

**TRANSCEND INFORMATION, INC. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
THEREON
MARCH 31, 2025 AND 2024**

For the convenience of readers and for information purpose only, the independent auditors' review report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language independent auditors' review report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Transcend Information, Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Transcend Information Inc. and subsidiaries (the "Group") as at March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

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

Basis for qualified conclusion

As explained in Note 4(3), the financial statements of certain insignificant consolidated subsidiaries for the three-month periods ended March 31, 2025 and 2024 were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT\$1,696,900 thousand and NT\$1,386,563 thousand, constituting 8% and 6% of the consolidated total assets as at March 31, 2025 and 2024, respectively, total liabilities amounted to NT\$102,852 thousand and NT\$102,219 thousand, both constituting 2% of the consolidated total liabilities as at March 31, 2025 and 2024, respectively, and the total comprehensive income (loss) amounted to NT\$18,984 thousand and (NT\$10,299) thousand, constituting 6% and (1%) of the consolidated total comprehensive income for the three-month periods then ended, respectively.

Qualified conclusion

Based on our reviews, except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of consolidated subsidiaries been reviewed by independent auditors as described in the Basis for qualified conclusion section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Chen, Ching Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

May 8, 2025

Lin, Yi-Fan

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ review report are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China and their applications in practice.

As the consolidated financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	March 31, 2025		December 31, 2024		March 31, 2024		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 1,951,940	9	\$ 1,970,580	9	\$ 1,825,408	8
1110	Financial assets at fair value through profit or loss - current	6(2)	1,613,814	7	1,457,699	7	-	-
1136	Financial assets at amortised cost - current	6(3)	5,120,496	23	4,286,788	20	7,724,224	33
1150	Notes receivable, net	6(4)	1,051	-	-	-	559	-
1170	Accounts receivable, net	6(4)	1,518,242	7	1,237,431	6	1,222,303	5
1180	Accounts receivable due from related parties, net	7	8	-	-	-	-	-
1200	Other receivables		56,423	-	52,288	-	96,448	1
130X	Inventories	6(5)	5,216,927	24	5,424,702	26	5,702,844	25
1479	Other current assets		20,428	-	19,457	-	33,301	-
11XX	Total current assets		<u>15,499,329</u>	<u>70</u>	<u>14,448,945</u>	<u>68</u>	<u>16,605,087</u>	<u>72</u>
Non-current assets								
1510	Financial assets at fair value through profit or loss - non-current	6(2)	996,627	5	1,135,236	5	950,090	4
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	853,921	4	1,028,444	5	861,322	4
1535	Financial assets at amortised cost - non-current	6(3)	326,941	2	322,570	1	314,491	1
1550	Investments accounted for using equity method	6(7)	75,136	-	81,781	-	101,467	-
1600	Property, plant and equipment	6(8), 7 and 8	1,551,674	7	1,558,755	7	1,514,397	7
1755	Right-of-use assets	6(9) and 7	109,985	1	121,367	1	155,754	1
1760	Investment property, net	6(11)	2,537,016	11	2,538,589	12	2,578,039	11
1840	Deferred income tax assets		102,938	-	116,552	1	87,782	-
1900	Other non-current assets	6(12)	47,868	-	48,026	-	48,742	-
15XX	Total non-current assets		<u>6,602,106</u>	<u>30</u>	<u>6,951,320</u>	<u>32</u>	<u>6,612,084</u>	<u>28</u>
1XXX	Total assets		<u>\$ 22,101,435</u>	<u>100</u>	<u>\$ 21,400,265</u>	<u>100</u>	<u>\$ 23,217,171</u>	<u>100</u>

(Continued)

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and equity	Notes	March 31, 2025		December 31, 2024		March 31, 2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities							
2170	Accounts payable	\$ 1,062,351	5	\$ 769,307	4	\$ 1,675,506	7
2180	Accounts payable - related parties	19,687	-	32,748	-	26,076	-
2200	Other payables	2,840,227	13	239,796	1	2,413,160	11
2230	Current income tax liabilities	294,799	2	190,604	1	650,931	3
2280	Lease liabilities - current	55,981	-	54,438	-	52,967	-
2300	Other current liabilities	15,580	-	13,494	-	6,426	-
21XX	Total current liabilities	<u>4,288,625</u>	<u>20</u>	<u>1,300,387</u>	<u>6</u>	<u>4,825,066</u>	<u>21</u>
Non-current liabilities							
2570	Deferred income tax liabilities	193,207	1	187,573	1	192,830	1
2580	Lease liabilities - non-current	50,171	-	53,134	-	98,819	-
2600	Other non-current liabilities	37,491	-	36,157	-	43,369	-
25XX	Total non-current liabilities	<u>280,869</u>	<u>1</u>	<u>276,864</u>	<u>1</u>	<u>335,018</u>	<u>1</u>
2XXX	Total liabilities	<u>4,569,494</u>	<u>21</u>	<u>1,577,251</u>	<u>7</u>	<u>5,160,084</u>	<u>22</u>
Equity attributable to shareholders of parent							
Share capital 6(15)							
3110	Common stock	4,298,437	19	4,298,547	20	4,290,617	19
Capital surplus 6(16)							
3200	Capital surplus	2,687,286	12	2,897,800	13	2,830,088	12
Retained earnings 6(17)							
3310	Legal reserve	5,503,030	25	5,503,030	26	5,303,693	23
3320	Special reserve	230,363	1	230,363	1	357,817	2
3350	Unappropriated retained earnings	4,920,160	22	6,920,154	33	5,372,854	23
Other equity interest 6(18)							
3400	Other equity interest	(107,335)	-	(26,880)	-	(97,982)	(1)
3XXX	Total equity	<u>17,531,941</u>	<u>79</u>	<u>19,823,014</u>	<u>93</u>	<u>18,057,087</u>	<u>78</u>
Significant contingent liabilities and unrecognized contract commitments 9							
3X2X	Total liabilities and equity	<u>\$ 22,101,435</u>	<u>100</u>	<u>\$ 21,400,265</u>	<u>100</u>	<u>\$ 23,217,171</u>	<u>100</u>

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

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	Three months ended March 31			
			2025		2024	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19) and 7	\$ 2,982,852	100	\$ 2,732,286	100
5000	Operating costs	6(5)(23) and 7	(2,122,796)	(71)	(1,835,695)	(67)
5900	Gross profit		<u>860,056</u>	<u>29</u>	<u>896,591</u>	<u>33</u>
	Operating expenses	6(23) and 7				
6100	Sales and marketing expenses		(241,693)	(8)	(207,911)	(8)
6200	Administrative expenses		(93,840)	(3)	(52,398)	(2)
6300	Research and development expenses		(44,360)	(2)	(39,053)	(1)
6000	Total operating expenses		(379,893)	(13)	(299,362)	(11)
6900	Operating profit		<u>480,163</u>	<u>16</u>	<u>597,229</u>	<u>22</u>
	Non-operating income and expenses					
7100	Interest income	6(3)(20)	65,607	2	89,253	3
7010	Other income	6(6)(10)(11)(21)	17,898	1	17,267	1
7020	Other gains and losses	6(2)(22)	(56,175)	(2)	286,051	10
7050	Finance costs	6(9)	(494)	-	(653)	-
7060	Share of loss of associates and joint ventures accounted for using the equity method	6(7)	(7,752)	-	(3,499)	-
7000	Total non-operating income and expenses		<u>19,084</u>	<u>1</u>	<u>388,419</u>	<u>14</u>
7900	Profit before income tax		<u>499,247</u>	<u>17</u>	<u>985,648</u>	<u>36</u>
7950	Income tax expense	6(24)	(125,841)	(4)	(178,699)	(7)
8200	Profit for the period		<u>\$ 373,406</u>	<u>13</u>	<u>\$ 806,949</u>	<u>29</u>
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8316	Unrealized gain or loss on financial assets at fair value through other comprehensive income	6(6)(18)	(\$ 83,504)	(3)	\$ 103,270	4
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	6(7)	1,107	-	(172)	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(18)	38,336	1	29,548	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(18)(24)	(7,667)	-	(5,909)	-
8300	Other comprehensive (loss) income for the period		<u>(\$ 51,728)</u>	<u>(2)</u>	<u>\$ 126,737</u>	<u>5</u>
8500	Total comprehensive income		<u>\$ 321,678</u>	<u>11</u>	<u>\$ 933,686</u>	<u>34</u>
	Net profit attributable to:					
8610	Shareholders of parent		<u>\$ 373,406</u>	<u>13</u>	<u>\$ 806,949</u>	<u>29</u>
	Comprehensive income attributable to:					
8710	Shareholders of parent		<u>\$ 321,678</u>	<u>11</u>	<u>\$ 933,686</u>	<u>34</u>
	Earnings per share (in dollars)	6(25)				
9750	Basic earnings per share		<u>\$ 0.87</u>		<u>\$ 1.88</u>	
9850	Diluted earnings per share		<u>\$ 0.87</u>		<u>\$ 1.88</u>	

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

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent											Total equity	
	Capital Reserves				Retained Earnings				Other equity interest				
	Notes	Common stock	Additional paid-in capital	Donated assets received	Net assets from merger	Restricted stock	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		Unearned compensation
<u>Three months ended March 31, 2024</u>													
		\$ 4,290,617	\$ 3,004,934	\$ 4,557	\$ 35,128	\$ -	\$ 5,303,693	\$ 357,817	\$ 6,502,327	(\$ 234,051)	\$ 3,688	\$ -	\$ 19,268,710
		-	-	-	-	-	-	806,949	-	-	-	806,949	
	6(6)(18)	-	-	-	-	-	-	(172)	23,639	103,270	-	126,737	
		-	-	-	-	-	-	806,777	23,639	103,270	-	933,686	
<u>Appropriations and distribution of 2023 earnings</u>													
	6(17)	-	-	-	-	-	-	(1,930,778)	-	-	-	(1,930,778)	
		-	(214,531)	-	-	-	-	-	-	-	-	(214,531)	
	6(6)(18)	-	-	-	-	-	-	(5,472)	-	5,472	-	-	
		\$ 4,290,617	\$ 2,790,403	\$ 4,557	\$ 35,128	\$ -	\$ 5,303,693	\$ 357,817	\$ 5,372,854	(\$ 210,412)	\$ 112,430	\$ -	\$ 18,057,087
<u>Three months ended March 31, 2025</u>													
		\$ 4,298,547	\$ 2,790,410	\$ 4,694	\$ 35,128	\$ 67,568	\$ 5,503,030	\$ 230,363	\$ 6,920,154	(\$ 207,873)	\$ 231,980	(\$ 50,987)	\$ 19,823,014
		-	-	-	-	-	-	373,406	-	-	-	373,406	
	6(6)(18)	-	-	-	-	-	-	1,107	30,669	(83,504)	-	(51,728)	
		-	-	-	-	-	-	374,513	30,669	(83,504)	-	321,678	
<u>Appropriations and distribution of 2024 earnings</u>													
	6(17)	-	-	-	-	-	-	(2,411,485)	-	-	-	(2,411,485)	
		-	(210,629)	-	-	-	-	-	-	-	-	(210,629)	
	6(6)(18)	-	-	-	-	-	-	36,928	-	(36,928)	-	-	
	6(14)(15)(18)	(110)	5	-	-	110	-	50	-	-	9,308	9,363	
		\$ 4,298,437	\$ 2,579,786	\$ 4,694	\$ 35,128	\$ 67,678	\$ 5,503,030	\$ 230,363	\$ 4,920,160	(\$ 177,204)	\$ 111,548	(\$ 41,679)	\$ 17,531,941

Note: The appropriation for cash dividends and cash payment from capital surplus had been resolved by the Board of Directors during its meeting on March 6, 2025, but have not yet been reported to the shareholders.

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

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31	
		2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 499,247	\$ 985,648
Adjustments			
Adjustments to reconcile profit (loss)			
Net loss (gain) on financial assets at fair value through profit or loss	6(2)(22)	122,402	(95,875)
Share of profit or loss of associates and joint ventures accounted for using the equity method	6(7)	7,752	3,499
Loss on disposal of property, plant and equipment	6(22)	6	-
Depreciation	6(23)	33,021	34,092
Interest income	6(20)	(65,607)	(89,253)
Interest expense	6(9)	494	653
Dividend income	6(6)(21)	(6,780)	(2,454)
Share-based payments	6(14)(23)	9,363	-
Changes in assets and liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss - current		(150,000)	-
Notes receivable		(1,051)	(236)
Accounts receivable		(280,835)	25,018
Accounts receivable - related parties		(8)	-
Other receivables		(3,061)	16,891
Inventories		207,775	(699,155)
Other current assets		(971)	7,961
Changes in liabilities relating to operating activities			
Accounts payable		293,044	(116,264)
Accounts payable - related parties		(13,061)	(13,837)
Other payables		(21,683)	(33,504)
Other current liabilities		2,086	(15,763)
Net defined benefit liability		(292)	(278)
Cash inflow generated from operations		631,841	7,143
Dividends received		6,430	2,244
Interest received		64,664	89,018
Income tax paid		(10,065)	(15,879)
Net cash flows provided by operating activities		<u>692,870</u>	<u>82,526</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through profit or loss - non-current		10,092	-
Acquisition of financial assets at fair value through profit or loss - non-current		-	(392,481)
Proceeds from disposal of financial assets at amortised cost		596,710	1,901,570
Acquisition of financial assets at amortised cost		(1,429,389)	(1,415,104)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(6)	112,226	41,976
Acquisition of financial assets at fair value through other comprehensive income		(21,207)	(173,400)
Acquisition of property, plant and equipment	6(26)	(377)	(12,779)
Increase in guarantee deposits paid		(326)	(126)
Acquisition of investment property	6(11)	(666)	-
Decrease in other non-current assets		324	228
Net cash flows used in investing activities		<u>(732,613)</u>	<u>(50,116)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in guarantee deposits received		1,626	933
Payment of lease liabilities		(3,924)	(4,075)
Net cash flows used in financing activities		<u>(2,298)</u>	<u>(3,142)</u>
Effect of exchange rate changes		23,401	(62,579)
Net decrease in cash and cash equivalents		(18,640)	(33,311)
Cash and cash equivalents at beginning of period		1,970,580	1,858,719
Cash and cash equivalents at end of period		<u>\$ 1,951,940</u>	<u>\$ 1,825,408</u>

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

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

Transcend Information, Inc. (the “Company”) was incorporated under the provisions of the Company Law of the Republic of China (R.O.C.) in August 1989. The main activities of the Company and its subsidiaries (collectively referred herein as the “Group”) are manufacturing, processing and sales of computer software and hardware, peripheral equipment and other computer components. The Securities and Futures Commission of the Republic of China had approved the Company’s shares to be listed on the Taiwan Stock Exchange and the shares started trading on May 3, 2001.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on May 8, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards-Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

A. Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

The IASB has issued the amendments to update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognized during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognized during that reporting period.

B. IFRS 18, ‘Presentation and disclosure in financial statements’

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for the compliance statement, basis of preparation and basis of consolidation as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, ‘Interim financial reporting’ that came into effect as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligations.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

Basis for preparation of these consolidated financial statements is the same as that for the preparation of the consolidated financial statements as of and for the year ended December 31, 2024.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
Transcend Information, Inc.	Saffire Investment Ltd. (Saffire)	Investment holdings	100	100	100	
	Transcend Japan Inc. (Transcend Japan)	Import and wholesale of computer memory modules	100	100	100	Note 4
	Transcend Information Inc. (Transcend USA)	Import and wholesale of computer memory modules	100	100	100	"
	Transcend Korea Inc. (Transcend Korea)	Import and wholesale of computer memory modules	100	100	100	"
Saffire Investment Ltd.	Memhiro Pte. Ltd. (Memhiro)	Investment holdings	100	100	100	
	Transcend Information Europe B.V. (Transcend Europe)	Import and wholesale of computer memory modules	100	100	-	Notes 3 and 4
Memhiro Pte. Ltd.	Transcend Information Europe B.V. (Transcend Europe)	Import and wholesale of computer memory modules	-	-	100	"
	Transcend Information Trading GmbH (Transcend Germany)	Import and wholesale of computer memory modules	-	-	100	Notes 2 and 4
	Transcend Information (Shanghai), Ltd. (Transcend Shanghai)	Manufacture and sales of blank medium such as memory expansion cards and external storage devices, and other disk drives and lease of self-owned buildings	-	-	100	Notes 1 and 4

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
Memhiro Pte. Ltd.	Transtech Trading (Shanghai) Co., Ltd. (Transtech Shanghai)	Wholesale, retail, manufacture, import and export, agent and related services of computer software and hardware and auxiliary equipment, and non- residential real estate leasing	100	100	100	Notes 1 and 4
	Transcend Information (H.K) Ltd. (Transcend HK)	Import and wholesale of computer memory modules	100	100	100	Note 4
Transcend Information Europe B.V.	Transcend Information Trading GmbH (Transcend Germany)	Import and wholesale of computer memory modules	100	100	-	Notes 2 and 4

Note 1: The effective date of the merger of Transcend Shanghai and Transtech Shanghai was March 29, 2024, with Transtech Shanghai as the surviving company and Transcend Shanghai as the dissolved company, and the procedures of related merger was completed in February 2025.

Note 2: In the third quarter of 2024, the Group adjusted its investment structure. Transcend Germany's 100% equity interest is then held by Transcend Europe.

Note 3: In the fourth quarter of 2024, the Group adjusted its investment structure. Transcend Europe's 100% equity interest is then held by Saffire Investment.

Note 4: The financial statements of insignificant subsidiaries as of and for the three-month periods ended March 31, 2025 and 2024 were not reviewed by independent auditors.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustment for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There was no significant change during this period. Refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024 for related information.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Cash on hand and petty cash	\$ 350	\$ 457	\$ 378
Checking accounts and demand deposits	1,420,310	1,130,333	1,081,030
Time deposits	<u>531,280</u>	<u>839,790</u>	<u>744,000</u>
	<u>\$ 1,951,940</u>	<u>\$ 1,970,580</u>	<u>\$ 1,825,408</u>

- A. The aforementioned time deposits pertain to high liquidity investments with maturity within three months.
- B. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- C. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss

<u>Items</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	\$ 1,600,000	\$ 1,450,000	\$ -
Valuation adjustments	<u>13,814</u>	<u>7,699</u>	<u>-</u>
	<u>\$ 1,613,814</u>	<u>\$ 1,457,699</u>	<u>\$ -</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	\$ 841,501	\$ 851,626	\$ 826,047
Valuation adjustments	<u>155,126</u>	<u>283,610</u>	<u>124,043</u>
	<u>\$ 996,627</u>	<u>\$ 1,135,236</u>	<u>\$ 950,090</u>

- A. Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	<u>Three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Financial assets measured at fair value through profit or loss		
Beneficiary certificates	<u>(\$ 122,402)</u>	<u>\$ 95,875</u>

- B. The Group has no financial assets at fair value through profit or loss pledged to others.

(3) Financial assets at amortised cost

<u>Items</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current items:			
Time deposits with original maturity of more than three months	<u>\$ 5,120,496</u>	<u>\$ 4,286,788</u>	<u>\$ 7,724,224</u>
Non-current items:			
Corporate bonds	<u>\$ 326,941</u>	<u>\$ 322,570</u>	<u>\$ 314,491</u>

A. Amounts recognized in profit or loss in relation to financial assets at amortised cost are listed below:

	<u>Three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Interest income	<u>\$ 49,975</u>	<u>\$ 71,250</u>

B. The Group has no financial assets at amortised cost pledged to others as collateral.

C. The Group transacts time deposits with reputable domestic and foreign banks. The issuers of ordinary corporate bonds which the Group invested are well-known domestic and foreign enterprises. The Group's counterparties have good credit quality, so the Group expects that the probability of counterparty default is remote. The impairment loss is assessed using a 12-month expected credit loss approach.

(4) Notes and accounts receivable

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Notes receivable	<u>\$ 1,051</u>	<u>\$ -</u>	<u>\$ 559</u>
Accounts receivable	<u>\$ 1,518,816</u>	<u>\$ 1,237,981</u>	<u>\$ 1,222,775</u>
Less: Loss allowance	<u>(574)</u>	<u>(550)</u>	<u>(472)</u>
	<u>\$ 1,518,242</u>	<u>\$ 1,237,431</u>	<u>\$ 1,222,303</u>

A. As of March 31, 2025, December 31, 2024 and March 31, 2024, the estimated sales discounts and allowances were \$116,672, \$113,703 and \$107,638, respectively. Since the sales discounts and allowances met the requirements for offset of financial liabilities and financial assets, the net amounts were shown under accounts receivable.

B. The ageing analysis of accounts receivable and notes receivable is as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Not past due	<u>\$ 1,389,923</u>	<u>\$ 1,016,356</u>	<u>\$ 1,030,298</u>
Up to 30 days	<u>99,927</u>	<u>201,172</u>	<u>157,025</u>
31 to 90 days	<u>7,041</u>	<u>6,523</u>	<u>18,977</u>
91 to 180 days	<u>7,533</u>	<u>4,697</u>	<u>6,965</u>
Over 180 days	<u>15,443</u>	<u>9,233</u>	<u>10,069</u>
	<u>\$ 1,519,867</u>	<u>\$ 1,237,981</u>	<u>\$ 1,223,334</u>

The above ageing analysis was based on past due date.

- C. The Group has credit insurance that covers accounts receivable from major customers. Should bad debts occur, the Group will receive 90% of the losses resulting from non-payment.
- D. As of March 31, 2025, December 31, 2024 and March 31, 2024, notes receivable and accounts receivable were all from contracts with customers. As of January 1, 2024, the balance of notes receivable and accounts receivable from contracts with customers amounted to \$1,248,116.
- E. As at March 31, 2025, December 31, 2024 and March 31, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$1,051, \$0 and \$559, respectively; the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$1,518,242, \$1,237,431 and \$1,222,303, respectively.
- F. The Group classifies customers' accounts receivable in accordance with the credit rating of the customer. The Group applies the simplified approach to estimate expected credit loss under the provision matrix basis.
- G. The Group wrote-off the financial assets, which cannot reasonably be expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On March 31, 2025, December 31, 2024 and March 31, 2024, the Group has no written-off financial assets that are still under recourse procedures.
- H. The Group used forecastability, historical and timely information to assess the loss rate of accounts receivable. As of March 31, 2025, December 31, 2024 and March 31, 2024, the provision matrix is as follows:

	<u>Not past due</u>	<u>1-180 days past due</u>	<u>Over 180 days past due</u>	<u>Total</u>
<u>March 31, 2025</u>				
Expected loss rate	0.001%~0.168%	0.007%~37%	25%~100%	
Total book value	\$ 1,388,872	\$ 114,501	\$ 15,443	\$ 1,518,816
	<u>Not past due</u>	<u>1-180 days past due</u>	<u>Over 180 days past due</u>	<u>Total</u>
<u>December 31, 2024</u>				
Expected loss rate	0.001%~0.158%	0.008%~36%	25%~100%	
Total book value	\$ 1,016,356	\$ 212,392	\$ 9,233	\$ 1,237,981
	<u>Not past due</u>	<u>1-180 days past due</u>	<u>Over 180 days past due</u>	<u>Total</u>
<u>March 31, 2024</u>				
Expected loss rate	0.002%~0.417%	0.01%~46%	25%~100%	
Total book value	\$ 1,029,739	\$ 182,967	\$ 10,069	\$ 1,222,775

I. The balance of allowance for loss and movements are as follows:

	2025	2024
At January 1	\$ 550	\$ 462
Effect of exchange rate changes	24	10
At March 31	<u>\$ 574</u>	<u>\$ 472</u>

J. The Group does not hold any collateral as security.

(5) Inventories

	March 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 4,507,347	(\$ 256,106)	\$ 4,251,241
Work in progress	577,363	(5,251)	572,112
Finished goods	396,575	(3,001)	393,574
	<u>\$ 5,481,285</u>	<u>(\$ 264,358)</u>	<u>\$ 5,216,927</u>

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 4,790,363	(\$ 313,841)	\$ 4,476,522
Work in progress	399,171	(1,585)	397,586
Finished goods	556,024	(5,430)	550,594
	<u>\$ 5,745,558</u>	<u>(\$ 320,856)</u>	<u>\$ 5,424,702</u>

	March 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 4,684,832	(\$ 147,826)	\$ 4,537,006
Work in progress	538,882	(319)	538,563
Finished goods	630,807	(3,532)	627,275
	<u>\$ 5,854,521</u>	<u>(\$ 151,677)</u>	<u>\$ 5,702,844</u>

A. The cost of inventories recognized as expense for the period:

	Three-month periods ended March 31,	
	2025	2024
Cost of goods sold	\$ 2,179,294	\$ 1,806,930
(Gain on reversal of) loss on decline in market value of inventory	(56,498)	28,765
	<u>\$ 2,122,796</u>	<u>\$ 1,835,695</u>

The gain on reversal of decline in market value of inventory for the three-month period ended March 31, 2025 arose from the clearance of certain inventories which were previously provided with allowance and the recovery in the net realizable value of certain inventories.

B. No inventories were pledged to others.

(6) Financial assets at fair value through other comprehensive income - non-current

<u>Items</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Non-current items:			
Equity instruments			
Listed stocks	\$ 661,248	\$ 715,339	\$ 667,767
Others	81,125	81,125	81,125
	<u>742,373</u>	<u>796,464</u>	<u>748,892</u>
Valuation adjustments	111,548	231,980	112,430
	<u>\$ 853,921</u>	<u>\$ 1,028,444</u>	<u>\$ 861,322</u>

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$853,921, \$1,028,444 and \$861,322 as at March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

B. For the three-month periods ended March 31, 2025 and 2024, the Group disposed equity investments whose fair value were \$112,226 and \$41,976, respectively, and the cumulative gains (losses) on disposal were transferred to retained earnings in the amount of \$36,928 and (\$5,472), respectively.

C. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	(\$ 83,504)	\$ 103,270
Cumulative gains (losses) reclassified to retained earnings due to derecognition	\$ 36,928	(\$ 5,472)
Dividend income recognized in profit or loss		
Held at end of period	\$ 4,605	\$ 2,454
Derecognized during the period	2,175	-
	<u>\$ 6,780</u>	<u>\$ 2,454</u>

D. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(7) Investments accounted for using equity method

<u>Investee Company</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Taiwan IC Packaging Corporation	\$ <u>75,136</u>	\$ <u>81,781</u>	\$ <u>101,467</u>

A. The basic information of the associate that is material to the Group is as follows:

<u>Associate name</u>	<u>Principal place of business</u>	<u>Shareholding ratio</u>			<u>Nature of relationship</u>	<u>Method of measurement</u>
		<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>		
Taiwan IC Packaging Corporation	Taiwan	12.51%	12.51%	12.51%	Note	Equity method

Note: Taiwan IC Packaging Corporation is engaged in IC packaging and testing and is the upstream supplier in the IT and semiconductor industries. In order to reach synergy of vertical integration, Taiwan IC Packaging Corporation processes the raw materials provided by the Group into relevant semi-finished goods.

B. The Group held a 12.51% equity interest in Taiwan IC Packaging Corporation, and is the company's largest single shareholder. However, the Group does not hold the majority of the voting power during the shareholders' meeting of Taiwan IC Packaging Corporation and the Group does not serve as corporate director of Taiwan IC Packaging Corporation, which indicate that the Group has no control ability to direct the relevant activities of Taiwan IC Packaging Corporation. In addition, the Company's chairman is the same with Taiwan IC Packaging Corporation; hence, the Group has significant influence over Taiwan IC Packaging Corporation.

C. The summarized financial information of the associate that is material to the Group is as follows:

Balance sheet

	<u>Taiwan IC Packaging Corporation</u>		
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current assets	\$ 826,456	\$ 856,566	\$ 994,661
Non-current assets	1,086,212	1,126,807	1,117,954
Current liabilities	(189,059)	(197,327)	(184,699)
Non-current liabilities	(71,421)	(71,929)	(72,895)
Total net assets	\$ <u>1,652,188</u>	\$ <u>1,714,117</u>	\$ <u>1,855,021</u>
Share in associate's net assets	\$ 206,689	\$ 214,436	\$ 232,063
Net equity differences	(<u>131,553</u>)	(<u>132,655</u>)	(<u>130,596</u>)
	\$ <u>75,136</u>	\$ <u>81,781</u>	\$ <u>101,467</u>

Statement of comprehensive income

	<u>Taiwan IC Packaging Corporation</u>	
	<u>Three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Revenue	\$ 227,899	\$ 216,943
Loss for the period from continuing operations	(\$ 61,983)	(\$ 27,976)
Total comprehensive loss	(\$ 61,983)	(\$ 27,976)
Dividends received from associates	\$ -	\$ -

D. Share of loss of associates accounted for using the equity method is as follows:

<u>Investee Company</u>	<u>Three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Taiwan IC Packaging Corporation	(\$ 6,645)	(\$ 3,671)

E. The Group's investment in Taiwan IC Packaging Corporation has quoted market price. The fair value of Taiwan IC Packaging Corporation was \$297,125, \$331,113 and \$403,476 as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

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(8) Property, plant and equipment

	2025						
	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Others</u>	<u>Total</u>
<u>At January 1</u>							
Cost	\$ 704,931	\$ 1,336,162	\$ 163,580	\$ 9,741	\$ 26,328	\$ 6,703	\$ 2,247,445
Accumulated depreciation	-	(562,055)	(94,960)	(7,235)	(20,274)	(4,166)	(688,690)
	<u>\$ 704,931</u>	<u>\$ 774,107</u>	<u>\$ 68,620</u>	<u>\$ 2,506</u>	<u>\$ 6,054</u>	<u>\$ 2,537</u>	<u>\$ 1,558,755</u>
At January 1	\$ 704,931	\$ 774,107	\$ 68,620	\$ 2,506	\$ 6,054	\$ 2,537	\$ 1,558,755
Additions (including transfers)	-	-	320	-	217	-	537
Disposals	-	-	-	-	(6)	-	(6)
Depreciation charge	-	(9,440)	(6,764)	(306)	(593)	(334)	(17,437)
Net exchange differences	5,058	4,594	7	-	166	-	9,825
At March 31	<u>\$ 709,989</u>	<u>\$ 769,261</u>	<u>\$ 62,183</u>	<u>\$ 2,200</u>	<u>\$ 5,838</u>	<u>\$ 2,203</u>	<u>\$ 1,551,674</u>
<u>At March 31</u>							
Cost	\$ 709,989	\$ 1,346,287	\$ 147,935	\$ 9,779	\$ 27,002	\$ 6,707	\$ 2,247,699
Accumulated depreciation	-	(577,026)	(85,752)	(7,579)	(21,164)	(4,504)	(696,025)
	<u>\$ 709,989</u>	<u>\$ 769,261</u>	<u>\$ 62,183</u>	<u>\$ 2,200</u>	<u>\$ 5,838</u>	<u>\$ 2,203</u>	<u>\$ 1,551,674</u>

	2024						
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Others	Total
<u>At January 1</u>							
Cost	\$ 705,964	\$ 1,187,112	\$ 194,519	\$ 22,360	\$ 32,057	\$ 7,257	\$ 2,149,269
Accumulated depreciation	-	(460,786)	(130,626)	(19,785)	(24,852)	(3,872)	(639,921)
	<u>\$ 705,964</u>	<u>\$ 726,326</u>	<u>\$ 63,893</u>	<u>\$ 2,575</u>	<u>\$ 7,205</u>	<u>\$ 3,385</u>	<u>\$ 1,509,348</u>
At January 1	\$ 705,964	\$ 726,326	\$ 63,893	\$ 2,575	\$ 7,205	\$ 3,385	\$ 1,509,348
Additions (including transfers)	-	-	22,331	-	886	82	23,299
Depreciation charge	-	(7,729)	(7,829)	(485)	(1,008)	(338)	(17,389)
Net exchange differences	(1,071)	153	3	-	52	2	(861)
At March 31	<u>\$ 704,893</u>	<u>\$ 718,750</u>	<u>\$ 78,398</u>	<u>\$ 2,090</u>	<u>\$ 7,135</u>	<u>\$ 3,131</u>	<u>\$ 1,514,397</u>
<u>At March 31</u>							
Cost	\$ 704,893	\$ 1,189,226	\$ 169,503	\$ 11,233	\$ 30,212	\$ 6,408	\$ 2,111,475
Accumulated depreciation	-	(470,476)	(91,105)	(9,143)	(23,077)	(3,277)	(597,078)
	<u>\$ 704,893</u>	<u>\$ 718,750</u>	<u>\$ 78,398</u>	<u>\$ 2,090</u>	<u>\$ 7,135</u>	<u>\$ 3,131</u>	<u>\$ 1,514,397</u>

A. The relevant assets of the Group recognized as property, plant and equipment are all for self-use.

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(9) Leasing arrangements - lessee

- A. The Group leases various assets including land, buildings, and business vehicles. Rental contracts are typically made for periods of 1 to 11 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise certain store locations and offices. Low-value assets comprise equipment such as printers and water dispensers.
- C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 81,369	\$ 90,756	\$ 118,921
Buildings	26,658	29,128	34,824
Transportation equipment (business vehicles)	1,958	1,483	2,009
	<u>\$ 109,985</u>	<u>\$ 121,367</u>	<u>\$ 155,754</u>

	<u>Three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 9,387	\$ 9,388
Buildings	3,741	3,855
Transportation equipment (business vehicles)	217	180
	<u>\$ 13,345</u>	<u>\$ 13,423</u>

- D. For the three-month periods ended March 31, 2025 and 2024, the additions to right-of-use assets were \$1,110 and \$50, respectively.
- E. Information on profit or loss in relation to lease contracts is as follows:

	<u>Three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 494	\$ 653
Expense on short-term lease contracts	614	1,559
Expense on leases of low-value assets	307	357

- F. For the three-month periods ended March 31, 2025 and 2024, the Group's total cash outflow for leases were \$4,845 and \$5,991, respectively.

(10) Leasing arrangements - lessor

- A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes, or a residual value guarantee was required.

B. For the three-month periods ended March 31, 2025 and 2024, the Group recognized rent income in the amounts of \$11,118 and \$14,813, respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>March 31, 2025</u>		<u>December 31, 2024</u>		<u>March 31, 2024</u>
2025	\$ 33,617	2025	\$ 42,779	2024	\$ 42,006
2026	35,773	2026	35,327	2025	38,029
2027	10,711	2027	10,711	2026	24,526
2028	3,780	2028	3,780	2027	5,122
2029	1,260	2029	1,260	2028	3,780
2030	-	2030	-	2029	1,260
	<u>\$ 85,141</u>		<u>\$ 93,857</u>		<u>\$ 114,723</u>

(11) Investment property

	<u>2025</u>		
	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>At January 1</u>			
Cost	\$ 2,268,726	\$ 371,989	\$ 2,640,715
Accumulated depreciation	-	(102,126)	(102,126)
	<u>\$ 2,268,726</u>	<u>\$ 269,863</u>	<u>\$ 2,538,589</u>
<u>At January 1</u>	\$ 2,268,726	\$ 269,863	\$ 2,538,589
Additions	-	666	666
Depreciation charge	-	(2,239)	(2,239)
<u>At March 31</u>	<u>\$ 2,268,726</u>	<u>\$ 268,290</u>	<u>\$ 2,537,016</u>
<u>At March 31</u>			
Cost	\$ 2,268,726	\$ 372,654	\$ 2,641,380
Accumulated depreciation	-	(104,364)	(104,364)
	<u>\$ 2,268,726</u>	<u>\$ 268,290</u>	<u>\$ 2,537,016</u>

	2024		
	Land	Buildings and structures	Total
<u>At January 1</u>			
Cost	\$ 2,268,726	\$ 465,607	\$ 2,734,333
Accumulated depreciation	-	(153,637)	(153,637)
	<u>\$ 2,268,726</u>	<u>\$ 311,970</u>	<u>\$ 2,580,696</u>
At January 1	\$ 2,268,726	\$ 311,970	\$ 2,580,696
Depreciation charge	-	(3,280)	(3,280)
Net exchange differences	-	623	623
At March 31	<u>\$ 2,268,726</u>	<u>\$ 309,313</u>	<u>\$ 2,578,039</u>
<u>At March 31</u>			
Cost	\$ 2,268,726	\$ 467,393	\$ 2,736,119
Accumulated depreciation	-	(158,080)	(158,080)
	<u>\$ 2,268,726</u>	<u>\$ 309,313</u>	<u>\$ 2,578,039</u>

A. Rental income from the investment property and direct operating expenses arising from investment property are shown below:

	Three-month periods ended March 31,	
	2025	2024
Rental income from investment property	\$ 11,118	\$ 14,813
Direct operating expenses arising from investment property that generated rental income	\$ 2,239	\$ 3,280

B. The fair value of the investment property held by the Group was \$4,829,337, \$4,829,337 and \$5,057,831 as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively. The aforementioned fair values were assessed based on the transaction prices of similar properties in the same area and are categorized within Level 3 in the fair value hierarchy.

C. No investment property was pledged to others.

(12) Other non-current assets

	March 31, 2025	December 31, 2024	March 31, 2024
Guarantee deposits paid	\$ 33,161	\$ 32,835	\$ 33,121
Prepayments for business facilities	-	160	-
Others	14,707	15,031	15,621
	<u>\$ 47,868</u>	<u>\$ 48,026</u>	<u>\$ 48,742</u>

(13) Pensions

A. Defined benefit plan

- (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.
- (b) For the aforementioned pension plan, the Group recognized pension costs of \$99 and \$93 for the three-month periods ended March 31, 2025 and 2024, respectively.
- (c) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2025 amount to \$1,517.

B. Defined contribution plans

- (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) Transtech Shanghai and Transcend Hong Kong have defined contribution plans. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on a certain percentage of employees' monthly salaries and wages, ranging from 12.5% to 20%. Other than the monthly contributions, the Group has no further obligations.
- (c) Transcend Japan, Transcend Korea, Transcend USA, Transcend Europe and Transcend Germany have defined contribution plans. Monthly contributions are based on a certain percentage of employees' monthly salaries and wages and are recognized as pension costs accordingly. Other than the monthly contributions, the Group has no further obligations.
- (d) The pension costs under the defined contribution pension plans of the Group for the three-month periods ended March 31, 2025 and 2024 were \$10,683 and \$10,404, respectively.

(14) Share-based payment

A. As of March 31, 2025, the Group's share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Restricted stocks to employees (Notes 1 and 2)	May 9, 2024	806 thousand shares	2 years	2-year service (Note 3)

Note 1: Except for inheritance, the restricted stocks to employees issued by the Group cannot be sold, pledged, transferred, donated, collateralised, or disposed in any other method during the vesting period. For the employees who do not meet the vesting condition, the Group will redeem at no consideration and retire those stocks. However, the employees are not required to return or pay back the derivative stocks or dividends.

Note 2: The applicable subjects of the share-based payment arrangement are limited to full-time employees of the Company and its domestic and foreign controlled or affiliated companies who have already started working on the date of the new shares are granted.

Note 3: For the employees who are currently working in the Group, whose services have reached 2 years since the allocation of restricted stocks to employees, the vested share ratio is 100%.

B. Details of the share-based payment arrangements are as follows:

	<u>Three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Quantity (in thousands)</u>	<u>Quantity (in thousands)</u>
Restricted stocks to employees at beginning of period	793	-
Retirement during the period	(11)	-
Restricted stocks to employees at end of period	<u>782</u>	<u>-</u>

C. The Group's restricted stocks to employees were issued with a par value of \$10 (in dollars) per share and the issuance price per share was NT\$0 (that is, no consideration). In addition, the Group measured the stocks at fair value which is the closing price at NT\$98.6 on the grant date.

D. The compensation costs recognized for the above share-based payment transactions for the three-month period ended March 31, 2025, was \$9,363.

(15) Share capital

A. As of March 31, 2025, the Company's authorized capital was \$5,000,000, consisting of 500 million shares of ordinary stock (including 25 million shares reserved for employee stock options), and the paid-in capital was \$4,298,437 with par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company’s ordinary shares (in thousands) outstanding are as follows:

	<u>2025</u>	<u>2024</u>
At January 1	\$ 429,855	\$ 429,062
Retirement of the restricted stocks to employees	(11)	-
At March 31	<u>\$ 429,844</u>	<u>\$ 429,062</u>

- B. The shareholders at the shareholders’ meeting on June 16, 2023 adopted a resolution to issue restricted stocks to employees for no consideration, and the effective date was authorized to be separately determined by the Board of Directors. The total issuance shares amounted to 3,000 thousand. Except for conversion right of restricted stocks, the rights and benefits of the stocks before employees reach the vesting condition are the same as the issued ordinary shares.
- C. The Board of Directors during its meeting on May 9, 2024 adopted a resolution to issue 806 thousand shares of the restricted stocks to employees with effective date set on May 9, 2024, and the registration was completed on June 12, 2024.
- D. During the three-month period ended March 31, 2025, as the employees did not meet the conditions for obtaining the new shares with restricted rights, 11 thousand shares were withdrawn and capital reduction had been completed.

(16) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus shall not be used to cover accumulated deficit unless the legal reserve is insufficient.

(17) Retained earnings

- A. In accordance with the Company’s Articles of Incorporation, the current year’s earnings, if any, shall first be used to pay all taxes and to offset prior years’ operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The Company shall also set aside special reserve in accordance with the regulations. On the premise that there is no effect on the Company’s normal operations and no violation of regulations, the Company shall reserve certain amount for maintaining stability of dividends. The remainder, if any, is the distributable earnings to be appropriated as resolved by stockholders at the stockholders’ meeting. The Board of Directors is authorized by the shareholders to resolve the appropriation of cash dividends and cash payment from capital surplus by a resolution adopted by a majority vote at its meeting attended by two-thirds of the total number of directors, which will then be reported to the shareholders.

- B. The Company distributes dividends taking into consideration the Company’s economic environment, growth phases, future demands for funds, long-term financial planning and the cash flow needs of shareholders. Cash dividends shall account for at least 5% of the total dividends distributed.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company’s paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. The appropriations of earnings and cash payment from capital surplus for the year ended December 31, 2024 have been resolved by the Board of Directors during its special meeting on March 6, 2025 and the appropriations of earnings and cash payment from capital surplus for the year ended December 31, 2023 have been resolved by the shareholders during their meeting on June 21, 2024. Details are summarized below:

	Year ended December 31, 2024		Year ended December 31, 2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 242,049		\$ 199,337	
Reversal of special reserve	(230,363)		(127,454)	
Cash dividends	<u>2,411,485</u>	\$ 5.61	<u>1,930,778</u>	\$ 4.50
	<u>\$ 2,423,171</u>		<u>\$ 2,002,661</u>	
		Cash payment per share (in dollars)		Cash payment per share (in dollars)
	Amount		Amount	
Cash payment from capital surplus	<u>\$ 210,629</u>	\$ 0.49	<u>\$ 214,531</u>	\$ 0.50

Actual distribution of retained earnings for 2023 was in agreement with the amounts resolved by the Board of Directors and shareholders. The appropriation for cash dividends from 2024 earnings and cash payment from capital surplus had been resolved by the Board of Directors during its meeting on March 6, 2025 but have not yet been reported to the shareholders. The Company has recognized related liabilities which were shown as other payables. The appropriation for legal reserve and reversal of special reserve from 2024 earnings have yet to be resolved at the shareholders’ meeting for 2025.

(18) Other equity items

	2025			
	Unrealized gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Unearned employee compensation	Total
At January 1	\$ 231,980	(\$ 207,873)	(\$ 50,987)	(\$ 26,880)
Revaluation adjustment	(83,504)	-	-	(83,504)
Revaluation transferred to retained earnings	(36,928)	-	-	(36,928)
Currency translation differences	-	38,336	-	38,336
Effect from income tax	-	(7,667)	-	(7,667)
Compensation cost of restricted stocks to employees	-	-	9,308	9,308
At March 31	<u>\$ 111,548</u>	<u>(\$ 177,204)</u>	<u>(\$ 41,679)</u>	<u>(\$ 107,335)</u>

	2024			
	Unrealized gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements		Total
At January 1	\$ 3,688	(\$ 234,051)		(\$ 230,363)
Revaluation adjustment	103,270	-		103,270
Revaluation transferred to retained earnings	5,472	-		5,472
Currency translation differences	-	29,548		29,548
Effect from income tax	-	(5,909)		(5,909)
At March 31	<u>\$ 112,430</u>	<u>(\$ 210,412)</u>		<u>(\$ 97,982)</u>

(19) Operating revenue

	Three-month periods ended March 31,	
	2025	2024
Sales revenue	<u>\$ 2,982,852</u>	<u>\$ 2,732,286</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following geographical regions:

Three-month period ended March 31, 2025	Electronic products					Total
	Taiwan	Asia	America	Europe	Others	
Revenue from external customer contracts	<u>\$ 679,037</u>	<u>\$ 1,071,214</u>	<u>\$ 467,224</u>	<u>\$ 564,763</u>	<u>\$ 200,614</u>	<u>\$ 2,982,852</u>

Three-month period ended March 31, 2024	Electronic products					Total
	Taiwan	Asia	America	Europe	Others	
Revenue from external customer contracts	<u>\$ 666,446</u>	<u>\$ 849,857</u>	<u>\$ 353,185</u>	<u>\$ 683,054</u>	<u>\$ 179,744</u>	<u>\$ 2,732,286</u>

B. Contract assets and liabilities

The Group has no revenue-related contract assets and liabilities.

(20) Interest income

	Three-month periods ended March 31,	
	2025	2024
Interest income from bank deposits	\$ 7,256	\$ 9,589
Interest income from financial assets measured at amortised cost	49,975	71,250
Other interest income	<u>8,376</u>	<u>8,414</u>
	<u>\$ 65,607</u>	<u>\$ 89,253</u>

(21) Other income

	Three-month periods ended March 31,	
	2025	2024
Rental income	\$ 11,118	\$ 14,813
Dividend income	<u>6,780</u>	<u>2,454</u>
	<u>\$ 17,898</u>	<u>\$ 17,267</u>

(22) Other gains and losses

	Three-month periods ended March 31,	
	2025	2024
Net currency exchange gain	\$ 67,794	\$ 186,023
Net (loss) gain on financial assets at fair value through profit or loss	(122,402)	95,875
Loss on disposals of property, plant and equipment	(6)	-
Others	(1,561)	4,153
	<u>(\$ 56,175)</u>	<u>\$ 286,051</u>

(23) Expenses by nature

	Three-month periods ended March 31,	
	2025	2024
Wages and salaries	\$ 335,919	\$ 314,815
Share-based payments	9,363	-
Labor and health insurance fees	31,693	29,289
Pension costs	10,782	10,497
Other personnel expenses	16,571	15,364
Depreciation charges (including investment property and right-of-use assets)	33,021	34,092

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 0.2% for directors' remuneration.
- B. For the three-month periods ended March 31, 2025 and 2024, the employees' compensation was accrued at \$5,240 and \$10,115, respectively, based on not less than 1% of distributable profit for the three-month periods ended March 31, 2025 and 2024, and recognized in salary expenses; while no directors' remuneration was accrued.
- C. The differences between employees' compensation and directors' remuneration as resolved by the Board of Directors and the amounts recognized in the 2024 financial statements by \$626 and (\$5,600), respectively, have been adjusted in profit or loss for 2025. The employees' compensation and directors' remuneration for 2024 have not yet been paid.
- D. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(24) Income tax

A. Income tax expense

- (a) Components of income tax expense:

	<u>Three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Current income tax:		
Current tax on profits for the period	\$ 111,312	\$ 174,192
Prior year income tax under (over) estimation	2,948	(2,051)
Total current income tax	<u>114,260</u>	<u>172,141</u>
Deferred income tax:		
Origination and reversal of temporary differences	11,581	6,558
Total deferred income tax	<u>11,581</u>	<u>6,558</u>
Income tax expense	<u>\$ 125,841</u>	<u>\$ 178,699</u>

(b) The income tax relating to components of other comprehensive income is as follows:

	<u>Three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Financial statements translation differences of foreign operations	<u>\$ 7,667</u>	<u>\$ 5,909</u>

C. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(25) Earnings per share

	<u>Three-month period ended March 31, 2025</u>		
	<u>Profit after tax</u>	<u>Weighted-average common shares outstanding (in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 373,406</u>	<u>429,062</u>	<u>\$ 0.87</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 373,406	429,062	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	285	
Restricted stocks to employees	-	<u>321</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 373,406</u>	<u>429,668</u>	<u>\$ 0.87</u>

	Three-month period ended March 31, 2024		
	Profit after tax	Weighted-average common shares outstanding (in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 806,949	429,062	\$ 1.88
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 806,949	429,062	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	315	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 806,949	429,377	\$ 1.88

(26) Supplemental cash flow information

A. Investing activities with partial cash payments

	Three-month periods ended March 31,	
	2025	2024
Purchase of property, plant and equipment	\$ 537	\$ 23,299
Less: Transfers from prepayment for business facilities	(160)	(10,520)
Cash paid during the period	\$ 377	\$ 12,779

B. Financing activities with no cash flow effects:

	Three-month periods ended March 31,	
	2025	2024
Cash dividends	\$ 2,411,485	\$ 1,930,778
Cash payment from capital surplus	210,629	214,531
Less: Shown as other payables	(2,622,114)	(2,145,309)
Financing activities cash flows	\$ -	\$ -

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Taiwan IC Packaging Corporation (Taiwan IC Packaging)	Associate accounted for using equity method
Won Chin Investment Inc. (Won Chin)	Other related party
Cheng Chuan Technology Development Inc. (Cheng Chuan)	Other related party
Transcend H.K. Ltd.	Other related party

(2) Significant transactions and balances with related parties

A. Operating revenue

	<u>Three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Sales of goods		
- Taiwan IC Packaging	\$ <u>195</u>	\$ <u>404</u>

The sales prices charged to related parties are approximate to those charged to third parties. The credit term to Taiwan IC Packaging is 30 days after delivery. The credit term to third parties is 30 to 60 days after monthly billings.

B. Purchases

	<u>Three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Purchases of goods		
- Taiwan IC Packaging	\$ <u>23,192</u>	\$ <u>43,496</u>

The purchase prices charged by related parties are approximate to those charged by third parties. The payment term from Taiwan IC Packaging is 30 days after monthly billings. The payment term from third parties is 30 to 45 days after monthly billings.

C. Receivables from related parties

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts receivable:			
- Taiwan IC Packaging	\$ <u>8</u>	\$ <u>-</u>	\$ <u>-</u>

The receivables from related parties arise mainly from sales transactions. The credit term to Taiwan IC Packaging is 30 days after delivery. The receivables are unsecured in nature and bear no interest. There are no allowances for uncollectible accounts held against receivables from related parties.

D. Payables to related parties

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts payable			
- Taiwan IC Packaging	\$ <u>19,687</u>	\$ <u>32,748</u>	\$ <u>26,076</u>

The payables to related parties arise mainly from purchase transactions, and information on the payment term is provided in Note 7(2) B. The payables bear no interest.

E. Leasing arrangements – lessee

- (a) The Company renewed a land lease contract with its related parties, Won Chin and Cheng Chuan, with a lease term of 5 years from June 12, 2022 to June 11, 2027. The annual rental payment is \$38,484 (excluding tax), which was determined based on the appraisal results of Yungcheng Real Estate Appraisers Firm and CCIS Real Estate Joint Appraisers Firm and renewed at NT\$1,350 (including tax) in dollar per square feet/month (tax included) after having a three-party negotiation. Rent is paid on the contract date and becomes payable on the same date each following year until the end of the lease. As of March 31, 2025, December 31, 2024 and March 31, 2024, the balance of related right-of-use assets amounted to \$81,369, \$90,757 and \$118,921 while lease liabilities amounted to \$76,167, \$75,976 and \$113,487, respectively.
- (b) The Group entered into an office lease contract with its related party, Transcend H.K. Ltd., with a lease term from June 1, 2023 to April 30, 2024. The monthly rental payment is HKD \$50 in thousand, which was determined by reference to the surrounding market quoted price. The Group recognized rental expenses of \$603 for the three-month period ended March 31, 2024. Upon the expiration of the lease term, the Group purchased the office from the related party based on the consideration of operation planning.

(3) Key management compensation

	<u>Three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Salaries and other employee benefits	\$ 6,659	\$ 6,535
Share-based payments	1,357	-
	<u>\$ 8,016</u>	<u>\$ 6,535</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

	<u>Book value</u>			
	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>March 31,</u> <u>2024</u>	
<u>Pledged assets</u>				<u>Pledge purpose</u>
Property, plant and equipment	<u>\$ 113,009</u>	<u>\$ 106,892</u>	<u>\$ 108,850</u>	Collateral for general credit limit granted by financial institutions

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

As of March 31, 2025, except for the provision of endorsements and guarantees mentioned in Note 13(1) B, there are no other significant commitments.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's own funds are currently sufficient, daily operations can create stable cash inflows, and there are no significant capital expenditure plans in the short term. Except for obtaining loans to reduce the exchange rate exposure, the Group has sufficient funds to cover its own needs. Debt financing is not necessary.

(2) Financial instruments

A. Financial instruments by category

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial assets</u>			
Financial assets mandatorily measured at fair value through profit or loss	\$ 2,610,441	\$ 2,592,935	\$ 950,090
Financial assets at fair value through other comprehensive income	853,921	1,028,444	861,322
<u>Financial instruments at amortised cost</u>			
Cash and cash equivalents	1,951,940	1,970,580	1,825,408
Financial assets at amortised cost	5,447,437	4,609,358	8,038,715
Notes receivable	1,051	-	559
Accounts receivable (including related parties)	1,518,250	1,237,431	1,222,303
Other receivables	56,423	52,288	96,448
Guarantee deposits paid	33,161	32,835	33,121
	<u>\$ 12,472,624</u>	<u>\$ 11,523,871</u>	<u>\$ 13,027,966</u>
<u>Financial liabilities</u>			
<u>Financial liabilities at amortised cost</u>			
Accounts payable (including related parties)	\$ 1,082,038	\$ 802,055	\$ 1,701,582
Other payables	2,840,227	239,796	2,413,160
Guarantee deposits received	32,499	30,873	34,981
	<u>\$ 3,954,764</u>	<u>\$ 1,072,724</u>	<u>\$ 4,149,723</u>
Lease liabilities	<u>\$ 106,152</u>	<u>\$ 107,572</u>	<u>\$ 151,786</u>

B. Financial risk management policies

There was no significant change during this period. Refer to Note 12 in the consolidated financial statements for the year ended December 31, 2024 for related information.

C. Significant financial risks and degrees of financial risks

There is no significant change except for the following information. Refer to Note 12 in the consolidated financial statements for the year ended December 31, 2024 for the related information.

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
- ii. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; the subsidiaries' functional currencies: JPY, KRW, USD, EUR and RMB, etc.). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

March 31, 2025				
	Foreign currency	Foreign currency amount (In thousands)	Exchange rate	Book value
Financial assets	USD : NTD	\$ 155,302	33.205	\$ 5,156,803
	JPY : NTD	673,049	0.2227	149,888
	USD : RMB	4,752	7.2622	157,790
	USD : EUR	3,399	0.9231	112,864
	KRW : NTD	2,520,148	0.0228	57,459
	RMB : NTD	11,213	4.573	51,277
	GBP : EUR	827	1.1968	35,602
Financial liabilities	USD : NTD	28,312	33.205	940,100
	EUR : NTD	1,256	35.97	45,178

December 31, 2024

	Foreign currency	Foreign currency amount (In thousands)	Exchange rate	Book value
Financial assets	USD : NTD	\$ 127,145	32.785	\$ 4,168,449
	JPY : NTD	754,812	0.2099	158,435
	USD : RMB	4,723	7.3206	154,844
	USD : EUR	1,113	0.9603	36,490
	RMB : NTD	8,020	4.478	35,914
	GBP : EUR	822	1.2065	33,858
	KRW : NTD	1,433,052	0.0225	32,244
	Financial liabilities	USD : NTD	20,584	32.785
EUR : NTD		5,502	34.14	187,838

March 31, 2024

	Foreign currency	Foreign currency amount (In thousands)	Exchange rate	Book value
Financial assets	USD : NTD	\$ 177,857	32.00	\$ 5,691,424
	RMB : NTD	33,008	4.408	145,499
	JPY : NTD	582,281	0.2115	123,152
	GBP : NTD	1,549	40.39	62,564
	USD : EUR	1,456	0.9286	46,592
	USD : HKD	927	7.8259	29,664
	GBP : EUR	1,147	1.1721	46,327
	Financial liabilities	USD : NTD	47,248	32.00
RMB : NTD		62,252	4.408	274,407
EUR : NTD		5,749	34.46	198,111

- iii. The information on total exchange (loss) gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2025 and 2024 is provided in Note 6(22).
- iv. Sensitivity analysis relating to foreign exchange rate risks is primarily for financial reporting period-end date of foreign currency monetary item. If the New Taiwan dollar exchange rate to the U.S. dollar increases or decreases by 1%, the Group's net income will decrease or increase by \$42,167 and \$41,795 for the three-months periods ended March 31, 2025 and 2024, respectively.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

- ii. The Group's investments are listed and unlisted equity securities of domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity for the three-month periods ended March 31, 2025 and 2024 would have increased/decreased by \$8,539 and \$8,613, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. To control internal risk, the Group assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group determines that the default occurs when the contract payments are past due over 180 days.
- iv. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. For details of credit risk in relation to accounts receivable, notes receivable and financial assets at amortised cost for debt instruments, refer to Notes 6(3) and 6(4).

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks and beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in non-hedging derivatives is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market, financial products and investment property is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(11).

C. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable (including related parties), other receivables, guarantee deposits paid, accounts payable (including related parties), other payables, guarantee deposits received, and lease liabilities are approximate to their fair values.

D. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

March 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 2,610,441	\$ -	\$ -	\$ 2,610,441
Financial assets at fair value through other comprehensive income				
Equity securities	<u>772,796</u>	<u>-</u>	<u>81,125</u>	<u>853,921</u>
	<u>\$ 3,383,237</u>	<u>\$ -</u>	<u>\$ 81,125</u>	<u>\$ 3,464,362</u>

December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 2,592,935	\$ -	\$ -	\$ 2,592,935
Financial assets at fair value through other comprehensive income				
Equity securities	<u>947,319</u>	<u>-</u>	<u>81,125</u>	<u>1,028,444</u>
	<u>\$ 3,540,254</u>	<u>\$ -</u>	<u>\$ 81,125</u>	<u>\$ 3,621,379</u>
March 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 950,090	\$ -	\$ -	\$ 950,090
Financial assets at fair value through other comprehensive income				
Equity securities	<u>780,197</u>	<u>-</u>	<u>81,125</u>	<u>861,322</u>
	<u>\$ 1,730,287</u>	<u>\$ -</u>	<u>\$ 81,125</u>	<u>\$ 1,811,412</u>

- E. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily listed stocks classified as financial assets at fair value through other comprehensive income and beneficiary certificates classified as financial assets at fair value through profit or loss.
- F. For the three-month periods ended March 31, 2025 and 2024, there were no transfers between Level 1 and Level 2.
- G. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

H. The following chart is the movement of Level 3 for the three-month periods ended March 31, 2025 and 2024:

	Three-month periods ended March 31,	
	2025	2024
	Financial assets at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income
At January 1	\$ 81,125	\$ 1,125
Acquired during the period	-	80,000
At March 31	\$ 81,125	\$ 81,125

- I. Financial segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions and frequently review the fair value.
- J. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at March 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 80,000	Most recent non-active	Not applicable	Not applicable	Not applicable
	1,125	Net asset value	Not applicable	Not applicable	Not applicable
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 80,000	Most recent non-active	Not applicable	Not applicable	Not applicable
	1,125	Net asset value	Not applicable	Not applicable	Not applicable
	Fair value at March 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 80,000	Most recent non-active	Not applicable	Not applicable	Not applicable
	1,125	Net asset value	Not applicable	Not applicable	Not applicable

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Refer to table 1.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 2.
- D. Purchases or sales of goods from or to relate parties reaching NT\$100 million or 20% of the Company's paid-in capital or more: Refer to table 3.
- E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 4.
- F. Significant inter-company transactions during the reporting period: Refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 6.

(3) Information on investments in Mainland China

- A. Basic information: Refer to table 7.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 5.

14. SEGMENT INFORMATION

(1) General information

The Group operates business only in a single industry. The Chairman of the Group who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Segment information

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	<u>Three-month periods ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Segment revenue	\$ 2,982,852	\$ 2,732,286
Segment income	\$ 373,406	\$ 806,949

(3) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income.

Transcend Information, Inc.
Provision of endorsements and guarantees to others
Three-month period ended March 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of March 31, 2025 (Note 4)	Outstanding endorsement/ guarantee amount at March 31, 2025 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 7)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 8)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Transcend Information, Inc.	Transcend Japan Inc.	2	\$ 3,506,388	\$ 222,700 (JPY1,000,000) (In thousands)	\$ 222,700 (JPY1,000,000) (In thousands)	\$ -	\$ -	1.27	\$ 7,012,776	Y	-	-	-

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (a) The Company is '0'.
- (b) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (a) Having business relationship
- (b) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (c) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (d) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (e) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (f) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (g) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Not exceeding 20% of the Company's net asset value. $\$17,531,941 \times 20\% = \$3,506,388$

Note 4: The maximum outstanding endorsement/guarantee amount during and as of March 31, 2025 is JPY\$1,000,000 (In thousands).

Note 5: The amount was approved by the Board of Directors.

Note 6: The actual amount of endorsement drawn down is \$0.

Note 7: Not exceeding 40% of the Company's net asset value. $\$17,531,941 \times 40\% = \$7,012,776$

Note 8: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary.

Transcend Information, Inc.

Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

March 31, 2025

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 2

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of March 31, 2025				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Transcend Information, Inc.	Stocks							
	Fubon Financial Holding Co., Ltd. Preferred Shares B	-	Financial assets at fair value through other comprehensive income - non-current	1,758,000	\$ 109,172	-	\$ 109,172	-
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	540,000	491,400	-	491,400	-
	MediaTek Inc.	-	"	75,000	104,250	-	104,250	-
	Fubon Financial Holding Co., Ltd.	-	"	605,203	51,624	-	51,624	-
	Rehear Audiology Company Ltd.	-	"	1,000,000	80,000	5	80,000	-
	Beneficiary certificates							
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	113,621,695	1,613,814	-	1,613,814	-
	Yuanta/P-shares Taiwan Top 50 ETF	-	Financial assets at fair value through profit or loss - non-current	3,087,000	533,279	-	533,279	-
	Fubon FTSE TWSE Taiwan 50 ETF	-	"	4,565,000	463,348	-	463,348	-
	Corporate bonds							
	TSMC Arizona Corporation U.S. dollar-denominated corporate bonds	-	Financial assets at amortised cost - non-current	1,850,000	60,951	-	60,093	-
	International Business Machines Corporation U.S. dollar-denominated corporate bonds	-	"	2,250,000	74,137	-	72,900	-
	Meta Platforms, Inc. U.S. dollar-denominated corporate bonds	-	"	1,650,000	52,139	-	51,254	-
	PAYPAL HOLDINGS, INC. U.S. dollar-denominated corporate bonds	-	"	1,100,000	35,945	-	35,416	-
	Intel Corporation U.S. dollar-denominated corporate bonds	-	"	2,000,000	65,447	-	62,741	-
	Toyota Motor Credit Corporation U.S. dollar-denominated corporate bonds	-	"	900,000	29,955	-	29,334	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 'Financial instruments'.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Note 5: The Company determines the marketable securities which shall be disclosed in this table based on the Company's Materiality Principle.

Transcend Information, Inc.

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Three-month period ended March 31, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions (Note)			Notes/accounts receivable (payable)		Footnote
			Sales (purchases)	Amount	Percentage of total sales (purchases)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Transcend Information, Inc.	Transtech Trading (Shanghai) Co., Ltd.	Subsidiary of Memhiro	Sales	\$ 206,759	7	120 days after monthly billings	No significant difference	30 to 60 days after monthly billings to third parties	\$ 36,100	3	-
"	Transcend Japan Inc.	The Company's subsidiary	"	121,581	4	"	"	"	142,940	10	-
"	Transcend Information Europe B.V.	Subsidiary of Saffire	"	101,202	4	"	"	"	-	-	-
"	Transcend Information Inc.	The Company's subsidiary	"	281,975	10	"	"	"	130,510	10	-

Note: The Company's sales to subsidiaries were equivalent to subsidiaries' purchases from the Company; accordingly, the Company did not disclose the information on subsidiaries' purchases from the Company.

Transcend Information, Inc.

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

March 31, 2025

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2025	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Transcend Information, Inc.	Transcend Japan Inc.	The Company's subsidiary	\$ 142,940	3.64	\$ -	-	\$ 41,007	\$ -
"	Transcend Information Inc.	The Company's subsidiary	130,510	15.26	-	-	78,422	-

Transcend Information, Inc.
 Significant inter-company transactions during the reporting period
 Three-month period ended March 31, 2025

Table 5

Expressed in thousands of NTD
 (Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Transcend Information, Inc.	Transtech Trading (Shanghai) Co., Ltd.	1	Sales	\$ 206,759	There is no significant difference in unit price from those to third parties.	7
"	"	Transcend Japan Inc.	"	"	121,581	"	4
"	"	Transcend Information Inc.	"	"	281,975	"	9
"	"	Transcend Korea Inc.	"	"	97,063	"	3
"	"	Transcend Information Europe B.V.	"	"	101,202	"	3
"	"	Transcend Information Trading GmbH	"	"	86,126	"	3
"	"	Transcend Information (H.K) Ltd.	"	"	41,895	"	1
1	Transcend Information Europe B.V.	Transcend Information Trading GmbH	3	"	40,491	"	1

(Individual transactions not exceeding 1% of the consolidated total revenue and total assets are not disclosed.)

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(a) Parent company is "0".

(b) Subsidiaries were numbered from 1.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(a) Parent company to subsidiary.

(b) Subsidiary to parent company.

(c) Subsidiary to subsidiaries.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Transcend Information, Inc.
Information on investees (excluding information on investments in Mainland China)
Three-month period ended March 31, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2025			Net (loss) profit of the investee for the three-month period ended March 31, 2025	Investment (loss) income recognized by the Company for the three-month period ended March 31, 2025 (Note 1)	Footnote
				Balance as at March 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Transcend Information, Inc.	Saffire Investment Ltd.	B.V.I.	Investment holdings	\$ 216,829	\$ 216,829	6,600,000	100	\$ 861,269	(\$ 15,618)	\$ 15,618	Note 2
	Transcend Japan Inc.	Japan	Import and wholesale of computer memory modules and peripheral products	89,103	89,103	6,400	100	108,438	5,403	5,403	Note 2
	Transcend Information Inc.	United States of America	Import and wholesale of computer memory modules and peripheral products	38,592	38,592	625,000	100	191,330	2,775	2,775	Note 2
	Transcend Korea Inc.	Korea	Import and wholesale of computer memory modules and peripheral products	6,132	6,132	40,000	100	11,963	(4,245)	(4,245)	Note 2
	Taiwan IC Packaging Corporation	Taiwan	Packaging of Semi-conductors	354,666	354,666	21,928,036	12.51	75,136	(61,983)	(7,752)	Note 5
Saffire Investment Ltd.	Memhiro Pte Ltd.	Singapore	Investment holdings	169,721	169,721	8,277,609	100	433,734	8,329	8,329	Note 3
	Transcend Information Europe B.V.	Netherlands	Import and wholesale of computer memory modules and peripheral products	391,140	391,140	8,850	100	390,484	(24,522)	(24,522)	Note 3
Memhiro Pte Ltd.	Transcend Information (H.K.) Ltd.	Hong Kong	Import and wholesale of computer memory modules and peripheral products	7,636	7,636	2,000,000	100	16,090	1,825	1,825	Note 4
Transcend Information Europe B.V.	Transcend Information Trading GmbH	Germany	Import and wholesale of computer memory modules and peripheral products	140,479	140,479	-	100	131,665	(12,135)	(12,135)	Note 4

Note 1: The Company does not directly recognize the investment (loss) income, except for the subsidiaries and associates directly held.

Note 2: Subsidiary of the Company.

Note 3: Subsidiary of Saffire.

Note 4: Subsidiary of Memhiro.

Note 5: Associate of the Company.

Transcend Information, Inc.
Information on investments in Mainland China
Three-month period ended March 31, 2025

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three-month period ended March 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Net profit of investee for the three-month period ended March 31, 2025	Ownership held by the Company (direct or indirect)	Investment income recognized by the Company for the three-month period ended March 31, 2025 (Note 2)	Book value of investments in Mainland China as of March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Transtech Trading (Shanghai) Co., Ltd.	Wholesale, retail, manufacture, import and export, agent and related services of computer software and hardware and auxiliary equipment, non- residential real estate leasing	\$ 167,097	2	\$ 167,097	-	-	\$ 167,097	\$ 6,140	100	\$ 6,140	\$ 383,946	\$ 38,228	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Transcend Information, Inc.	\$ 167,097	\$ 167,097	\$ 10,519,165

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area (Memhiro Pte Ltd.), which then invested in Mainland China.
- (3) Others.

Note 2: The gain and loss on investment recognized for the period was based on the financial statements that were not reviewed by independent auditors.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.