefore, the Group has been identified as a single segment to be reported.

(II) Measurement of segment information

The accounting policies for the business segment of the Group are the same as the summary of significant accounting policies described in Note 4. The chief operating decision-maker of the Group evaluates the performance of the business segment based on the business segment's

revenue achievement rate and net operating income achievement rate.

(III) Information on profit or loss, assets and liabilities of the segment and reconciliation information

As the Group's information on profit or loss, assets, and liabilities of the segment is consistent with that in the main financial report, and it is a single segment to be reported, no reconciliation is required.

Information Technology Total Services Co., Ltd.

Marketable Securities Held at the End of the Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures)

December 31, 2024

Table 1

Unit: NTD thousand  
(Unless otherwise specified)

<u>Holder</u>	<u>Type and name of marketable securities</u> (Note 1)	<u>Relationship with Securities</u> <u>Issuer (Note 2)</u>	<u>Financial</u> <u>Statement</u> <u>Account</u>	<u>End of Period</u>			<u>Fair value</u>	<u>Remarks</u>
				<u>Number of shares</u>	<u>Carrying amount</u> (Note 3)	<u>Shareholding</u> <u>percentage</u>		
Information Technology Total Services Co., Ltd.	Dynacomware Corporation	N/A	Financial asset at FVTOCI – non-current	31	\$ 47	1.43%	\$ 47	Note 4
Information Technology Total Service(BVI) Co., Ltd	Live ABC Interactive Corporation	N/A	Financial asset at FVTOCI – non-current	3,238	34,677	14.58%	34,677	Note 4

Note 1: The securities mentioned in this table refer to stocks, bonds, beneficiary certificates, and securities derived from the items above that fall within the scope of IFRS 9 “Financial Instruments.”

Note 2: If the securities issuer is not a related party, this column may be skipped.

Note 3: For those measured at fair value, please fill in the carrying amount after fair value valuation adjustment and deduction of accumulated impairment losses in the box of carrying amount; for those not measured at fair value, please fill in the original acquisition cost or amortized cost less accumulated impairment losses in the box of carrying amount.

Note 4: None of the above-mentioned securities is pledged.

Information Technology Total Services Co., Ltd.

Total Purchases from or Sales to Related Parties Amounting to at least NT\$100 Million or 20% of the Paid-in Capital

January 1 to December 31, 2024

Table 2

Unit: NTD thousand  
(Unless otherwise specified)

<u>Company</u>	<u>Name of Counterparty</u>	<u>Relationship</u>	<u>Purchase (Sale)</u>	<u>Amount</u>	<u>Transaction Status</u>		<u>Unit Price</u>	<u>Credit period</u>	<u>Trading conditions distinct from those of general transactions and reasons thereof</u>	<u>Notes/Accounts Receivable (Payable)</u>	<u>Balance</u>	<u>As a Percentage of Total Notes/Accounts Receivable (Payable)</u>	<u>Remarks</u>
					<u>As a Percentage of Total Purchases (Sales)</u>	<u>Credit period</u>							
Information Technology Total Services Co., Ltd.	TECO Electric and Machinery Co., Ltd.	Investor that measures the Company using the equity method	Service revenue	\$ (218,927)	18.45%	Sales revenue: Open account with net 60–90 days. Service revenue: Open account with net 30–60 days.	Normal	Note		\$ 57,700	16.63%		

Note: The transaction conditions and prices are handled in accordance with the conditions agreed by both parties, and the payment conditions are the same as those for general customers.

Information Technology Total Services Co., Ltd.

Business Relations and Important Transactions Between Parent Company and Subsidiaries and Among Subsidiaries and Amounts  
January 1 to December 31, 2024

Table 3

Unit: NTD thousand  
(Unless otherwise specified)

<u>No. (Note 1)</u>	<u>Name of Transaction Party</u>	<u>Counterparty</u>	<u>Relationship with the counterparty (Note 2)</u>	<u>Account title</u>	<u>Amount</u>	<u>Transaction Status</u>		<u>As a Percentage of Total Consolidated Revenue or Assets (Note 3)</u>
						<u>Transaction Conditions</u>		
0	Information Technology Total Services Co., Unison Service Corporation Ltd.		Parent to subsidiary	Service costs	\$ 97,605	Note 4		8.23%
0	Information Technology Total Services Co., Universal Mail Service Ltd.		Parent to subsidiary	Cost of the goods sold	77,793	Note 4		6.56%
0	Information Technology Total Services Co., Universal Mail Service Ltd.		Parent to subsidiary	Service costs	12,489	Note 4		1.05%

Note 1: The information about transactions between the parent and the subsidiaries shall be noted in the following manner:

(1) The parent company is coded "0."

(2) The subsidiaries are coded sequentially beginning from "1" by each individual company.

Note 2: The relationship with the trader may be categorized into the following 3 types. The schedule only discloses the information about unilateral transactions (It is not necessary to disclose the same transaction between parent company and subsidiary or between subsidiaries repeatedly. For example, if the parent company has disclosed the transaction with a subsidiary, the subsidiary does not need to disclose said transaction again; if the subsidiary has disclosed the transaction with one of the parent company's subsidiaries, the other subsidiary need not disclose said transaction again):

(1) Parent to subsidiary.

(2) Subsidiary to parent.

(3) Between subsidiaries.

Note 3: The percentage of the amount of transaction to the consolidated total operating revenue or total assets shall be computed as the ending balance to the consolidated total assets, in the case of assets and liabilities, or as the interim accumulated amount to the consolidated total operating revenue, in the case of profit or loss.

Note 4: There is no comparable transaction of the same type, and the price is handled according to the method agreed between both parties, and the payment term is open account with net 90 days. Service costs refer to the labor support, consulting fees and freight costs required for operations. There are no comparable transactions of the same type. The transaction price and payment terms are determined by the negotiation between both parties.

Information Technology Total Services Co., Ltd.  
Information on Names and Locations of Investees (Excluding Investees in China)  
January 1 to December 31, 2024

Table 4

Unit: NTD thousand  
(Unless otherwise specified)

<u>Name of investor</u>	<u>Name of Investee</u> (Notes 1 and 2)	<u>Address</u>	<u>Principal business</u>	<u>Original investment cost</u>		<u>Holdings at End of Period</u>			<u>Investment Gains or Losses</u>		
				<u>End of the Current Period</u>	<u>End of Last Year</u>	<u>Number of shares</u>	<u>Percentage</u>	<u>Carrying amount</u>	<u>Current income of the investee</u>	<u>Recognized for Current Period</u>	<u>Remarks</u>
Information Technology Total Services Co., Ltd.	Tension Envelope Taiwan Corporation	Taiwan	Envelope production and paper trading business	\$ 25,000	\$ 25,000	2,500	50.00%	\$ 43,221	\$ 11,435	\$ 5,717	Note 1
Information Technology Total Services Co., Ltd.	Universal Mail Service Ltd.	Taiwan	Postal information integration and bill printing outsourcing services	13,000	13,000	1,560	100.00%	27,980	6,621	6,682	Notes 1 and 4
Information Technology Total Services Co., Ltd.	Unison Service Corporation	Taiwan	Customer relationship management services and consulting services for customer service center establishment	17,000	17,000	1,700	100.00%	29,673	11,003	11,003	Note 1
Information Technology Total Services Co., Ltd.	Information Technology Total Service (BVI) Co., Ltd.	British Virgin Islands	Investment holding company	48,424	48,424	1,541	100.00%	95,641	9,534	9,534	Notes 1, 2, and 3
Information Technology Total Services Co., Ltd.	An-Hui Information Technology Co., Ltd.	Taiwan	Manufacture of computers and peripherals, retail, and other consulting services	3,000	3,000	300	15.00%	3,648	1,858	279	Note 1

Note 1: Investee recognized under the equity method.

Note 2: The original currency of the original investment amount of Information Technology Total Service (BVI) Co., Ltd. was US\$1,541 thousand.

Note 3: As of the current period, Information Technology Total Service (BVI) Co., Ltd. has repatriated investment income of US\$800 thousand.

Note 4: The investment gain or loss recognized in the current period includes the write-off and realized gain on sales of the subsidiary of NT\$61.

Information Technology Total Services Co., Ltd.

Information on Investments in China – Basic Information

January 1 to December 31, 2024

Table 5

Unit: NTD thousand  
(Unless otherwise specified)

<u>Name of Investee in</u>	<u>Principal business</u>	<u>Paid-in Capital</u>	<u>Investment Method</u> (Note 1)	<u>Amount of Investment Remitted or Recovered in Current Period</u>			<u>Accumulated investment amount remitted from Taiwan at the beginning of the period</u>	<u>Outward Remitted</u>	<u>Repatriated</u>	<u>Accumulated investment amount remitted from Taiwan at the end of the period</u>	<u>Current income of the investee</u>	<u>Shareholding ratio of the Company's direct or indirect investment</u>	<u>Investment Gains (Losses) Recognized for Current Period</u> (Note 2)	<u>Carrying Amount of Investment, End of Period</u>	<u>Accumulated Repatriation of Investment Income as of End of Period</u>	<u>Remarks</u>
				<u>remitted from Taiwan at the beginning of the period</u>	<u>Remitted</u>	<u>Repatriated</u>										
Information Technology (WUXI) Co., Ltd.	ERP establishment, system maintenance, and information equipment procurement	\$ 10,167	2	\$10,167	\$ -	\$ -	\$10,167	\$ 5,700	100%	\$ 5,700	\$ 40,938	\$ -				

Note 1: Investment methods are divided into the following three types. Please mark the type only:

- (1) Direct investment in Mainland China
- (2) Indirect investment in Mainland China through a business in a third region (Information Technology Total Service (BVI) Co., Ltd)

Note 2: The profit or loss is recognized in the financial statements audited by the external auditors appointed by the parent company in Taiwan.

Note 3: The relevant figures in this table shall be presented in New Taiwan dollars.

<u>Company name</u>	<u>Accumulated amount of investment in China remitted from Taiwan at the end of the period</u>	<u>Amount of investment approved by the Investment Commission, MOEA</u>	<u>The limit of investment in China set by the Investment Commission, MOEA</u>
Information Technology Total Services Co., Ltd.	\$10,167 (USD\$300)	\$10,167 (USD\$300)	\$ 359,188

Note 4: Relevant figures in this table shall be presented in New Taiwan dollars. For accounts of assets and liabilities: CNY is calculated at an exchange rate of CNY1 to NT\$4.478; USD is calculated at an exchange rate of US\$1 to NT\$32.7850. For the profit or loss account: CNY is calculated at an exchange rate of CNY1 to NT\$4.4639; USD is calculated at an exchange rate of US\$1 to NT\$32.1654.

Note 5: According to the amendment to regulations made by the Investment Commission per the Order Jing-Sheng-Ji-Zi No. 09704604680 dated August 29, 2008, the limit on the cumulative amount of investment in mainland China is the net value or 60% of the combined net value, whichever is higher.

Information Technology Total Services Co., Ltd.

Information on major shareholders

December 31, 2024

Table 6

	<u>Name of major shareholder</u>	<u>Number of Shares Held (Unit: Shares)</u>	<u>Shares</u>	<u>Shareholding percentage</u>
	TECO Electric and Machinery Co., Ltd.	11,467,248		41.97%
	Advantech Co., Ltd.	3,527,273		12.90%
	Tong-An Investment Co., Ltd.	1,841,250		6.73%