

## **Nextlink Technology Co., Ltd.**

**Parent Company Only Financial Statements for the  
Years Ended December 31, 2024 and 2023 and  
Independent Auditors' Report**

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Stockholders  
Nextlink Technology Co., Ltd.

### **Opinion**

We have audited the accompanying parent company only financial statements of Nextlink Technology Co., Ltd. (the “Company”), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the “parent company only financial statements”).

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the parent company only financial statements for the year ended December 31, 2024 is described as follows:

#### Occurrence of Operating Revenue from Specific Customers

The Company's operating revenue mainly comes from the provision of information services. Considering that operating revenue is related to the management's performance, the occurrence of operating revenue involves higher inherent risk. Therefore, after evaluation, we have identified the occurrence of revenue from customers with specific characteristics as a key audit matter.

We have performed the following key audit procedures regarding the above matter:

1. Understand the internal control relevant to the occurrence of information service revenue from customers with specific characteristics, and test the design and operating effectiveness of these controls.
2. Perform sampling tests on relevant revenue transactions, including inspecting the evidence of service delivery, verifying whether the service recipient and the entity that paid for the service are the same, assessing the subsequent collection of accounts receivable related to the service provided, and reviewing the subsequent revenue sub-ledger to ensure no significant discounts occurred, to confirm that revenue from customers with specific characteristics indeed occurred.

#### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yen-Chun Chen and Yung-Hsiang Chao.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 5, 2025

#### Notice to Readers

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

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

# NEXTLINK TECHNOLOGY CO., LTD.

## PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4, 6 and 24)	\$ 427,681	44	\$ 189,307	26
Notes receivable (Notes 4, 5 and 7)	8,043	1	7,459	1
Accounts receivable, net (Notes 4, 5 and 7)	151,730	15	134,543	19
Accounts receivable - related parties (Notes 4, 5, 7 and 24)	30,275	3	35,698	5
Other receivables - related parties (Note 24)	-	-	10,829	1
Current tax assets (Note 4)	2,667	-	-	-
Inventories (Note 4)	114	-	48	-
Prepaid expenses (Note 8)	64,369	7	128,355	18
Other current assets	<u>49</u>	<u>-</u>	<u>11</u>	<u>-</u>
Total current assets	<u>684,928</u>	<u>70</u>	<u>506,250</u>	<u>70</u>
<b>NONCURRENT ASSETS</b>				
Investments accounted for using the equity method (Notes 4 and 9)	282,639	29	177,197	25
Property, plant and equipment (Notes 4 and 10)	606	-	4,118	1
Right-of-use assets (Notes 4 and 11)	-	-	16,061	2
Other intangible assets (Notes 4 and 12)	6	-	486	-
Deferred income tax assets (Notes 4 and 18)	2,195	-	3,169	-
Refundable deposits	3,951	-	3,493	-
Other noncurrent assets (Note 8)	<u>5,463</u>	<u>1</u>	<u>11,899</u>	<u>2</u>
Total noncurrent assets	<u>294,860</u>	<u>30</u>	<u>216,423</u>	<u>30</u>
<b>TOTAL</b>	<u>\$ 979,788</u>	<u>100</u>	<u>\$ 722,673</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Contract liabilities - current (Note 16)	\$ 78,317	8	\$ 132,435	18
Accounts payable	149,452	15	133,840	19
Accounts payable - related parties (Note 24)	1,945	-	4,306	1
Other payables (Notes 13 and 24)	74,167	8	59,173	8
Current tax liabilities (Note 4)	-	-	3,194	-
Lease liabilities - current (Notes 4 and 11)	-	-	14,966	2
Other current liabilities	<u>10,767</u>	<u>1</u>	<u>12,706</u>	<u>2</u>
Total current liabilities	<u>314,648</u>	<u>32</u>	<u>360,620</u>	<u>50</u>
<b>NONCURRENT LIABILITIES</b>				
Contract liabilities - noncurrent (Note 16)	5,932	1	7,414	1
Deferred income tax liabilities (Notes 4 and 18)	27,062	3	14,814	2
Net defined benefit liabilities - noncurrent (Notes 4 and 14)	484	-	-	-
Guarantee deposits received	<u>3,374</u>	<u>-</u>	<u>3,336</u>	<u>-</u>
Total noncurrent liabilities	<u>36,852</u>	<u>4</u>	<u>25,564</u>	<u>3</u>
Total liabilities	<u>351,500</u>	<u>36</u>	<u>386,184</u>	<u>53</u>
<b>EQUITY (Notes 4 and 15)</b>				
Common stock	221,005	22	200,115	28
Capital surplus	255,519	26	32,399	5
Retained earnings				
Legal reserve	20,632	2	11,599	2
Unappropriated earnings	123,175	13	90,431	12
Other equity	<u>7,957</u>	<u>1</u>	<u>1,945</u>	<u>-</u>
Total equity	<u>628,288</u>	<u>64</u>	<u>336,489</u>	<u>47</u>
<b>TOTAL</b>	<u>\$ 979,788</u>	<u>100</u>	<u>\$ 722,673</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

# NEXTLINK TECHNOLOGY CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 16 and 24)	\$ 1,253,966	100	\$ 1,167,312	100
OPERATING COSTS (Notes 4, 17 and 24)	<u>(1,096,013)</u>	<u>(87)</u>	<u>(1,023,484)</u>	<u>(88)</u>
GROSS PROFIT	<u>157,953</u>	<u>13</u>	<u>143,828</u>	<u>12</u>
OPERATING EXPENSES (Notes 4, 17 and 24)				
Marketing	(113,624)	(9)	(88,120)	(8)
General and administrative	(100,009)	(8)	(90,974)	(8)
Research and development expenses	(23,660)	(2)	(17,531)	(1)
Expected credit gains (losses)	<u>966</u>	<u>-</u>	<u>(4,873)</u>	<u>-</u>
Total operating expenses	<u>(236,327)</u>	<u>(19)</u>	<u>(201,498)</u>	<u>(17)</u>
OPERATING INCOME	<u>(78,374)</u>	<u>(6)</u>	<u>(57,670)</u>	<u>(5)</u>
NONOPERATING INCOME AND EXPENSES (Notes 4, 9, 17 and 24)				
Other income	96,773	8	99,781	8
Share of the profit or loss of subsidiaries	119,186	9	65,217	6
Financial costs	(113)	-	(250)	-
Net foreign exchange losses	(45)	-	(499)	-
Other gains and losses	<u>16</u>	<u>-</u>	<u>185</u>	<u>-</u>
Total nonoperating income and expenses	<u>215,817</u>	<u>17</u>	<u>164,434</u>	<u>14</u>
INCOME BEFORE INCOME TAX	137,443	11	106,764	9
INCOME TAX (Notes 4 and 18)	<u>14,406</u>	<u>1</u>	<u>16,436</u>	<u>1</u>
NET INCOME	<u>123,037</u>	<u>10</u>	<u>90,328</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 14 and 18)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(18)	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(14)</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

# NEXTLINK TECHNOLOGY CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ 7,515	-	\$ (755)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	(1,503)	-	151	-
	<u>6,012</u>	<u>-</u>	<u>(604)</u>	<u>-</u>
Total other comprehensive income (loss), net of income tax	<u>5,998</u>	<u>-</u>	<u>(604)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 129,035</u>	<u>10</u>	<u>\$ 89,724</u>	<u>8</u>
EARNINGS PER SHARE, IN NEW TAIWAN DOLLARS (Note 19)				
Basic	<u>\$ 6.11</u>		<u>\$ 4.60</u>	
Diluted	<u>\$ 6.09</u>		<u>\$ 4.57</u>	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)



# NEXTLINK TECHNOLOGY CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Share Capital Issued		Capital Surplus		Retained Earnings		Other Equity Exchange Differences on Translation of the Financial Statements of Foreign Operations	Total Equity
	Shares	Amount	Issuance of Ordinary Shares	Employee Share Options	Legal Reserve	Unappropriated Earnings		
BALANCE AT JANUARY 1, 2023	15,949,000	\$ 159,490	\$ -	\$ -	\$ 5,533	\$ 60,969	\$ 2,549	\$ 228,541
Appropriation of the 2022 earnings								
Legal reserve	-	-	-	-	6,066	(6,066)	-	-
Share dividends	3,288,000	32,880	-	-	-	(32,880)	-	-
Cash dividends	-	-	-	-	-	(21,920)	-	(21,920)
Share-based compensation	-	-	-	6,398	-	-	-	6,398
Share-based payment transactions - exercise of employee share options	774,500	7,745	30,840	(4,839)	-	-	-	33,746
Net income for the year ended December 31, 2023	-	-	-	-	-	90,328	-	90,328
Other comprehensive loss for the year ended December 31, 2023	-	-	-	-	-	-	(604)	(604)
BALANCE AT DECEMBER 31, 2023	20,011,500	200,115	30,840	1,559	11,599	90,431	1,945	336,489
Appropriation of the 2023 earnings								
Legal reserve	-	-	-	-	9,033	(9,033)	-	-
Cash dividends	-	-	-	-	-	(81,246)	-	(81,246)
Issuance of ordinary shares for cash	2,004,000	20,040	220,857	(6,713)	-	-	-	234,184
Share-based compensation	-	-	-	7,432	-	-	-	7,432
Share-based payment transactions - exercise of employee share options	85,000	850	3,822	(2,278)	-	-	-	2,394
Net income for the year ended December 31, 2024	-	-	-	-	-	123,037	-	123,037
Other comprehensive (loss) income for the year ended December 31, 2024	-	-	-	-	-	(14)	6,012	5,998
BALANCE AT DECEMBER 31, 2024	<u>22,100,500</u>	<u>\$ 221,005</u>	<u>\$ 255,519</u>	<u>\$ -</u>	<u>\$ 20,632</u>	<u>\$ 123,175</u>	<u>\$ 7,957</u>	<u>\$ 628,288</u>

The accompanying notes are an integral part of the parent company only financial statements.

# NEXTLINK TECHNOLOGY CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 137,443	\$ 106,764
Adjustments for:		
Depreciation	20,013	20,398
Amortization	480	786
Expected credit (gains) losses	(966)	4,873
Financial costs	113	250
Interest income	(5,093)	(3,301)
Share-based payment	6,144	5,166
Share of the profit of subsidiaries	(119,186)	(65,217)
Net changes in operating assets and liabilities		
Notes receivable	(584)	(1,292)
Accounts receivable	(16,221)	(10,790)
Accounts receivable - related parties	5,423	(9,240)
Other receivables - related parties	10,829	(3,660)
Inventories	(66)	83
Prepaid expenses	70,422	3,999
Other current assets	(38)	85
Contract liabilities	(55,600)	4,167
Accounts payable	15,612	(10,442)
Accounts payable - related parties	(2,361)	3,369
Other payables	14,994	13,722
Other current liabilities	(1,939)	700
Net defined benefit liabilities	466	-
Cash generated from operations	79,885	60,420
Interest received	5,093	3,301
Dividends received	22,547	-
Interest paid	(113)	(250)
Income taxes paid	(8,544)	(16,164)
Net cash generated from operating activities	98,868	47,307
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of investments accounted for using the equity method	-	(10,101)
Acquisition of property, plant and equipment	(440)	(2,514)
Increase in refundable deposits	(458)	(40)
Increase in prepayments for equipment	-	(3,744)
Net cash used in investing activities	(898)	(16,399)
		(Continued)

# NEXTLINK TECHNOLOGY CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

---

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in guarantee deposits received	\$ 38	\$ 163
Repayment of the principal portion of lease liabilities	(14,966)	(17,375)
Cash dividends paid	(81,246)	(21,920)
Proceeds from issuance of ordinary shares	234,184	-
Exercise of employee share options	<u>2,394</u>	<u>33,746</u>
Net cash generated from (used in) financing activities	<u>140,404</u>	<u>(5,386)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	238,374	25,522
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>189,307</u>	<u>163,785</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 427,681</u>	<u>\$ 189,307</u>

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

# NEXTLINK TECHNOLOGY CO., LTD.

## NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

---

### 1. ORGANIZATION AND OPERATIONS

Nextlink Technology Co., Ltd. (the “Company”) was established on October 13, 2006 with the approval of the competent authority. On June 23, 2015, the Company was renamed to Nextlink Technology Co., Ltd. The Company’s main businesses include data processing services, electronic information services and cloud services.

The Company applied to the Taipei Exchange (TPEX) for the public offering of its shares. The public offering registration became effective on August 29, 2023. The Company’s shares were approved by the TPEX to be traded on the Emerging Stock Board on January 9, 2024, and were approved to be listed on the TPEX on December 16, 2024.

The Company’s parent company is New Century Information Co., Ltd., which owned 58% and 67% of the Company’s shares as of December 31, 2024 and 2023, respectively. The Company’s ultimate parent company is Far Eastern New Century Corporation as of December 31, 2024 and 2023.

The parent company only financial statements are presented in New Taiwan Dollars, the functional currency of the Company.

### 2. APPROVAL OF PARENT COMPANY ONLY FINANCIAL STATEMENTS

The parent company only financial statements were approved by the board of directors of the Company on February 26, 2025.

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

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

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

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the parent company only financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

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

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note)</b>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

#### IFRS 18 "Presentation and Disclosure in Financial Statements"

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

- 1) Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- 2) The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

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

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended standards and interpretations on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

##### **Statement of Compliance**

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

##### **Basis of Preparation**

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

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

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

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same as the amounts attributable to the owner of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatment between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of the profit or loss of subsidiaries, the share of the other comprehensive income of subsidiaries and the related equity items, as appropriate, in these parent company only financial statements.

## **Classification of Current and Noncurrent Assets and Liabilities**

Current assets include:

- a. Assets held primarily for the purpose of trading;
- b. Assets expected to be realized within 12 months after the reporting period; and
- c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- a. Liabilities held primarily for the purpose of trading;
- b. Liabilities due to be settled within 12 months after the reporting period; and
- c. Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

## **Foreign Currencies**

In preparing the Company's parent company only financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Nonmonetary items denominated in a foreign currency and measured at historical cost are stated at the reporting currency as originally translated from the foreign currency.

For the purposes of presenting the parent company only financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries in other countries or subsidiaries that use currencies different from the ones used by the Company) are translated into the New Taiwan dollar using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

## **Inventories**

Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price under normal conditions less the costs necessary to make the sale. Cost is determined using the weighted-average method.

## **Investments in Subsidiaries**

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and is adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary equals or exceeds its interest in that subsidiary (which includes any carrying amount of the investment in the subsidiary accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions are eliminated in full in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

### **Property, Plant and Equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.



## **Intangible Assets**

### **a. Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

### **b. Derecognition of intangible assets**

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

## **Impairment of Property, Plant and Equipment, Right-of-use Assets and Intangible Assets**

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

## **Financial Instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

### **a. Financial assets**

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

#### **1) Measurement category**

Financial assets are classified into the following categories: Financial assets at amortized cost.

### Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- a) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and accounts receivable at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- a) Purchased or originated credit impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and
- b) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- a) Significant financial difficulty of the issuer or the borrower;
- b) Breach of contract, such as a default;
- c) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- d) The disappearance of an active market for that financial asset because of financial difficulties.

## 2) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Company always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company considers the following situations as indications that a financial asset is in default (without taking into account any collateral held by the Company):

- a) Internal or external information show that the debtor is unlikely to pay its creditors.
- b) A financial asset is more than 180 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

### 3) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

### b. Equity instruments

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

### c. Financial liabilities

#### 1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

#### 2) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognized in profit or loss.

## **Revenue Recognition**

The Company identifies contracts with customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Information service revenue primarily comes from providing cloud services. When cloud services are provided to customers, the customers simultaneously receive and consume the performance benefits and have the right to make use of the cloud services. The Company recognizes revenue and accounts receivable after customers consume the services.

Revenue from the sale of goods primarily comes from the sale of information software-related products. The Company recognizes revenue and accounts receivable when the goods are provided to customers because it is the time when customers have full discretion over the manner of distribution and price to sell the goods, have the primary responsibility for sales to future customers and bears the risks of obsolescence.

## **Leasing**

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Company allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

### **The Company as lessee**

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities. Right-of-use assets are subsequently measured at cost less accumulated depreciation and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term resulting in a change in future lease payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the parent company only balance sheets.

## **Borrowing Costs**

All borrowing costs are recognized in profit or loss in the period in which they are incurred, except for those that meet the capitalization criteria.

## **Employee Benefits**

### **a. Short-term employee benefits**

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

### **b. Retirement benefits**

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

### **Share-based Payment Arrangements**

#### **a. Employee share options granted to employees**

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the employees are informed.

At the end of each reporting period, the Company revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

#### **b. Equity-settled share-based payment arrangements granted to the employees of a subsidiary**

The grant by the Company of its equity instruments to the employees of a subsidiary under employee share options is treated as a capital contribution. The fair value of employee services received under the arrangement is measured by reference to the grant-date fair value and is recognized over the vesting period as an addition to the investment in the subsidiary, with a corresponding credit to capital surplus - employee share options.

### **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### **a. Current tax**

Income tax payable is based on taxable profit for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for as income tax in the year the stockholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. If a temporary difference arises from the initial recognition (other than acquisition of a subsidiary) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences, the resulting deferred tax asset or liability is not recognized.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred taxes are also recognized in other comprehensive income.

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

## Key Sources of Estimation Uncertainty

### Estimated impairment of financial assets

The provision for impairment of notes receivable and accounts receivable is based on assumptions on probability of default and loss given default. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 7. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

## 6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	\$ 70	\$ 100
Checking and demand deposits	373,433	123,030
Cash equivalents (investments with original maturities of 3 months or less)		
Certificates of deposits	<u>54,178</u>	<u>66,177</u>
	<u>\$ 427,681</u>	<u>\$ 189,307</u>

The interest rate ranges for the certificates of deposits as of December 31, 2024 and 2023 were 4.2%-4.3% and 4.3%-5.15%, respectively.

## 7. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31	
	2024	2023
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ 8,043	\$ 7,459
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 8,043</u>	<u>\$ 7,459</u>
Occurred due to operating activities	<u>\$ 8,043</u>	<u>\$ 7,459</u>
<u>Accounts receivable (including related parties)</u>		
At amortized cost		
Gross carrying amount	\$ 183,574	\$ 175,541
Less: Allowance for impairment loss	<u>(1,569)</u>	<u>(5,300)</u>
	<u>\$ 182,005</u>	<u>\$ 170,241</u>

The Company's average credit period of sales of goods and the rendering of services is 60 days. No interest is charged on accounts receivable.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of notes receivable and accounts receivable at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for all notes receivable and accounts receivable at an amount equal to lifetime expected credit losses (ECLs). The expected credit losses on notes receivable and accounts receivable are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on the past due status is not further distinguished according to different customer base.

The Company writes off a note receivable or account receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery of the receivable, e.g. when the debtor has been placed under liquidation. For notes receivable and accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivable and accounts receivable based on the Company's provision matrix:

December 31, 2024

	Not Past Due	1 to 60 Days Past Due	61 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss rate	0.00%-0.24%	2.9%	20.19%	36.88%-100%	-
Gross carrying amount	\$ 182,200	\$ 6,717	\$ 1,808	\$ 892	\$ 191,617
Loss allowance (Lifetime ECLs)	<u>(436)</u>	<u>(195)</u>	<u>(365)</u>	<u>(573)</u>	<u>(1,569)</u>
Amortized cost	<u>\$ 181,764</u>	<u>\$ 6,522</u>	<u>\$ 1,443</u>	<u>\$ 319</u>	<u>\$ 190,048</u>

December 31, 2023

	Not Past Due	1 to 60 Days Past Due	61 to 120 Days Past Due	Over 120 Days Past Due	Total
Expected credit loss rate	0.00%-0.24%	2.49%	19.36%	37.06%-100%	-
Gross carrying amount	\$ 158,712	\$ 17,024	\$ 2,967	\$ 4,297	\$ 183,000
Loss allowance (Lifetime ECLs)	<u>(372)</u>	<u>(424)</u>	<u>(575)</u>	<u>(3,929)</u>	<u>(5,300)</u>
Amortized cost	<u>\$ 158,340</u>	<u>\$ 16,600</u>	<u>\$ 2,392</u>	<u>\$ 368</u>	<u>\$ 177,700</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Balance at January 1	\$ 5,300	\$ 445
Add: Amounts recovered	179	402
Add: Net remeasurement of loss allowance	(966)	4,873
Less: Amounts written off	<u>(2,944)</u>	<u>(420)</u>
Balance at December 31	<u>\$ 1,569</u>	<u>\$ 5,300</u>



## 8. PREPAID EXPENSES

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Current</u>		
Prepayments for operating costs	\$ 60,428	\$ 125,991
Other	<u>3,941</u>	<u>2,364</u>
	<u>\$ 64,369</u>	<u>\$ 128,355</u>
<u>Noncurrent</u>		
Prepayments for equipment	\$ -	\$ 5,524
Prepayments for operating costs	<u>5,463</u>	<u>6,375</u>
	<u>\$ 5,463</u>	<u>\$ 11,899</u>

## 9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

### Investments in subsidiaries

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Microfusion Technology Co., Ltd.	\$ 133,852	\$ 89,654
Nextlink (HK) Technology Co., Ltd.	131,919	76,994
Microfusion (HK) Technology Co., Ltd.	12,692	2,908
MICROFUSION TECHNOLOGY (MY) SDN. BHD.	1,711	4,791
NEXTLINK (SG) TECHNOLOGY PTE. LTD.	<u>2,465</u>	<u>2,850</u>
	<u>\$ 282,639</u>	<u>\$ 177,197</u>

	<b>Proportion of Ownership and Voting Rights</b>	
	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Microfusion Technology Co., Ltd.	100%	100%
Nextlink (HK) Technology Co., Ltd.	100%	100%
Microfusion (HK) Technology Co., Ltd.	100%	100%
MICROFUSION TECHNOLOGY (MY) SDN. BHD.	100%	100%
NEXTLINK (SG) TECHNOLOGY PTE. LTD.	100%	100%

The investment profit or loss recognized using the equity method for the years ended December 31, 2024 and 2023 is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Microfusion Technology Co., Ltd.	\$ 65,457	\$ 25,106
Nextlink (HK) Technology Co., Ltd.	48,190	39,666
Microfusion (HK) Technology Co., Ltd.	9,355	2,642
MICROFUSION TECHNOLOGY (MY) SDN. BHD.	(3,331)	(1,859)
NEXTLINK (SG) TECHNOLOGY PTE. LTD.	<u>(485)</u>	<u>(338)</u>
	<u>\$ 119,186</u>	<u>\$ 65,217</u>

To align with the future operational layout and strategic planning, the Company established MICROFUSION TECHNOLOGY (MY) SDN. BHD. on January 13, 2023 with an investment amount of MYR 1,000,000 for 100% ownership.

To align with the future operational layout and strategic planning, the Company established NEXTLINK (SG) TECHNOLOGY PTE. LTD. on March 31, 2023 with an investment amount of USD 100,000 for 100% ownership.

For the years ended December 31, 2024 and 2023, the share of the profit or loss and the other comprehensive income of subsidiaries under the equity method were recognized based on the audited financial statements of each subsidiary for the same period.

## 10. PROPERTY, PLANT AND EQUIPMENT

	<b>Machinery Equipment</b>	<b>Office Equipment</b>	<b>Leasehold Improvements</b>	<b>Total</b>
<u>Cost</u>				
Balance at January 1, 2024	\$ 2,157	\$ 3,447	\$ 11,259	\$ 16,863
Additions	-	440	-	440
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2024	<u>\$ 2,157</u>	<u>\$ 3,887</u>	<u>\$ 11,259</u>	<u>\$ 17,303</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2024	\$ 2,092	\$ 2,611	\$ 8,042	\$ 12,745
Depreciation expense	65	823	3,064	3,952
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2024	<u>\$ 2,157</u>	<u>\$ 3,434</u>	<u>\$ 11,106</u>	<u>\$ 16,697</u>
Carrying amount at December 31, 2024	<u>\$ -</u>	<u>\$ 453</u>	<u>\$ 153</u>	<u>\$ 606</u>
<u>Cost</u>				
Balance at January 1, 2023	\$ 2,157	\$ 3,182	\$ 9,715	\$ 15,054
Additions	-	265	1,544	1,809
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 2,157</u>	<u>\$ 3,447</u>	<u>\$ 11,259</u>	<u>\$ 16,863</u>

(Continued)

	<b>Machinery Equipment</b>	<b>Office Equipment</b>	<b>Leasehold Improvements</b>	<b>Total</b>
<u>Accumulated depreciation</u>				
Balance at January 1, 2023	\$ 1,604	\$ 1,562	\$ 5,242	\$ 8,408
Depreciation expense	488	1,049	2,800	4,337
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 2,092</u>	<u>\$ 2,611</u>	<u>\$ 8,042</u>	<u>\$ 12,745</u>
Carrying amount at December 31, 2023	<u>\$ 65</u>	<u>\$ 836</u>	<u>\$ 3,217</u>	<u>\$ 4,118</u> (Concluded)

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

Machinery equipment	2 years
Office equipment	2-3 years
Leasehold improvements	2-3 years

## 11. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>Buildings</b>
<u>Cost</u>	
Balance at January 1, 2024	\$ 42,091
Additions	-
Disposals	<u>(42,091)</u>
Balance at December 31, 2024	<u>\$ -</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2024	\$ 26,030
Depreciation expense	16,061
Disposals	<u>(42,091)</u>
Balance at December 31, 2024	<u>\$ -</u>
Carrying amount at December 31, 2024	<u>\$ -</u>
<u>Cost</u>	
Balance at January 1, 2023	\$ 42,091
Additions	-
Disposals	<u>-</u>
Balance at December 31, 2023	<u>\$ 42,091</u> (Continued)

	<b>Buildings</b>
<u>Accumulated depreciation</u>	
Balance at January 1, 2023	\$ 9,969
Depreciation expense	16,061
Disposals	<u>-</u>
Balance at December 31, 2023	<u>\$ 26,030</u>
Carrying amount at December 31, 2023	<u>\$ 16,061</u> (Concluded)

b. Lease liabilities

Item	Lease Term	Discount Rate	December 31, 2024
Buildings	-	-	\$ <u>-</u>
Lease liabilities - current			\$ -
Lease liabilities - noncurrent			<u>-</u>
			<u>\$ -</u>

Item	Lease Term	Discount Rate	December 31, 2023
Buildings	2021.10.01-2024.12.31	0.59%-1.54%	\$ <u>14,966</u>
Lease liabilities - current			\$ 14,966
Lease liabilities - noncurrent			<u>-</u>
			<u>\$ 14,966</u>

c. Material lease activities and terms

The Company leased certain buildings as offices with lease terms of 2 to 3 years. The Company does not have bargain purchase options to acquire the buildings at the end of the lease terms.

d. Other lease information

	<u>For the Year Ended December 31</u>	
	2024	2023
Expenses relating to short-term leases	\$ <u>37</u>	\$ <u>-</u>
Total cash outflow for leases	<u>\$ (15,082)</u>	<u>\$ (17,625)</u>

The Company has elected to apply the recognition exemption for the lease of certain buildings that qualify as short-term leases and thus did not recognize right-of-use assets and lease liabilities for these leases.

All lease commitments (the Company as a lessee) with lease terms commencing after the balance sheet dates are as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Lease commitments	<u>\$ 4,547</u>	<u>\$ -</u>

## 12. INTANGIBLE ASSETS

	<b>Computer Software</b>
<u>Cost</u>	
Balance at January 1, 2024	\$ 3,356
Additions	<u>-</u>
Balance at December 31, 2024	<u>\$ 3,356</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2024	\$ 2,870
Amortization	<u>480</u>
Balance at December 31, 2024	<u>\$ 3,350</u>
Carrying amount at December 31, 2024	<u>\$ 6</u>
<u>Cost</u>	
Balance at January 1, 2023	\$ 3,356
Additions	<u>-</u>
Balance at December 31, 2023	<u>\$ 3,356</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2023	\$ 2,084
Amortization	<u>786</u>
Balance at December 31, 2023	<u>\$ 2,870</u>
Carrying amount at December 31, 2023	<u>\$ 486</u>

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	3 years
-------------------	---------

### 13. OTHER PAYABLES

	December 31	
	2024	2023
Other payables		
Salaries and bonuses	\$ 45,986	\$ 36,386
Service fees	12,083	7,894
Others	<u>16,098</u>	<u>14,893</u>
	<u>\$ 74,167</u>	<u>\$ 59,173</u>

### 14. RETIREMENT BENEFIT PLANS

#### a. Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

#### b. Defined benefit plan

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Company has no right to influence the investment policy and strategy.

The amounts included in the parent company only balance sheets in respect of the Company’s defined benefit plans were as follows:

	December 31	
	2024	2023
Present value of defined benefit obligation	\$ 657	\$ -
Fair value of plan assets	<u>(173)</u>	<u>-</u>
Net defined benefit liabilities	<u>\$ 484</u>	<u>\$ -</u>

Movements in net defined benefit liabilities (assets) were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities (Assets)</b>
Balance at January 1, 2024	\$ -	\$ -	\$ -
Service cost			
Current service cost	207	-	207
Past service cost	427	-	427
Net interest expense (income)	<u>6</u>	<u>(1)</u>	<u>5</u>
Recognized in profit or loss	<u>640</u>	<u>(1)</u>	<u>639</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	1	1
Actuarial gain - changes in financial assumptions	(83)	-	(83)
Actuarial loss - experience adjustments	<u>100</u>	<u>-</u>	<u>100</u>
Recognized in other comprehensive income	<u>17</u>	<u>1</u>	<u>18</u>
Contributions from the employer	<u>-</u>	<u>(173)</u>	<u>(173)</u>
Balance at December 31, 2024	<u>\$ 657</u>	<u>\$ (173)</u>	<u>\$ 484</u>

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	<b>December 31, 2024</b>
Discount rate	1.75%
Expected rate of salary increase	4.00%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	<b>December 31, 2024</b>
Discount rates	
0.25% increase	\$ <u>(50)</u>
0.25% decrease	\$ <u>54</u>
Expected rates of salary increase	
0.25% increase	\$ <u>53</u>
0.25% decrease	\$ <u>(49)</u>

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<b>December 31, 2024</b>
Expected contributions to the plan for the next year	\$ <u>249</u>
Average duration of the defined benefit obligation	33.1 years

## 15. EQUITY

### a. Capital stock

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Stock authorized (in thousands)	<u>30,000</u>	<u>30,000</u>
Capital authorized	<u>\$ 300,000</u>	<u>\$ 300,000</u>
Issued and fully paid stock (in thousands)	<u>22,101</u>	<u>20,012</u>
Issued capital	<u>\$ 221,005</u>	<u>\$ 200,115</u>

On June 9, 2023, the Company's stockholders' meeting resolved to appropriate \$32,880 thousand as share dividends and issue 3,288 thousand new shares with a par value of \$10. The record date for the capital increase was June 26, 2023, and the registration was completed on July 18, 2023.

In 2023, The Company issued 775 thousand ordinary shares with a par value of \$10, due to the exercise of employee share options. The registration was completed on August 10, 2023.

In August and December of 2024, the Company issued 44 thousand and 41 thousand ordinary shares with a par value of \$10, respectively, due to the exercise of employee share options. The registration was completed on October 11, 2024 and February 5, 2025, respectively.

In December 2024, the Company conducted a cash capital increase and issued 2,004 thousand new shares. The Company received the full subscription proceeds for the cash capital increase amounting to \$234,184 thousand by December 12, 2024. The record date for the cash capital increase was December 12, 2024. The registration was completed on January 24, 2025.



b. Capital surplus

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*		
Issuance of ordinary shares	\$ 255,519	\$ 30,840
<u>May not be used for any purpose</u>		
Employee share options	-	1,559
	<u>\$ 255,519</u>	<u>\$ 32,399</u>

\* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's paid-in capital and to once a year).

c. Retained earnings and dividend policy

The stockholders of the Company held their regular meeting on November 7, 2023 and in that meeting, resolved the amendments to the Company's Articles of Incorporation (the "Articles"). According to the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, and then, if there is any remaining profit, setting aside as legal reserve 10% of the net profit after tax plus the items other than the net profit after tax which are included in the current year's retained earnings, setting aside or reversing a special reserve. The remaining profit, after paying dividends and retaining portions for business needs, together with any undistributed retained earnings from previous years, shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the stockholders' meeting for the distribution of dividends to stockholders.

Under the Articles before the amendments, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve, and then any remaining profit, together with any undistributed retained earnings from previous years, shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the stockholders' meeting for the distribution of dividends to stockholders.

For the policies on the distribution of compensation of employees and remuneration of directors and supervisors, refer to compensation of employees and remuneration of directors and supervisors in Note 17-e.

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

The appropriations of earnings for 2023 and 2022, which have been approved in the stockholders' meetings on June 17, 2024 and June 9, 2023, respectively, were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Legal reserve	\$ <u>9,033</u>	\$ <u>6,066</u>
Share dividends	\$ <u>-</u>	\$ <u>32,880</u>
Cash dividends	\$ <u>81,246</u>	\$ <u>21,920</u>
Share dividends per share (NT\$)	\$ -	\$ 2.062
Cash dividends per share (NT\$)	\$ 4.060	\$ 1.374

The appropriation of earnings for 2024, which had been proposed by the Company's board of directors on February 26, 2025, was as follows:

	<b>For the Year Ended December 31, 2024</b>
Legal reserve	\$ <u>12,302</u>
Cash dividends	\$ <u>110,503</u>
Cash dividends per share (NT\$)	\$ 5.00

The appropriation of earnings for 2024 is subject to the resolution of the stockholders in the stockholders' meeting which is to be held on June 17, 2025.

## 16. REVENUE

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Contract revenue		
Sales of goods	\$ 108	\$ 126
Information service revenue	<u>1,253,858</u>	<u>1,167,186</u>
	<u>\$ 1,253,966</u>	<u>\$ 1,167,312</u>

### a. Contract information

Refer to Note 4 - revenue recognition for information on revenue recognition for contracts.

### b. Contract balances

	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>January 1, 2023</b>
Accounts receivable (including related parties) (Note 7)	<u>\$ 183,574</u>	<u>\$ 175,541</u>	<u>\$ 155,529</u>
Contract liabilities			
Information service	<u>\$ 84,249</u>	<u>\$ 139,849</u>	<u>\$ 135,682</u>

(Continued)

	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>January 1, 2023</b>
Contract liabilities - current	\$ 78,317	\$ 132,435	\$ 127,279
Contract liabilities - noncurrent	<u>5,932</u>	<u>7,414</u>	<u>8,403</u>
	<u>\$ 84,249</u>	<u>\$ 139,849</u>	<u>\$ 135,682</u>
			(Concluded)

The changes in the balances of contract liabilities primarily resulted from the timing difference between the Company's satisfaction of performance obligations and the respective customer's payment.

Revenue in the current year that was recognized from the contract liability balance at the beginning of the year is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Information service	<u>\$ 128,962</u>	<u>\$ 125,252</u>

c. Partially completed contracts

The transaction prices allocated to the performance obligations that are not fully satisfied and the expected timing for recognition of revenue are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Information service		
Fulfillment in 2024	\$ -	\$ 132,435
Fulfillment in 2025	78,317	6,022
Fulfillment in 2026	5,009	1,392
Fulfillment in 2027	<u>923</u>	<u>-</u>
	<u>\$ 84,249</u>	<u>\$ 139,849</u>

## 17. NET INCOME

a. Other income

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Management service revenue	\$ 91,680	\$ 96,480
Interest income	<u>5,093</u>	<u>3,301</u>
	<u>\$ 96,773</u>	<u>\$ 99,781</u>

b. Financial costs

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Interest on lease liabilities	\$ 79	\$ 250
Interest on bank loans	<u>34</u>	<u>-</u>
	<u>\$ 113</u>	<u>\$ 250</u>

c. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Property, plant and equipment	\$ 3,952	\$ 4,337
Right-of-use assets	16,061	16,061
Intangible assets	<u>480</u>	<u>786</u>
	<u>\$ 20,493</u>	<u>\$ 21,184</u>
Depreciation expense categorized by function		
Operating costs	\$ 65	\$ 488
Operating expenses	<u>19,948</u>	<u>19,910</u>
	<u>\$ 20,013</u>	<u>\$ 20,398</u>
Amortization expense categorized by function		
General and administrative expenses	<u>\$ 480</u>	<u>\$ 786</u>

d. Employee benefits expense

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Retirement benefits		
Defined contribution plans	\$ 6,922	\$ 5,925
Defined benefit plans	<u>639</u>	<u>-</u>
	<u>7,561</u>	<u>5,925</u>
Other employee benefits		
Salary	170,306	141,926
Insurance	13,466	11,650
Others	<u>7,381</u>	<u>7,178</u>
	<u>191,153</u>	<u>160,754</u>
	<u>\$ 198,714</u>	<u>\$ 166,679</u>
Categorized by function		
Operating costs	\$ 29,018	\$ 24,417
Operating expenses	<u>169,696</u>	<u>142,262</u>
	<u>\$ 198,714</u>	<u>\$ 166,679</u>

e. Compensation of employees and remuneration of directors and supervisors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of 1%-2% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors.

The compensation of employees and the remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors on February 26, 2025 and March 13, 2024, respectively, are as follows:

Accrual rate

	<b><u>For the Year Ended December 31</u></b>	
	<b>2024</b>	<b>2023</b>
Compensation of employees	1.00%	1.00%
Remuneration of directors	0.37%	0.37%

Amount

	<b><u>For the Year Ended December 31</u></b>	
	<b>2024</b>	<b>2023</b>
Compensation of employees	\$ 1,394	\$ 1,082
Remuneration of directors	\$ 516	\$ 400

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

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

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

f. Gains or losses on foreign currency exchange

	<b><u>For the Year Ended December 31</u></b>	
	<b>2024</b>	<b>2023</b>
Foreign exchange gains	\$ 25,897	\$ 19,964
Foreign exchange losses	<u>(25,942)</u>	<u>(20,463)</u>
	\$ <u>(45)</u>	\$ <u>(499)</u>

## 18. INCOME TAX

### a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax		
In respect of the current year	\$ 2,697	\$ 9,759
Income tax on unappropriated earnings	2	-
Adjustments for prior year	<u>(16)</u>	<u>153</u>
	<u>2,683</u>	<u>9,912</u>
Deferred tax		
In respect of the current year	11,707	6,643
Adjustments for prior year	<u>16</u>	<u>(119)</u>
	<u>11,723</u>	<u>6,524</u>
Income tax expense recognized in profit or loss	<u>\$ 14,406</u>	<u>\$ 16,436</u>

The reconciliation of accounting profit and income tax expense is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Income before tax	<u>\$ 137,443</u>	<u>\$ 106,764</u>
Income tax expense computed at the statutory tax rate	\$ 27,489	\$ 21,353
Nondeductible items in determining taxable income	(13,085)	(4,951)
Income tax on unappropriated earnings	2	-
Prior year's adjustments	<u>-</u>	<u>34</u>
Income tax expense recognized in profit or loss	<u>\$ 14,406</u>	<u>\$ 16,436</u>

### b. Income tax recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Deferred tax</u>		
In respect of the current year		
Exchange differences on translating the financial statements of foreign operations	\$ (1,503)	\$ 151
Remeasurement of defined benefit plan	<u>4</u>	<u>-</u>
	<u>\$ (1,499)</u>	<u>\$ 151</u>

c. Deferred income tax assets and liabilities

The movements of deferred income tax assets and deferred income tax liabilities were as follows:

For the year ended December 31, 2024

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Closing Balance</b>
<u>Deferred income tax assets</u>				
Temporary differences				
Payables for annual leave	\$ 566	\$ 130	\$ -	\$ 696
Allowance for impairment loss	1,020	(275)	-	745
Exchange loss	1,505	(914)	-	591
Others	<u>78</u>	<u>81</u>	<u>4</u>	<u>163</u>
	<u>\$ 3,169</u>	<u>\$ (978)</u>	<u>\$ 4</u>	<u>\$ 2,195</u>
<u>Deferred income tax liabilities</u>				
Temporary differences				
Equity investment	\$ 14,328	\$ 10,745	\$ -	\$ 25,073
Exchange differences on translating the financial statements of foreign operations	<u>486</u>	<u>-</u>	<u>1,503</u>	<u>1,989</u>
	<u>\$ 14,814</u>	<u>\$ 10,745</u>	<u>\$ 1,503</u>	<u>\$ 27,062</u>

For the year ended December 31, 2023

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Closing Balance</b>
<u>Deferred income tax assets</u>				
Temporary differences				
Payables for annual leave	\$ 536	\$ 30	\$ -	\$ 566
Allowance for impairment loss	298	722	-	1,020
Exchange loss	773	732	-	1,505
Others	<u>63</u>	<u>15</u>	<u>-</u>	<u>78</u>
	<u>\$ 1,670</u>	<u>\$ 1,499</u>	<u>\$ -</u>	<u>\$ 3,169</u>
<u>Deferred income tax liabilities</u>				
Temporary differences				
Equity investment	\$ 6,305	\$ 8,023	\$ -	\$ 14,328
Exchange differences on translating the financial statements of foreign operations	<u>637</u>	<u>-</u>	<u>(151)</u>	<u>486</u>
	<u>\$ 6,942</u>	<u>\$ 8,023</u>	<u>\$ (151)</u>	<u>\$ 14,814</u>

d. Income tax assessments

Income tax returns of the Company through 2022 have been assessed by the tax authorities.

## 19. EARNINGS PER SHARE

The earnings and weighted average number of common stock used in the calculation of earnings per share were as follows:

### Net Income for the Year

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Net income attributable to the owners of the Company	\$ <u>123,037</u>	\$ <u>90,328</u>

### Weighted Average Number of Common Stock Outstanding

	<b>(In Thousands of Shares)</b>	
	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Weighted average number of common stock used in the calculation of basic earnings per share	20,138	19,617
Effect of potentially dilutive common stock:		
Employee share options	38	53
Compensation of employees	<u>12</u>	<u>79</u>
Weighted average number of common stock used in the calculation of diluted earnings per share	<u>20,188</u>	<u>19,749</u>

Since the Company offered to settle the compensation paid to employees in cash or stock, the Company assumed the entire amount of the compensation would be settled in stock and the resulting potential stock were included in the weighted average number of common stock outstanding used in the calculation of diluted earnings per share, if the effect was dilutive. Such dilutive effect of the potential stock was included in the calculation of diluted earnings per share until the number of stock to be distributed to employees is resolved in the following year.

## 20. SHARE-BASED PAYMENT ARRANGEMENT

### Employee share option plan

<b>Grant Date</b>	<b>Number of Units Granted</b>	<b>Number of Shares Exercisable Per Unit</b>	<b>Term of Validity</b>	<b>Vesting Period of Share Options</b>	<b>Percentage of Share Options Exercisable (%)</b>
2023.05	212,500	1 share	19 months	After 15 days	20
				After 12 months	60
				After 18 months	100
2023.05	867,000	1 share	1.5 months	After 15 days	100



The Company's board of directors resolved to issue employee share options in July 2022. The Company granted 1,079,500 options in May 2023 to employees of the Company and its subsidiaries who meet specific criteria. Each option entitles the holder with the right to subscribe for one ordinary share of the Company. The options granted are valid for 0.1 to 1.6 years and exercisable at certain percentages after 15 days from the grant date. The options were granted at an exercise price not lower than the net asset value per share according to the latest financial statements audited and certified by an accountant at the grant date. When employees exercise their share options, it will be done through the issuance of ordinary shares. For any subsequent changes in the Company's paid-in capital, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

	<b>For the Year Ended December 31</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Number of Options</b>	<b>Weighted-average Exercise Price (\$)</b>	<b>Number of Options</b>	<b>Weighted-average Exercise Price (\$)</b>
Balance at January 1	118,500	\$ 29.20	-	\$ -
Options granted	-	-	1,079,500	41.25
Options forfeited	(31,500)	29.12	(180,500)	39.09
Options exercised	(85,000)	28.16	(774,500)	43.57
Options expired	<u>(2,000)</u>	27.90	<u>(6,000)</u>	44.20
Balance at December 31	<u>-</u>	-	<u>118,500</u>	29.20
Options exercisable, end of the year	<u>-</u>	-	<u>500</u>	29.20
Weighted-average fair value of options granted (\$)	<u>\$ -</u>		<u>\$ 9.38</u>	

Information on outstanding options was as follows:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Range of exercise price (\$)	\$ -	\$ 29.20
Weighted-average remaining contractual life (in years)	-	0.98

Options granted were priced using the binomial option pricing model, and the inputs to the model were as follows:

	<b>Granted on May 2023</b>
Grant-date share price	\$62.90
Exercise price	\$39.00-\$59.00
Expected volatility	42.00%-46.00%
Expected life (in years)	0.10-1.60
Risk-free interest rate	0.88%-0.99%

For the years ended December 31, 2024 and 2023, the compensation costs arising from employee share options recognized were \$434 thousand and \$5,166 thousand, respectively, and the investments recognized under the equity method (capital contributions to subsidiaries) were \$285 thousand and \$1,232 thousand, respectively.

#### Cash capital increase with a reserved portion for employee share option

In December 2024, the Company carried out a cash capital increase, with 15% of the shares reserved for employee subscription as required by the Company law. The recipients include employees of the Company and its subsidiaries. The stock options granted to employees are priced using the Black-Scholes pricing model. The inputs to the model were as follows:

	<b>Granted on December 2024</b>
Grant-date share price	\$126.70
Exercise price	\$101
Expected volatility	42.31%
Expected life (in days)	5
Risk-free interest rate	1.36%

For the year ended December 31, 2024, the compensation cost recognized was \$5,710 thousand and the investment recognized under the equity method (capital contributions to subsidiaries) was \$1,003 thousand.

## **21. CASH FLOW INFORMATION**

### **Changes in Liabilities Arising From Financing Activities**

For the years ended December 31, 2024 and 2023, changes in liabilities arising from financing activities, including noncash transactions, were as follows:

#### For the year ended December 31, 2024

	<b>Balance on January 1, 2024</b>	<b>Cash Flows from Financing Activities</b>	<b>Changes in Noncash Transactions</b>		<b>Cash Flows from Operating Activities - Interest Paid</b>	<b>Balance on December 31, 2024</b>
			<b>New Leases</b>	<b>Interest</b>		
Lease liabilities (including the current and noncurrent portion)	\$ 14,966	\$ (14,966)	\$ -	\$ 79	\$ (79)	\$ -

#### For the year ended December 31, 2023

	<b>Balance on January 1, 2023</b>	<b>Cash Flows from Financing Activities</b>	<b>Changes in Noncash Transactions</b>		<b>Cash Flows from Operating Activities - Interest Paid</b>	<b>Balance on December 31, 2023</b>
			<b>New Leases</b>	<b>Interest</b>		
Lease liabilities (including the current and noncurrent portion)	\$ 32,341	\$ (17,375)	\$ -	\$ 250	\$ (250)	\$ 14,966

## 22. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged in the past three years.

The capital structure of the Company consists of net debt (borrowings offset by cash) and equity of the Company (comprising issued capital, reserves, retained earnings, and other equity)

Key management personnel of the Company review the capital structure on a periodic basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. In general, the Company adopts a prudent risk management strategy.

## 23. FINANCIAL INSTRUMENTS

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

The key management of the Company believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values, or their fair values cannot be reliably measured.

### b. Categories of financial instruments

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
<u>Financial assets</u>		
Financial assets at amortized cost (Note 1)	\$ 621,680	\$ 381,329
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	228,938	200,655

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties) and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise accounts payable (including related parties), other payables (including related parties) and guarantee deposits received.

### c. Financial risk management objectives and policies

The Company's major financial instruments include cash and cash equivalents, notes receivable, accounts receivable, other receivables, refundable deposits, accounts payable, other payables, and guarantee deposits. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

## 1) Market risk

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

### a) Foreign currency risk

The Company engages in foreign currency-denominated sales and purchases, which expose the Company to foreign currency risk. The Company does not engage in derivative financial instrument transactions for speculative purposes.

The carrying amounts of the Company's foreign currency-denominated monetary assets and monetary liabilities at the end of the year are set out in Note 25.

#### Sensitivity analysis

The Company was mainly exposed to the U.S. dollar.

The following table details the Company's sensitivity to a 3% increase and decrease in the New Taiwan dollar (NTD) against the U.S. dollar. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items, for which their translation at the end of the reporting period is adjusted for a 3% change in foreign currency rates. The positive number shown in the currency impact table below indicates an increase in pre-tax profit associated with the NTD strengthening 3% against the U.S. dollar. For a 3% weakening of the NTD against the U.S. dollar, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	<b>USD Impact</b>	
	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Profit or loss (i)	\$ 2,241	\$ 545

- i. The result was mainly attributable to the exposure on outstanding deposits, receivables and payables in USD that were not hedged at the end of the year.

### b) Interest rate risk

The Company is exposed to interest rate risk because the Company hold financial assets with floating interest rates. The Company's management monitors changes in market interest rates on a periodic basis and adjusts the positions of floating-rate financial assets to align the Company's interest rates with market rates, in order to manage the risks arising from fluctuations in market interest rates.

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

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Fair value interest rate risk		
Financial assets	\$ 58,129	\$ 69,670
Financial liabilities	3,374	18,302
Cash flow interest rate risk		
Financial assets	373,433	123,030

### Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for both derivative and non-derivative instruments at the end of the year. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2024 and 2023 would have increased by \$1,867 thousand and \$615 thousand, respectively, which was mainly a result of the exposure from variable-rate deposits.

### 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to the failure of the counterparties to discharge their obligation and due to the financial guarantees provided by the Company arises from the carrying amounts of the respective recognized financial assets as stated in the parent company only balance sheets.

The Company has a policy of dealing only with creditworthy counterparties, and, when necessary, obtains sufficient collateral to mitigate the financial loss risks arising from defaults. The Company assesses the creditworthiness of key customers based on public and non-public financial information, as well as transaction records. The Company continuously monitors credit exposure and the credit ratings of counterparties, and diversifies the total transaction amounts among customers with qualified credit ratings.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of receivables at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

Apart from the customers listed below, the Company did not have significant credit risk exposure to any single counterparty or any group of counterparties with similar characteristics. The notes receivable and accounts receivable (including related parties) from customers with receivables accounting for more than 10% of the Company's total receivables amounted to \$43,390 thousand and \$53,020 thousand, representing 23% and 30% of the Company's total receivables, as of December 31, 2024 and 2023, respectively.

### 3) Liquidity risk

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

The Company relies on bank borrowings as a significant source of liquidity. The Company's unutilized overdraft and bank loan facilities amounted to \$60,000 thousand as of December 31, 2024 and 2023, respectively.

The following table details the Company's maturity of financial liabilities based on undiscounted contractual payments including interest. The following table does not include the financial liabilities with carrying amounts that approximate contractual cash flows:

	Carrying Amount	Contractual Cash Flows	Within 1 Year	1-5 Years	More than 5 Years
<u>December 31, 2024</u>					
Lease liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
<u>December 31, 2023</u>					
Lease liabilities	\$ 14,966	\$ 15,045	\$ 15,045	\$ -	\$ -

## 24. TRANSACTIONS WITH RELATED PARTIES

In addition to those disclosed in other notes, details of transactions between the Company and its related parties are disclosed below.

### a. The Company's related parties and their relationships

Related Party	Relationship with the Company
Microfusion Technology Co., Ltd. (Microfusion)	Subsidiary
Nextlink (HK) Technology Co., Ltd. (Nextlink (HK))	Subsidiary
Nextlink (Shanghai) Technology Co., Ltd.	Subsidiary
Microfusion (HK) Technology Co., Ltd. (Microfusion (HK))	Subsidiary
MICROFUSION TECHNOLOGY (MY) SDN. BHD	Subsidiary
NEXTLINK (SG) TECHNOLOGY PTE. LTD.	Subsidiary
New Century InfoComm Tech Co., Ltd. (NCIC)	Parent company
Far EasTone Telecommunications Co., Ltd.	The parent company of NCIC
Far Eastern New Century Corporation (FENC)	Ultimate parent company
Information Security Service Digital United Inc.	Subsidiary of FENC
DataExpress Infotech Co., Ltd.	Subsidiary of FENC
Yuanshi Digital Technology Co., Ltd.	Subsidiary of FENC
ARCOA Communication Co., Ltd.	Subsidiary of FENC
Ding Ding Integrated Marketing Service Co., Ltd.	Subsidiary of FENC
FETC International Co., Ltd.	Subsidiary of FENC
Yuan Cing Co., Ltd.	Subsidiary of FENC
Far Eastern Hospital	Other related party
Asia Cement Co., Ltd.	Other related party
Ding & Ding Management Consultant Co., Ltd.	Other related party
Far Eastern Big City Shopping Malls Co., Ltd.	Other related party
Systex Corporation	Other related party
Far Eastern International Bank (FEIB)	Other related party
Pacific Sogo Department Stores Co., Ltd.	Other related party
Oriental Securities Corporation Ltd.	Other related party
Yuan-Ze University	Other related party

b. Operating revenue

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Parent company		
NCIC	\$ 131,352	\$ 116,475
Others	<u>5,418</u>	<u>5,132</u>
	<u>136,770</u>	<u>121,607</u>
Subsidiaries	16,041	19,805
Subsidiaries of FENC	2,296	2,480
Other related parties	<u>36,412</u>	<u>13,280</u>
	<u>\$ 191,519</u>	<u>\$ 157,172</u>

Sales to related parties are conducted at prices and terms consistent with those applied in arm's length transactions.

c. Operating costs

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Subsidiaries	\$ 11,000	\$ 7,413
Subsidiaries of FENC	-	140
Other related parties	<u>-</u>	<u>68</u>
	<u>\$ 11,000</u>	<u>\$ 7,621</u>

Purchases from related parties are conducted at prices and terms consistent with those applied in arm's length transactions.

d. Operating expenses

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2024</b>
Parent company	\$ 331	\$ 316
Other related parties	<u>184</u>	<u>208</u>
	<u>\$ 515</u>	<u>\$ 524</u>

e. Interest income

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Other related parties		
FEIB	<u>\$ 1,657</u>	<u>\$ 305</u>

f. Other income

**For the Year Ended December 31**  
**2024                      2023**

Subsidiaries	\$ <u>34</u>	\$ <u>-</u>
--------------	--------------	-------------

g. Bank deposits

**December 31**  
**2024                      2023**

Other related parties		
FEIB	\$ <u>272,706</u>	\$ <u>32,630</u>

h. Accounts receivable from related parties

**December 31**  
**2024                      2023**

Parent company		
NCIC	\$ 23,548	\$ 22,162
Others	<u>160</u>	<u>24</u>
	<u>23,708</u>	<u>22,186</u>
Subsidiaries	2,771	3,576
Subsidiaries of FENC	253	447
Other related parties	<u>3,543</u>	<u>9,489</u>
	<u>\$ 30,275</u>	<u>\$ 35,698</u>

The outstanding receivables from related parties are unsecured.

i. Other receivables from related parties

**December 31**  
**2024                      2023**

Subsidiaries		
Microfusion	\$ -	\$ 3,885
Nextlink (HK)	-	5,900
Others	<u>-</u>	<u>1,044</u>
	<u>\$ -</u>	<u>\$ 10,829</u>

j. Accounts payables to related parties

**December 31**  
**2024                      2023**

Subsidiaries	\$ <u>1,945</u>	\$ <u>4,306</u>
--------------	-----------------	-----------------

The outstanding payables to related parties are unsecured.



k. Other payables to related parties

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Parent company	\$ 8	\$ 15
Other related parties	<u>70</u>	<u>3</u>
	<u>\$ 78</u>	<u>\$ 18</u>

l. Management service revenue

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Subsidiaries		
Microfusion	\$ 40,800	\$ 39,600
Nextlink (HK)	44,400	54,000
Microfusion (HK)	<u>6,480</u>	<u>2,880</u>
	<u>\$ 91,680</u>	<u>\$ 96,480</u>

The Company provides certain management services to its subsidiaries. The pricing for these transactions is determined by the related costs incurred by the Company for managing the subsidiaries plus markups. The payment terms are consistent with other general transactions.

m. Remuneration of key management personnel

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Short-term benefits	\$ 29,070	\$ 24,574
Post-employment benefits	771	744
Share-based payments	<u>104</u>	<u>1,577</u>
	<u>\$ 29,945</u>	<u>\$ 26,895</u>

The remuneration of directors and key management personnel is determined based on the performance of individuals and market trends.

## 25. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than the functional currency of the Company and the exchange rates between the foreign currencies and the functional currency were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

(In Thousands, Except Exchange Rate)

December 31, 2024			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 2,215	32.785 (USD:NTD)	\$ 72,615
Nonmonetary items			
Subsidiary accounted for using the equity method			
HKD	34,252	4.222 (HKD:NTD)	144,611
MYR	242	7.066 (MYR:NTD)	1,711
SGD	102	24.13 (SGD:NTD)	2,465

### Financial liabilities

Monetary items			
USD	4,494	32.785 (USD:NTD)	147,334

December 31, 2023			
	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 3,213	30.705 (USD:NTD)	\$ 98,651
Nonmonetary items			
Subsidiary accounted for using the equity method			
HKD	20,336	3.929 (HKD:NTD)	79,902
MYR	747	6.411 (MYR:NTD)	4,791
SGD	122	23.29 (SGD:NTD)	2,850

### Financial liabilities

Monetary items			
USD	3,804	30.705 (USD:NTD)	116,809

For the years ended December 31, 2024 and 2023, realized and unrealized net foreign exchange gains (losses) were \$(45) thousand and \$(499) thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

## 26. SEPARATELY DISCLOSED ITEMS

### a. Information about significant transactions

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

### b. Information on investees: Schedule B

### c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Schedule C
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
  - c) The amount of property transactions and the amount of the resultant gains or losses.
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
  - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- d. Information on major stockholders: List all stockholders with ownership of 5% or greater showing the name of the stockholder, the number of shares owned, and percentage of ownership of each stockholder: Schedule D.

NEXTLINK TECHNOLOGY CO., LTD.

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

Purchaser (Seller) of Goods	Related Party	Relationship	Transaction Details				Abnormal Transaction		Accounts/Other Receivables (Payables)	
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total
Nextlink Technology Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Parent company	Operating revenue	\$ (131,352)	(10)	Based on agreement	-	-	Accounts receivable \$ 23,548	13
Microfusion Technology Co., Ltd.	New Century InfoComm Tech Co., Ltd.	Parent company	Operating revenue	(73,028)	(5)	Based on agreement	-	-	Accounts receivable 13,653	4

NEXTLINK TECHNOLOGY CO., LTD.

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Nextlink Technology Co., Ltd.	Microfusion Technology Co., Ltd.	Taiwan	Electronic information services	\$ 17,000	\$ 17,000	5,933,400	100.00	\$ 133,852	\$ 65,457	\$ 65,457	Note A
	Nextlink (HK) Technology Co., Ltd.	Hong Kong	Electronic information services	973	973	-	100.00	131,919	48,190	48,190	Note A
	Microfusion (HK) Technology Co., Ltd.	Hong Kong	Electronic information services	1,494	1,494	-	100.00	12,692	9,355	9,355	Note A
	MICROFUSION TECHNOLOGY (MY) SDN. BHD.	Malaysia	Electronic information services	6,896	6,896	1,000,000	100.00	1,711	(3,331)	(3,331)	Note A
				(MYR 1,000 thousand)	(MYR 1,000 thousand)						
	NEXTLINK (SG) TECHNOLOGY PTE. LTD.	Singapore	Electronic information services	3,205 (US\$ 1,000 thousand)	3,205 (US\$ 1,000 thousand)	1000,000	100.00	2,465	(485)	(485)	Note A

Note A:   Subsidiary.

Note B:   Investments in mainland China are shown in Schedule C.

NEXTLINK TECHNOLOGY CO., LTD.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (US\$ in Thousands)	Method of Investment (Note A)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 (US\$ in Thousands)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024 (US\$ in Thousands)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2024 (HK\$ in Thousands)	Accumulated Repatriation of Investment Income as of December 31, 2024
					Outward	Inward						
Nextlink (Shanghai) Technology Co., Ltd.	Electronic information services	\$ 2,361 (US\$ 72)	2	\$ 2,361 (US\$ 72)	\$ -	\$ -	\$ 2,361 (US\$ 72)	\$ 230	100	\$ 230	\$ 3,104 (HK\$ 730)	\$ -

Company Name	Accumulated Investment in Mainland China as of December 31, 2024 (US\$ in Thousands)	Investment Amounts Authorized by the Investment Commission, MOEA (US\$ in Thousands)	Limit on Investments (Note B)
Nextlink Technology Co., Ltd.	\$ 2,361 (US\$ 72)	\$ 2,361 (US\$ 72)	\$ 376,973

Note A: Method of investment is as follows:

1. The Company made the investment directly.
2. The Company made the investment indirectly through a company registered in a third region. The company registered in a third region is Nextlink (HK) Technology Co., Ltd.
3. Others.

Note B: The limit is up to 60% of the higher of the investor’s net worth or consolidated net worth as stated in the Principles Governing the Review of Investment or Technical Cooperation in Mainland China, which was issued on August 29, 2008 by the Investment Commission of the MOEA.

**NEXTLINK TECHNOLOGY CO., LTD.****INFORMATION ON MAJOR STOCKHOLDERS  
DECEMBER 31, 2024**

---

Name of Major Stockholder	Shareholding	
	Number of Shares	Percentage of Ownership (%)
New Century InfoComm Tech Co., Ltd.	12,737,907	57.63
Avalion Enterprises Limited (Incorporated in British Virgin Islands)	4,443,093	20.10

Note: The information on major stockholders presented in the above table lists the major stockholders whose combined shareholdings of ordinary and preference shares are at least 5% of the Company's total shares, as calculated by the Taiwan Depository & Clearing Corporation based on the number of dematerialized shares (including treasury shares) which have been registered and delivered on the last working day of the current quarter. The number of shares recorded in the Company's parent company only financial statements may be different from the number of dematerialized shares which have completed registration and delivery due to differences in the basis of preparation and calculation.



# **NEXTLINK TECHNOLOGY CO., LTD.**

## **THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS**

---

<b>Item</b>	<b>Statement Index</b>
Major Accounting Items in Assets, Liabilities and Equity	
Statement of cash and cash equivalents	Statement 1
Statement of accounts receivable	Statement 2
Statement of changes in investments accounted for using the equity method	Statement 3
Statement of changes in property, plant and equipment	Note 10
Statement of changes in right-of-use assets	Note 11
Statement of changes in intangible assets	Note 12
Statement of deferred income tax assets/liabilities	Note 18
Statement of accounts payable	Statement 4
Statement of other payables	Note 13
Statement of lease liabilities	Note 11
Major Accounting Items in Profit or Loss	
Statement of operating revenue	Note 16
Statement of operating costs	Statement 5
Statement of operating expenses	Statement 6
Statement of financial costs	Note 17
Statement of employee benefits, depreciation and amortization by function	Statement 7

**STATEMENT 1**

**NEXTLINK TECHNOLOGY CO., LTD.**

**STATEMENT OF CASH AND CASH EQUIVALENTS**

**DECEMBER 31, 2024**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

---

<b>Item</b>	<b>Amount</b>
Cash	
Petty cash	\$ 70
Demand deposits (Note 1)	373,433
Cash equivalents (Note 2)	<u>54,178</u>
	<u>\$ 427,681</u>

Note 1: Including US\$524 thousand @32.785, JPY44 thousand @0.2099.

Note 2: Including US\$1,650 thousand @32.785.

**NEXTLINK TECHNOLOGY CO., LTD.****STATEMENT OF ACCOUNTS RECEIVABLE****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

---

<b>Client Name</b>	<b>Amount</b>
Company A	\$ 19,842
Company B	10,586
Company C	10,412
Company D	8,282
Others (Note)	104,177
Less: Allowance for impairment loss	<u>1,569</u>
Accounts receivable, net	<u>\$ 151,730</u>

Note: The amount of accounts receivable of individual client included in “others” does not exceed 5% of the account balance.

NEXTLINK TECHNOLOGY CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Par Value Per Share (In Dollars)	Balance at January 1, 2024		Increase in Investments		Decrease in Investments		Adjustments in Investments Accounted for Using the Equity Method (Note 2)	Balance at December 31, 2024			Market Value or Net Asset Value
		Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount (Note 1)		Number of Shares (In Thousands)	Percentage of Ownership (%)	Amount	
Investments accounted for using the equity method												
Microfusion Technology Co., Ltd.	\$10	5,933	\$ 89,654	-	\$ -	-	\$ (22,547)	\$ 66,745	5,933	100.00	\$ 133,852	\$ 133,852
Nextlink (HK) Technology Co., Ltd.	-	-	76,994	-	-	-	-	54,925	-	100.00	131,919	131,919
Microfusion (HK) Technology Co., Ltd.	-	-	2,908	-	-	-	-	9,784	-	100.00	12,692	12,692
MICROFUSION TECHNOLOGY (MY) SDN. BHD	MYR 1	1,000	4,791	-	-	-	-	(3,080)	1,000	100.00	1,711	1,711
NEXTLINK (SG) TECHNOLOGY PTE. LTD.	SGD 1	100	<u>2,850</u>	-	<u>-</u>	-	<u>-</u>	<u>(385)</u>	100	100.00	<u>2,465</u>	<u>2,465</u>
			<u>\$ 177,197</u>		<u>\$ -</u>		<u>\$ (22,547)</u>	<u>\$ 127,989</u>			<u>\$ 282,639</u>	<u>\$ 282,639</u>

Note 1: Due to the distribution of cash dividends.

Note 2: Mainly includes:

- a. The Company’s share of the profit or loss of investees.
- b. The Company’s share of the other comprehensive income of investees.
- c. Changes in the equity of investees.

**NEXTLINK TECHNOLOGY CO., LTD.**

**STATEMENT OF ACCOUNTS PAYABLE**

**DECEMBER 31, 2024**

**(In Thousands of New Taiwan Dollars)**

---

<b>Vendor Name</b>	<b>Amount</b>
Vendor A	\$ 146,031
Others (Note)	<u>3,151</u>
	<u>\$ 149,452</u>

Note: The amount of accounts payable of individual vendor in “others” does not exceed 5% of the account balance.

**NEXTLINK TECHNOLOGY CO., LTD.****STATEMENT OF OPERATING COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars)**

---

<b>Item</b>	<b>Amount</b>
Information service costs	\$ 1,095,872
Other costs (Note)	<u>141</u>
	<u>\$ 1,096,013</u>

Note: The amount of each item in “other costs” does not exceed 5% of the account balance.

**NEXTLINK TECHNOLOGY CO., LTD.****STATEMENT OF OPERATING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars)**

---

<b>Item</b>	<b>Marketing Expense</b>	<b>General and Administrative Expense</b>	<b>Research and Development Expense</b>	<b>Total</b>
Salaries	\$ 82,773	\$ 49,447	\$ 13,901	\$ 146,121
Professional service fees	5,592	12,517	1,529	19,638
Depreciation	-	19,948	-	19,948
Insurance expenses	6,683	3,467	1,170	11,320
Outsourced development expenses	-	-	5,778	5,778
Expected credit losses	(966)	-	-	(966)
Others (Note)	<u>18,576</u>	<u>14,630</u>	<u>1,282</u>	<u>34,488</u>
	<u>\$ 112,658</u>	<u>\$ 100,009</u>	<u>\$ 23,660</u>	<u>\$ 236,327</u>

Note: The amount of each item in “others” does not exceed 5% of the account balance.

## NEXTLINK TECHNOLOGY CO., LTD.

STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION BY FUNCTION  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

Item	For the Year Ended December 31					
	2024			2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salaries	\$ 24,185	\$ 143,411	\$ 167,596	\$ 23,773	\$ 117,453	\$ 141,226
Insurance	2,320	11,146	13,466	-	11,650	11,650
Pension	1,582	5,979	7,561	-	5,925	5,925
Remuneration of directors	-	2,710	2,710	-	700	700
Others	931	6,450	7,381	644	6,534	7,178
	<u>\$ 29,018</u>	<u>\$ 169,696</u>	<u>\$ 198,714</u>	<u>\$ 24,417</u>	<u>\$ 142,262</u>	<u>\$ 166,679</u>
Depreciation	<u>\$ 65</u>	<u>\$ 19,948</u>	<u>\$ 20,013</u>	<u>\$ 488</u>	<u>\$ 19,910</u>	<u>\$ 20,398</u>
Amortization	<u>\$ -</u>	<u>\$ 480</u>	<u>\$ 480</u>	<u>\$ -</u>	<u>\$ 786</u>	<u>\$ 786</u>

Note 1: The average numbers of employees of the Company were 141 and 123, including 7 and 6 directors not serving concurrently as employees, for the years ended December 31, 2024 and 2023, respectively.

Note 2: Other disclosed information

- a. The average employee benefit expenses were \$1,463 thousand for the year ended December 31, 2024. ("total employee benefit expenses for the year - total remuneration of directors for the year"/"number of employees for the year - number of directors not serving concurrently as employees for the year")

The average employee benefit expenses were \$1,419 thousand for the year ended December 31, 2023. ("total employee benefit expenses for the prior year - total remuneration of directors for the prior year"/"number of employees for the prior year - number of directors not serving concurrently as employees for the prior year")

- b. The average salary expenses were \$1,251 thousand for the year ended December 31, 2024. ("total salary expenses for the year"/"number of employees for the year - number of directors not serving concurrently as employees for the year")

The average salary expenses were \$1,207 thousand for the year ended December 31, 2023. ("total salary expenses for the prior year"/"number of employees for the prior year - number of directors not serving concurrently as employees for the prior year")

- c. The average salary expenses increased by 3.6%. ("average employee salary expenses for the year - average employee salary expenses for the prior year"/"average employee salary expenses for the prior year")
- d. Supervisors' remuneration for the current and previous year: The company did not pay remuneration to the supervisors and has established an audit committee starting from November 2023 to replace the duties of the supervisors.
- e. Please describe the company's salary and compensation policy. (including directors, supervisors, managers and employees)
- 1) The remuneration of the company's directors is determined in accordance with the company's Articles of Incorporation, based on the degree of involvement in the company's operations and the value of their contributions.
  - 2) The remuneration of the company's general manager and deputy general managers, including salary and bonuses, is determined based on their positions and responsibilities. It is assessed with reference to their past relevant work experience, market salary levels, and individual performance.
  - 3) The remuneration paid to the company's directors, general manager, and deputy general managers has been determined with consideration of the operational risks the company may face in the future and its positive correlation with business performance, aiming to balancing sustainable operations and risk management.
  - 4) For compensation of employees, the Company conducts salary surveys and reviews employees' salary levels to offer its employees competitive compensation.