

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

**104 CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**With Independent Auditors' Review Report  
For the Three Months Ended March 31, 2025 and 2024**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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## Independent Auditors' Review Report

To the Board of Directors of 104 Corporation:

### Introduction

We have reviewed the accompanying consolidated balance sheets of 104 Corporation and subsidiaries as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards ("IASs") 34, "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

### Scope of Review

Except as explained in the Basis for Qualified Conclusion 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 the 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 conducted in accordance with the generally accepted auditing standards 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 stated in Note 4(2), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to NT\$109,915 thousand and NT\$115,192 thousand, constituting 2.89% and 3.25% of the consolidated total assets; and the total liabilities amounting to NT\$11,785 thousand and NT\$17,659 thousand, constituting 0.58% and 0.99% of the consolidated total liabilities as of March 31, 2025 and 2024, respectively; as well as the total comprehensive income amounting to NT\$2,962 thousand and NT\$5,977 thousand, constituting 2.81% and 6.57% of the consolidated total comprehensive income for the three months ended March 31, 2025 and 2024, respectively.

Furthermore, as stated in Note 6(6), the other equity accounted investments of 104 Corporation and its subsidiaries in its investee companies amounted to NT\$24,243 thousand as of March 31, 2024. The equity in net gain (loss) on these investee companies was NT\$(3,324) thousand for the three months ended March 31, 2024. These amounts were recognized solely based on the financial statements prepared by these investee companies, which were not reviewed by independent auditors.

## **Qualified Conclusion**

Based on our reviews, except for the effects of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain non-significant subsidiaries as described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, 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 104 Corporation and subsidiaries as of March 31, 2025 and 2024, and of its consolidated financial performance for the three months ended March 31, 2025 and 2024, as well as its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, “Interim Financial Reporting” endorsed and issued by the Financial Supervisory Commission of the Republic of China.

The engagement partners of KPMG on the review resulting in this independent auditor’s report are Chiang, Chia-Chi and Lu, Lily.

KPMG

Taipei, Taiwan (Republic of China)  
May 8, 2025

### **Note to Readers**

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

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors’ report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

## 104 CORPORATION AND SUBSIDIARIES

## Consolidated Balance Sheets

March 31, 2025, December 31 and March 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets	March 31, 2025		December 31, 2024		March 31, 2024		Liabilities and Equity	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>Current assets:</b>							<b>Current liabilities:</b>						
Cash and cash equivalents (note 6(1))	\$ 747,652	20	1,260,401	34	1,332,685	38	Current contract liabilities (note 6(15))	\$ 1,196,065	32	1,114,394	30	1,038,565	30
Current financial assets at amortized cost (note 6(4))	2,269,060	59	1,836,787	49	1,563,919	44	Notes payable	-	-	-	-	50	-
Notes receivable, net (notes 6(5) and (15))	147	-	983	-	176	-	Accounts payable	4,008	-	14,220	-	2,432	-
Accounts receivable, net (notes 6(5), (15) and 7)	83,509	2	73,824	2	79,315	2	Other payables, others (notes 6(16) and 7)	507,309	13	634,222	17	443,827	13
Other receivables	14,419	-	11,151	-	14,329	-	Current tax liabilities	88,679	2	61,646	2	75,929	2
Prepayments	52,661	1	62,378	2	46,708	2	Current provisions for employee benefits	49,379	1	45,830	1	44,008	1
Other current assets	1,870	-	1,700	-	2,949	-	Current lease liabilities (note 6(10))	42,440	1	42,333	1	42,388	1
<b>Total current assets</b>	<b>3,169,318</b>	<b>82</b>	<b>3,247,224</b>	<b>87</b>	<b>3,040,081</b>	<b>86</b>	Other current liabilities	34,535	1	32,588	1	35,118	1
<b>Non-current assets:</b>							<b>Total current liabilities</b>	<b>1,922,415</b>	<b>50</b>	<b>1,945,233</b>	<b>52</b>	<b>1,682,317</b>	<b>48</b>
Non-current financial assets at fair value through profit or loss (note 6(2))	61,672	2	19,291	1	5,120	-	<b>Non-current liabilities:</b>						
Non-current financial assets at fair value through other comprehensive income (notes 6(3) and (6))	24,349	1	6,666	-	-	-	Deferred tax liabilities	74	-	74	-	4	-
Non-Current financial assets at amortized cost (note 6(4))	100,000	3	-	-	-	-	Non-current lease liabilities (note 6(10))	94,852	3	107,023	3	100,034	3
Investment accounted for using equity method (note 6(6))	-	-	-	-	24,243	1	Non-current net defined benefit liabilities	-	-	47	-	7,761	-
Property, plant and equipment (note 6(7))	251,025	7	251,601	7	256,457	7	<b>Total non-current liabilities</b>	<b>94,926</b>	<b>3</b>	<b>107,144</b>	<b>3</b>	<b>107,799</b>	<b>3</b>
Right-of-use assets (notes 6(8) and (10))	134,386	4	146,520	4	139,989	4	<b>Total liabilities</b>	<b>2,017,341</b>	<b>53</b>	<b>2,052,377</b>	<b>55</b>	<b>1,790,116</b>	<b>51</b>
Intangible assets (note 6(9))	31,281	1	34,293	1	19,534	1	<b>Equity (note 6(13)):</b>						
Deferred tax assets	9,175	-	9,175	-	11,125	-	Common stock	331,907	9	331,907	9	331,907	9
Guarantee deposits paid	8,455	-	8,221	-	9,705	-	Capital surplus	397,574	10	397,574	11	397,574	11
Non-current net defined benefit assets	311	-	-	-	-	-	Retained earnings:						
Other non-current financial assets (note 8)	10,000	-	10,000	-	10,000	-	Legal reserve	378,199	10	378,199	10	378,199	11
Other non-current assets, others (notes 6(5) and (15))	8,216	-	4,687	-	22,821	1	Special reserve	4,669	-	4,669	-	3,870	-
<b>Total non-current assets</b>	<b>638,870</b>	<b>18</b>	<b>490,454</b>	<b>13</b>	<b>498,994</b>	<b>14</b>	Unappropriated retained earnings	680,794	18	574,813	15	641,251	18
							Total retained earnings	1,063,662	28	957,681	25	1,023,320	29
							Other equity:						
							Exchange differences on translation of foreign financial statements	(2,095)	-	(3,115)	-	(3,842)	-
							Unrealized gains (loses) on financial assets measured at fair value through other comprehensive income	(201)	-	1,254	-	-	-
							Total other equity	(2,296)	-	(1,861)	-	(3,842)	-
							<b>Total equity</b>	<b>1,790,847</b>	<b>47</b>	<b>1,685,301</b>	<b>45</b>	<b>1,748,959</b>	<b>49</b>
<b>Total assets</b>	<b>\$ 3,808,188</b>	<b>100</b>	<b>3,737,678</b>	<b>100</b>	<b>3,539,075</b>	<b>100</b>	<b>Total liabilities and equity</b>	<b>\$ 3,808,188</b>	<b>100</b>	<b>3,737,678</b>	<b>100</b>	<b>3,539,075</b>	<b>100</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

**104 CORPORATION AND SUBSIDIARIES****Consolidated Statements of Comprehensive Income****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

	For the three months ended March 31,			
	2025		2024	
	Amount	%	Amount	%
<b>Operating revenue (notes 6(15) and 7)</b>	\$ 616,764	100	562,751	100
<b>Operating costs (notes 6(7), (8), (9), (10), (11), (16) and 12)</b>	84,168	14	76,959	14
<b>Gross profit</b>	532,596	86	485,792	86
<b>Operating expenses (notes 6(5), (7), (8), (9), (10), (11), (16), 7 and 12):</b>				
Selling expenses	291,924	47	248,485	44
Administrative expenses	72,489	12	63,749	11
Research and development expenses	54,373	9	70,645	13
Expected credit loss	260	-	357	-
<b>Total operating expenses</b>	419,046	68	383,236	68
<b>Operating income</b>	113,550	18	102,556	18
<b>Non-operating income and expenses (notes 6(2), (6), (8), (10), (11), (17), 7 and 12):</b>				
Interest income	11,288	2	8,749	2
Other income	12,024	2	2,045	-
Other gains and losses	(2,641)	-	(723)	-
Finance costs	(635)	-	(647)	-
Share of loss of associates accounted for using equity method	-	-	(3,324)	(1)
<b>Total non-operating income and expenses</b>	20,036	4	6,100	1
<b>Income before income tax</b>	133,586	22	108,656	19
<b>Less: income tax expenses (note 6(12))</b>	27,605	4	18,526	3
<b>Net income</b>	105,981	18	90,130	16
<b>Other comprehensive income (loss):</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(1,455)	-	-	-
Less: income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-
<b>Total items that will not be reclassified subsequently to profit or loss</b>	(1,455)	-	-	-
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translation of foreign financial statements	1,020	-	827	-
Less: Income tax related to items that are or may be reclassified subsequently to profit or loss	-	-	-	-
<b>Total items that may be reclassified subsequently to profit or loss</b>	1,020	-	827	-
<b>Other comprehensive income (loss)</b>	(435)	-	827	-
<b>Total comprehensive income</b>	<b>\$ 105,546</b>	<b>18</b>	<b>90,957</b>	<b>16</b>
<b>Earnings per share (note 6(14))</b>				
Basic earnings per share	<b>\$ 3.19</b>		<b>2.72</b>	
Diluted earnings per share	<b>\$ 3.17</b>		<b>2.70</b>	

See accompanying notes to consolidated financial statements.

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**104 CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the three months ended March 31, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings						Other Components of Equity			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (loses) on financial assets measured at fair value through other comprehensive income	Total	Total equity
<b>Balance at January 1, 2024</b>	\$ 331,907	397,574	378,199	3,870	551,121	933,190	(4,669)	-	(4,669)	1,658,002
Net income for the period	-	-	-	-	90,130	90,130	-	-	-	90,130
Other comprehensive income (loss) for the period	-	-	-	-	-	-	827	-	827	827
Total comprehensive income (loss) for the period	-	-	-	-	90,130	90,130	827	-	827	90,957
<b>Balance at March 31, 2024</b>	<b>\$ 331,907</b>	<b>397,574</b>	<b>378,199</b>	<b>3,870</b>	<b>641,251</b>	<b>1,023,320</b>	<b>(3,842)</b>	<b>-</b>	<b>(3,842)</b>	<b>1,748,959</b>
<b>Balance at January 1, 2025</b>	\$ 331,907	397,574	378,199	4,669	574,813	957,681	(3,115)	1,254	(1,861)	1,685,301
Net income for the period	-	-	-	-	105,981	105,981	-	-	-	105,981
Other comprehensive income (loss) for the period	-	-	-	-	-	-	1,020	(1,455)	(435)	(435)
Total comprehensive income (loss) for the period	-	-	-	-	105,981	105,981	1,020	(1,455)	(435)	105,546
<b>Balance at March 31, 2025</b>	<b>\$ 331,907</b>	<b>397,574</b>	<b>378,199</b>	<b>4,669</b>	<b>680,794</b>	<b>1,063,662</b>	<b>(2,095)</b>	<b>(201)</b>	<b>(2,296)</b>	<b>1,790,847</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

## 104 CORPORATION AND SUBSIDIARIES

## Consolidated Statements of Cash Flows

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2025	2024
<b>Cash flows from (used in) operating activities:</b>		
Income before tax	\$ 133,586	108,656
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
Depreciation expense	22,719	22,047
Amortization expense	3,012	1,513
Expected credit loss	260	357
Net loss on financial assets measured at fair value through profit or loss	1,604	-
Interest expense	635	647
Interest income	(11,288)	(8,749)
Dividend income	(570)	-
Share of loss of associates accounted for using equity method	-	3,324
Unrealized foreign exchange loss (gain)	240	(207)
Gain from lease modifications	-	(12)
<b>Total adjustments to reconcile profit</b>	<b>16,612</b>	<b>18,920</b>
<b>Changes in operating assets and liabilities:</b>		
<b>Net changes in operating assets:</b>		
Notes receivable	836	12
Accounts receivable	(9,945)	(12,213)
Other receivables	(3,667)	(2,515)
Prepayments	9,717	3,541
Other current assets	(170)	(1,281)
Net defined benefit assets	(311)	-
<b>Total net changes in operating assets</b>	<b>(3,540)</b>	<b>(12,456)</b>
<b>Net changes in operating liabilities:</b>		
Contract liabilities	81,671	72,252
Notes payable	-	(100)
Accounts payable	(10,212)	(2,824)
Other payables	(138,068)	(131,988)
Current provision for employee benefits	3,549	1,223
Other current liabilities	1,947	(1,198)
Net defined benefit liabilities	(47)	(5,077)
<b>Total net changes in operating liabilities</b>	<b>(61,160)</b>	<b>(67,712)</b>
<b>Total net changes in operating assets and liabilities</b>	<b>(64,700)</b>	<b>(80,168)</b>
<b>Total adjustments</b>	<b>(48,088)</b>	<b>(61,248)</b>
Cash inflow generated from operations	85,498	47,408
Interest received	11,983	8,877
Dividend received	274	-
Interest paid	(635)	(647)
Income taxes paid	(572)	(193)
<b>Net cash flows from operating activities</b>	<b>96,548</b>	<b>55,445</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(19,138)	-
Acquisition of financial assets at amortized cost	(1,644,054)	(679,790)
Proceeds from disposal of financial assets at amortized cost	1,111,474	677,652
Acquisition of financial assets at fair value through profit or loss	(35,071)	-
Acquisition of property, plant and equipment	(9,212)	(34,368)
Decrease (increase) in guarantee deposits paid	(234)	49
Acquisition of intangible assets	-	(8,337)
Increase in other non-current assets	(3,529)	(6,509)
<b>Net cash flows used in investing activities</b>	<b>(599,764)</b>	<b>(51,303)</b>
<b>Cash flows from (used in) financing activities:</b>		
Payments of lease liabilities	(10,553)	(10,107)
<b>Net cash flows used in financing activities</b>	<b>(10,553)</b>	<b>(10,107)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>1,020</b>	<b>827</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(512,749)</b>	<b>(5,138)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,260,401</b>	<b>1,337,823</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 747,652</b>	<b>1,332,685</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

## 104 CORPORATION AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, unless otherwise stated)

#### 1. Company history

104 Corporation (the “Company”) was incorporated as a company limited by shares under the Company Act of the Republic of China in October 1993. The Company, formerly named Fu-Hwa International Market Development Consultant Ltd., was renamed 104 Corporation in August 2000. The Company and subsidiaries (the “Consolidated Company”) are engaged in information technology, general advertising services, employment services, and human resource consultancy.

#### 2. Approval date and procedures of the consolidated financial statements

The consolidated financial statements were authorized for issuance by the board of directors on May 8, 2025.

#### 3. New standards, amendments and interpretations adopted

- (1) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Consolidated Company has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7.

- (2) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Consolidated Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>• A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> </ul>	January 1, 2027

## 104 CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements (Continued)

Standards or Interpretations	Content of amendment	Effective date per IASB
	<ul style="list-style-type: none"> <li>• Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>• Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	

The Consolidated Company is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Consolidated Company completes its evaluation.

The Consolidated Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7.
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

#### 4. Summary of significant accounting policies

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statement for the year ended December 31, 2024.

##### (1) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to the Regulations) and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued by FSC and do not include all of the disclosures required by International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued by the FSC (hereinafter referred to IFRS endorsed by the FSC) for full annual consolidated financial statements.

## 104 CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements (Continued)

(2) Basis of consolidation

1) List of subsidiaries included in the consolidated financial statements

The Company's subsidiaries were as follows:

Name of investor	Name of subsidiary	Business activities	Percentage of ownership			Notes
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	104 Consulting Corporation (104 Consulting)	General advertising services, IT software services, electronic information services, talent dispatching, management consultancy and data processing services	100.00%	100.00%	100.00%	Note
The Company	104 Redpoint Information Technology (Shanghai) Co., Ltd. (Redpoint Information)	Developing network technologies and computer software, selling products, providing technical advice and services, and management consultancy	100.00%	100.00%	100.00%	Note

Note : It is a non-significant subsidiary, and its financial statements have not been reviewed.

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

(3) Employee benefits

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

(4) Income taxes

The income tax expenses have been prepared and disclosed in accordance with IAS 34 “Interim Financial Reporting”.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

#### 5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” which are endorsed by FSC requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

## 104 CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements (Continued)

## 6. Explanation of significant accounts

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to Note 6 of the consolidated financial statements for the year ended December 31, 2024.

## (1) Cash and cash equivalents

	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>March 31,</u> <u>2024</u>
Cash	\$ 64	64	69
Demand deposits	107,167	96,140	112,089
Time deposits	162,710	540,126	657,527
Cash equivalents— Bonds purchased under resell agreement	223,500	192,500	563,000
Cash equivalents— Financing Commercial Paper	254,211	431,571	-
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 747,652</u>	<u>1,260,401</u>	<u>1,332,685</u>

Please refer to note 6(18) for the disclosure of the interest rate risk and currency risk of the financial assets of the Consolidated Company.

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

	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>March 31,</u> <u>2024</u>
Mandatorily measured at fair value through profit or loss— non-current:			
Beneficiary certificate	\$ 56,359	14,045	-
Private fund	5,313	5,246	5,120
Total	<u>\$ 61,672</u>	<u>19,291</u>	<u>5,120</u>

The Consolidated Company recognized dividend income of \$570 thousand and \$0 from the financial assets at fair value through profit or loss for the three months ended March 31, 2025 and 2024, respectively.

Please refer to note 6(17) for the amounts remeasured at fair value and recognized in profit or loss.

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

	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>March 31,</u> <u>2024</u>
Equity investments at fair value through other comprehensive income— non-current:			
Domestic listed common shares	\$ 19,251	-	-
Domestic unlisted common shares	5,098	6,666	-
Total	<u>\$ 24,349</u>	<u>6,666</u>	<u>-</u>

## 1) Equity investments at fair value through other comprehensive income

The Consolidated Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Consolidated Company intends to hold for the long term strategic purposes. Please refer to note 6(6) for details on the transfer of investments accounted for using equity method to financial assets at fair value through other comprehensive income.

## 104 CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements (Continued)

There were no disposal of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of March 31, 2025 and 2024.

2) For market risk, please refer to note 6(18).

(4) Financial assets measured at amortized cost

1) Current

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Time deposits with original maturity over three months	\$ 2,269,060	1,814,875	1,563,919
Financing commercial paper with original maturity over three months	-	21,912	-
Total	<u>\$ 2,269,060</u>	<u>1,836,787</u>	<u>1,563,919</u>
Interest rate range (%)	<u>1.010~1.770</u>	<u>0.705~3.500</u>	<u>0.600~1.600</u>
Maturity range	<u>2025.04~2026.03</u>	<u>2025.01~2025.12</u>	<u>2024.04~2025.03</u>

2) Non-current

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Corporate bonds	<u>\$ 100,000</u>	<u>-</u>	<u>-</u>
Interest rate range (%)	<u>1.90</u>	<u>-</u>	<u>-</u>
Maturity range	<u>2030.03</u>	<u>-</u>	<u>-</u>

The Consolidated Company invested in a five-year green bond issued by Taiwan Semiconductor Manufacturing Company Limited in March 2025, with a face value of \$100,000 thousand, a coupon rate of 1.90%, maturing on March 28, 2030.

3) The Consolidated Company evaluates that the assets are held-to-maturity for collecting contractual cash flows and the cash flows of financial asset are solely for paying principal and interest on the outstanding principal amount, thus the financial assets are reported as financial assets measured at amortized cost.

4) As of March 31, 2025, December 31 and March 31, 2024, the financial assets measured at amortized costs of the Consolidated Company were no pledged.

(5) Notes and accounts receivable and overdue receivable

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Notes receivable	\$ 147	983	176
Accounts receivable	83,780	74,088	79,583
Overdue receivable (recorded under other non-current assets)	1,032	766	2,677
Less: Allowance for doubtful accounts—accounts receivable	(271)	(264)	(268)
Allowance for doubtful accounts—overdue receivable (recorded under other non-current assets)	(1,032)	(766)	(2,677)
	<u>\$ 83,656</u>	<u>74,807</u>	<u>79,491</u>

## 104 CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements (Continued)

The Consolidated Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes, accounts and overdue receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information.

The loss allowance for notes receivable, accounts receivable and overdue receivable were determined as follows:

	<b>March 31, 2025</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate (%)</b>	<b>Lifetime expected credit loss allowance</b>
Current	\$ 56,064	0.32	180
1~90 days past due	20,715	0.32	67
91~120 days past due	161	0.32	1
121~365 days past due	6,987	0.32	23
Over 365 days past due	<u>1,032</u>	100.00	<u>1,032</u>
	<b><u>\$ 84,959</u></b>		<b><u>1,303</u></b>

  

	<b>December 31, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate (%)</b>	<b>Lifetime expected credit loss allowance</b>
Current	\$ 48,020	0.35	169
1~90 days past due	16,588	0.35	58
91~120 days past due	3,800	0.35	13
121~365 days past due	6,663	0.35	24
Over 365 days past due	<u>766</u>	100.00	<u>766</u>
	<b><u>\$ 75,837</u></b>		<b><u>1,030</u></b>

  

	<b>March 31, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate (%)</b>	<b>Lifetime expected credit loss allowance</b>
Current	\$ 50,478	0.34	169
1~90 days past due	22,322	0.34	75
91~120 days past due	1,115	0.34	4
121~365 days past due	5,844	0.34	20
Over 365 days past due	<u>2,677</u>	100.00	<u>2,677</u>
	<b><u>\$ 82,436</u></b>		<b><u>2,945</u></b>

The movement in the loss allowance provision for notes receivable, accounts receivable and overdue receivable were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ 1,030	2,567
Impairment losses recognized	260	357
Accounts written off	13	21
Balance at March 31	<b><u>\$ 1,303</u></b>	<b><u>2,945</u></b>

The Consolidated Company does not hold any collateral for collectible amounts.

## 104 CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements (Continued)

## (6) Investments accounted for using equity method

A summary of the Consolidated Company investments accounted for using the equity method at the reporting date is provided below:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Associates	<u>\$ -</u>	<u>-</u>	<u>24,243</u>

A resolution was passed by the Board of Directors of Wiedu Corporation on August 21, 2024 for the capital reduction to offset the accumulated deficit, and the capital reduction ratio was 60%. The base date for the capital reduction was September 16, 2024.

Wiedu Corporation conducted a cash capital increase on August 21, 2024, and the base date was October 4, 2024. The Consolidated Company did not participate in the capital increase, resulting in a decrease in the ownership ratio to 6.89%. In addition, on October 24, 2024, the Consolidated Company was no longer a director of Wiedu Corporation after the re-election during a special meeting of the shareholders; hence the Consolidated Company lost its significant influence over Wiedu Corporation. The Consolidated Company reassessed the fair value of the 6.89% equity investment in Weidu Corporation amounting to \$5,412 thousand, and reclassified it to financial assets at fair value through other comprehensive income, and derecognized the investment amounting to \$15,212 thousand using the equity method and recognized a loss of \$9,800 thousand on disposal of the investment.

- 1) The financial information of Wiedu Corporation on associate was not individually material to Consolidated Company are summarized below. These financial information were included in the amount of the consolidated financial statements.

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
The carrying amount of investments in associate at the end of the period	<u>\$ -</u>	<u>-</u>	<u>24,243</u>

	<u>For the three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Attributable to the Company:		
Loss from continuing operations	\$ -	(3,324)
Other comprehensive income (loss)	-	-
Total comprehensive income (loss)	<u>\$ -</u>	<u>(3,324)</u>

## 2) Collaterals

As of March 31, 2024, the Consolidated Company did not pledge any of its investments accounted for using the equity method as collateral.

## 3) The unreviewed financial statements of investments accounted for using equity method

Investments accounted for using the equity method and the share of profit (loss) and other comprehensive income were calculated based on unreviewed financial statements.

## 104 CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements (Continued)

## (7) Property, plant and equipment

Movement of the cost, depreciation, and impairment loss of the property, plant and equipment of the Consolidated Company for the three months ended March 31, 2025 and 2024 were as follows:

	Land	Buildings	Computer equipment	Office equipment	Leasehold improvement	Other equipment	Unfinished construction	Total
Cost or deemed cost:								
Balance at January 1, 2025	\$ 103,562	80,253	303,646	8,490	70,338	32,501	-	598,790
Additions	-	-	6,770	-	4,750	-	-	11,520
Disposals	-	-	(6,096)	(10)	-	(34)	-	(6,140)
Balance at March 31, 2025	<b>\$ 103,562</b>	<b>80,253</b>	<b>304,320</b>	<b>8,480</b>	<b>75,088</b>	<b>32,467</b>	-	<b>604,170</b>
Balance at January 1, 2024	\$ 103,562	80,580	369,450	7,742	67,577	31,436	-	660,347
Additions	-	-	8,226	-	-	-	966	9,192
Disposals	-	-	(19,456)	-	-	(56)	-	(19,512)
Balance at March 31, 2024	<b>\$ 103,562</b>	<b>80,580</b>	<b>358,220</b>	<b>7,742</b>	<b>67,577</b>	<b>31,380</b>	<b>966</b>	<b>650,027</b>
Depreciation and impairment loss:								
Balance at January 1, 2025	\$ -	44,537	221,311	6,498	54,223	20,620	-	347,189
Depreciation	-	680	8,903	286	1,262	965	-	12,096
Disposals	-	-	(6,096)	(10)	-	(34)	-	(6,140)
Balance at March 31, 2025	<b>\$ -</b>	<b>45,217</b>	<b>224,118</b>	<b>6,774</b>	<b>55,485</b>	<b>21,551</b>	-	<b>353,145</b>
Balance at January 1, 2024	\$ -	42,051	284,308	5,400	51,053	19,210	-	402,022
Depreciation	-	703	7,872	272	1,349	846	-	11,060
Disposals	-	-	(19,456)	-	-	(56)	-	(19,512)
Balance at March 31, 2024	<b>\$ -</b>	<b>42,754</b>	<b>272,724</b>	<b>5,672</b>	<b>52,402</b>	<b>20,018</b>	-	<b>393,570</b>
Carrying amount:								
Balance at January 1, 2025	<b>\$ 103,562</b>	<b>35,716</b>	<b>82,335</b>	<b>1,992</b>	<b>16,115</b>	<b>11,881</b>	-	<b>251,601</b>
Balance at March 31, 2025	<b>\$ 103,562</b>	<b>35,036</b>	<b>80,202</b>	<b>1,706</b>	<b>19,603</b>	<b>10,916</b>	-	<b>251,025</b>
Balance at March 31, 2024	<b>\$ 103,562</b>	<b>37,826</b>	<b>85,496</b>	<b>2,070</b>	<b>15,175</b>	<b>22,362</b>	<b>966</b>	<b>256,457</b>

As of March 31, 2025, December 31 and March 31, 2024, the property, plant and equipment were not pledged.

## (8) Right-of-use assets

The Consolidated Company leases many assets including buildings and transportation equipment. Information about leases for which the Consolidated Company as a lessee was as below:

	Building	Transportation equipment	Total
Cost:			
Balance at January 1, 2025	\$ 280,453	7,806	288,259
Addition	-	332	332
Addition (modification of contract)	96	-	96
Disposal (modification of contract)	(1,755)	(184)	(1,939)
Balance at March 31, 2025	<b>\$ 278,794</b>	<b>7,954</b>	<b>286,748</b>
Balance at January 1, 2024	\$ 273,323	15,061	288,384
Addition	345	-	345
Addition (modification of contract)	4,872	390	5,262
Disposal	(9,025)	(6,425)	(15,450)
Disposal (modification of contract)	(2,800)	(1,220)	(4,020)
Balance at March 31, 2024	<b>\$ 266,715</b>	<b>7,806</b>	<b>274,521</b>
Depreciation:			
Balance at January 1, 2025	\$ 138,219	3,520	141,739
Depreciation	10,205	418	10,623
Balance at March 31, 2025	<b>\$ 148,424</b>	<b>3,938</b>	<b>152,362</b>

## 104 CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements (Continued)

	<b>Building</b>	<b>Transportation equipment</b>	<b>Total</b>
Balance at January 1, 2024	\$ 133,464	9,153	142,617
Depreciation	10,538	449	10,987
Disposal	(9,025)	(6,425)	(15,450)
Disposal (modification of contract)	(2,685)	(937)	(3,622)
Balance at March 31, 2024	<u>\$ 132,292</u>	<u>2,240</u>	<u>134,532</u>
Carrying amount:			
Balance at January 1, 2025	<u>\$ 142,234</u>	<u>4,286</u>	<u>146,520</u>
Balance at March 31, 2025	<u>\$ 130,370</u>	<u>4,016</u>	<u>134,386</u>
Balance at March 31, 2024	<u>\$ 134,423</u>	<u>5,566</u>	<u>139,989</u>

## (9) Intangible assets

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 2025 and 2024. Information on amortization for the period, please refer to Note 12. For other related information, please refer to Note 6(9) of the consolidated financial statements for the year ended December 31, 2024.

## (10) Lease liabilities

The lease liabilities of the Consolidated Company were recognized as follows:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Current	\$ 42,440	42,333	42,388
Non-current	94,852	107,023	100,034
Total	<u>\$ 137,292</u>	<u>149,356</u>	<u>142,422</u>

Please refer to Note 6(18) financial instrument for the maturity information.

The amounts under profit and loss were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Interest expense of lease liabilities	<u>\$ 635</u>	<u>647</u>
Expense of short term lease	<u>\$ 573</u>	<u>998</u>

The amounts recognized in the statement of cash flows for the Consolidated Company was as follows:

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Total cash flows used in operating activities	\$ 1,208	1,645
Total cash flows used in financing activities	10,553	10,107
Total cash flows	<u>\$ 11,761</u>	<u>11,752</u>

## 1) Leases of buildings

The Consolidated Company leased buildings as office. The rental periods were 2 to 5 years. The options to extend the rental period as the original leasing period were included in the leasing periods for some of the lease.

## 104 CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements (Continued)

2) Other leases

The rental periods of transportation were 1 to 5 years.

Meanwhile, the lease terms for office, parking lots, temporary counter and event venue are less than one year, the Consolidated Company recognized those under exemption for short term leases, without recognizing the right of use and lease liabilities.

(11) Employee benefits

1) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material onetime events since prior fiscal year. As a result, the pension cost in the accompanying consolidated financial statements was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

The expenses recognized in profit or loss for the Consolidated Company were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Operating costs	\$ 13	18
Selling expenses	41	70
Administrative expenses	20	38
Research and development expenses	7	16
Total	<b>\$ 81</b>	<b>142</b>

2) Defined contribution plans

The Consolidated Company's pension costs under the defined contribution plans to the Bureau of Labor Insurance or the independent fund administered by the government were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Operating costs	\$ 2,851	2,656
Selling expenses	7,333	6,617
Administrative expenses	1,769	1,543
Research and development expenses	1,551	1,923
Other gains and losses	180	171
Total	<b>\$ 13,684</b>	<b>12,910</b>

(12) Income taxes

1) The components of income tax expense (benefit) were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Current tax expense		
Current period	\$ 24,099	18,526
Adjustment for prior periods	3,506	-
Income tax expense	<b>\$ 27,605</b>	<b>18,526</b>

## 104 CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements (Continued)

## 2) Assessment of tax

The R.O.C. income tax authorities have examined and approved the Company's income tax returns through 2023.

## (13) Capital and other equity

There was no significant change in capital and other equity. For the related information, please refer to note 6(13) of the consolidated financial statements for the year ended December 31, 2024.

## (14) Earnings per share

The calculation of basic and diluted earnings per share for the three months ended March 31, 2025 and 2024 were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Basic EPS:		
Net income attributable to the Company	<b>\$ 105,981</b>	<b>90,130</b>
Weighted-average number of common shares outstanding (thousand shares)	<b>33,190</b>	<b>33,190</b>
Basic EPS (New Taiwan dollars)	<b>\$ 3.19</b>	<b>2.72</b>
Diluted EPS:		
Net income attributable to the Company	<b>\$ 105,981</b>	<b>90,130</b>
Weighted-average number of common shares outstanding (thousand shares)	33,190	33,190
Effects of potentially dilutive common stock		
Employees' compensation	198	189
Weighted-average number of common shares outstanding — diluted (thousand shares)	<b>33,388</b>	<b>33,379</b>
Diluted EPS (New Taiwan dollars)	<b>\$ 3.17</b>	<b>2.70</b>

## (15) Revenue from contracts with customers

## 1) The details of revenue were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Primary geographical markets:		
Taiwan	\$ 613,962	562,650
Other countries	2,802	101
	<b>\$ 616,764</b>	<b>562,751</b>
Primary services:		
Online and consultation services	<b>\$ 616,764</b>	<b>562,751</b>

## 104 CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements (Continued)

## 2) Contract balances

	March 31, 2025	December 31, 2024	March 31, 2024
Notes Receivable	\$ 147	983	176
Accounts Receivable	83,780	74,088	79,583
Overdue receivable (recorded under other non-current assets)	1,032	766	2,677
Less: Allowance for doubtful accounts — accounts receivable	(271)	(264)	(268)
Allowance for doubtful accounts — overdue receivable (recorded under other non-current assets)	(1,032)	(766)	(2,677)
Total	<u>\$ 83,656</u>	<u>74,807</u>	<u>79,491</u>
Contract liabilities	<u>\$ 1,196,065</u>	<u>1,114,394</u>	<u>1,038,565</u>

For details on trade receivables and allowance for impairment, please refer to note 6(5).

## (16) Employees' compensation and remunerations of directors

In accordance with the Articles of incorporation, if the Company operates at a profit (the profit so called is pre-tax profit before deducting employees' compensation and remunerations of directors) it shall contribute 8%~15% of profit as employees' compensation and remunerations of directors no more than 3%. However, any losses accumulated by the corporation to date shall be paid off first. The employees' compensation in the preceding paragraph shall be distributed in the form of shares or in cash and object of payment includes the employees of subsidiaries of the corporation meeting certain specific requirements.

For the three months ended March 31, 2025 and 2024, the Company estimated its employees' compensation to be \$12,229 thousand and \$9,871 thousand, respectively, and the remuneration of directors to be \$2,965 thousand and \$2,393 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's Articles. These remunerations were expensed under operating costs or operating expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. If the employees' compensation is paid by the Company's stock, the numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares, one day before the date of the meeting of board of directors.

For the year ended December 31, 2024 and 2023, the employees' compensation amounted to \$51,583 thousand and \$50,100 thousand, respectively, and the remunerations of directors amounted to \$12,505 thousand and \$12,145 thousand, respectively. There was no difference between the aforementioned amounts and the amounts approved in board of directors' meeting. The related information is available on the Market Observation Post System website.

## 104 CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements (Continued)

## (17) Non-operating income and expenses

## 1) Interest Income

	For the three months ended March 31,	
	2025	2024
Deposit interest	\$ 11,266	8,749
Other interest	22	-
	<u>\$ 11,288</u>	<u>8,749</u>

## 2) Other Income

	For the three months ended March 31,	
	2025	2024
Rent Income	\$ 3	3
Dividend Income	570	-
Income incurred from counter-party default	11,141	1,531
Miscellaneous Income	310	511
	<u>\$ 12,024</u>	<u>2,045</u>

## 3) Other gains and losses

	For the three months ended March 31,	
	2025	2024
Gains from lease modifications	\$ -	12
Net foreign exchange gains	102	282
Net loss of financial assets measured at fair value through profit or loss	(1,604)	-
Miscellaneous costs	(1,139)	(1,017)
	<u>\$ (2,641)</u>	<u>(723)</u>

## 4) Finance costs

	For the three months ended March 31,	
	2025	2024
Lease liabilities interest expenses	<u>\$ (635)</u>	<u>(647)</u>

**104 CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (Continued)**

## (18) Financial instruments

## 1) Categories of financial instruments

## (A) Financial asset

	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>March 31,</u> <u>2024</u>
Financial assets at fair value through profit or loss :			
Mandatorily measured at fair value through profit or loss	\$ 61,672	19,291	5,120
Financial assets at fair value through other comprehensive income :			
Domestic listed common shares	19,251	-	-
Domestic unlisted common shares	5,098	6,666	-
Subtotal	<u>24,349</u>	<u>6,666</u>	<u>-</u>
Financial assets at amortized cost :			
Cash and cash equivalents	747,652	1,260,401	1,332,685
Financial assets at amortized cost (Current and non-current)	2,369,060	1,836,787	1,563,919
Notes and accounts receivable	83,656	74,807	79,491
Other receivables	14,419	11,151	14,329
Guarantee deposits paid	8,455	8,221	9,705
Other non-current financial assets	10,000	10,000	10,000
Subtotal	<u>3,233,242</u>	<u>3,201,367</u>	<u>3,010,129</u>
Total	<u>\$ 3,319,263</u>	<u>3,227,324</u>	<u>3,015,249</u>

## (B) Financial liabilities

	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>March 31,</u> <u>2024</u>
Financial liabilities at amortized cost :			
Notes and accounts payable	\$ 4,008	14,220	2,482
Other payables	507,309	634,222	443,827
Lease liabilities	137,292	149,356	142,422
Total	<u>\$ 648,609</u>	<u>797,798</u>	<u>588,731</u>

## 2) Credit risk

For credit risk exposure of notes receivable and trade receivables, please refer to Note 6(5).

Financial assets measured at amortized cost (current and non-current), other receivables, Guarantee deposits paid, and other non-current financial assets, are considered to have low credit risk, and thus, the impairment provision for the period was measured based on 12-month expected credit losses. There was no change in the impairment provision for the three months ended March 31, 2025 and 2024.

## 104 CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements (Continued)

## 3) Liquidity risk

The following table shows the contractual maturity of the financial liabilities including estimated interest:

	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<b>March 31, 2025</b>					
Non-derivative financial liabilities					
Accounts payable	\$ 4,008	4,008	4,008	-	-
Other payables	507,309	507,309	507,309	-	-
Lease liabilities	137,292	142,348	44,673	97,675	-
	<u>\$ 648,609</u>	<u>653,665</u>	<u>555,990</u>	<u>97,675</u>	<u>-</u>
<b>December 31, 2024</b>					
Non-derivative financial liabilities					
Accounts payable	\$ 14,220	14,220	14,220	-	-
Other payables	634,222	634,222	634,222	-	-
Lease liabilities	149,356	155,190	44,701	110,489	-
	<u>\$ 797,798</u>	<u>803,632</u>	<u>693,143</u>	<u>110,489</u>	<u>-</u>
<b>March 31, 2024</b>					
Non-derivative financial liabilities					
Notes and accounts payable	\$ 2,482	2,482	2,482	-	-
Other payables	443,827	443,827	443,827	-	-
Lease liabilities	142,422	147,798	44,805	102,993	-
	<u>\$ 588,731</u>	<u>594,107</u>	<u>491,114</u>	<u>102,993</u>	<u>-</u>

The Consolidated Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

## 4) Interest rate analysis

Though the interest rate of partial demand deposits and time deposits of the Consolidated Company were floating, it did not result in significant cash flow risk since the market rate did not fluctuate wildly.

## 5) Currency risk

## (A) Exposure to foreign currency risk

The Consolidated Company's significant exposure to foreign currency risk was as follows:

	March 31, 2025			December 31, 2024			March 31, 2024			
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	1,350	33.21	44,812	1,336	32.79	43,794	1,305	32.00	41,748

## (B) Sensitivity analysis

The Consolidated Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents that are denominated in a foreign currency. A weakening of 1% of the TWD against the USD as at March 31, 2025 and 2024, would have increased the net profit before tax by \$448 thousand and \$417 thousand for the three months ended March 31, 2025 and 2024, respectively. The analysis assumes that all other variables remain constant.

## 104 CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements (Continued)

## (C) Foreign exchange gains and losses on monetary items

The foreign exchange gains and losses (including realized and unrealized) on monetary items was as follows:

	For the three months ended March 31,			
	2025		2024	
	Exchange gains and losses	Average exchange rate	Exchange gains and losses	Average exchange rate
TWD	\$ 156	1.00	221	1.00
CNY	RMB (12)	4.51	14	4.42

## 6) Other price risks

If the equity security price changes on the reporting date (with the two periods analyzed on the same basis and other changes assumed to be accounted for), the impact on comprehensive income items is as follows:

Securities price on the reporting date	For the three months ended March 31,	
	2025	2024
Up 5%	\$ 1,217	-
Down 5%	\$ (1,217)	-

## 7) Fair value of financial instruments

## (A) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, is measured on a recurring basis. The carrying amount and fair value of the Consolidated Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value and lease liability, the disclosure of fair value information is not required:

	March 31, 2025			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss — non-current				
Beneficiary certificate	\$ 56,359	-	-	56,359
Private fund	-	-	5,313	5,313
Subtotal	56,359	-	5,313	61,672
Financial assets at fair value through other comprehensive income — non-current				
Domestic listed common shares	19,251	-	-	19,251
Domestic unlisted common shares	-	-	5,098	5,098
Subtotal	19,251	-	5,098	24,349
Total	\$ 75,610	-	10,411	86,021

## 104 CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements (Continued)

	December 31, 2024			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss — non-current				
Beneficiary certificate	\$ 14,045	-	-	14,045
Private fund	-	-	5,246	5,246
Subtotal	14,045	-	5,246	19,291
Financial assets at fair value through other comprehensive income — non-current				
Domestic unlisted common shares	-	-	6,666	6,666
Total	<u>\$ 14,045</u>	<u>-</u>	<u>11,912</u>	<u>25,957</u>

  

	March 31, 2024			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss — non-current				
Private fund	-	-	5,120	5,120

## (B) Valuation techniques for fair value

If the quoted prices in active markets are available, the market price is established as the fair value.

The fair value of the Consolidated Company's financial instruments that have an active market is displayed by category and attributed as follows:

- The beneficiary certificates are financial assets with standard terms and conditions and traded in active markets. The fair value of beneficiary certificates is determined by reference to quoted market prices.

Except for the abovementioned financial instruments with an active market price, the fair value of other financial instruments is obtained by using the valuation techniques or by reference to quoted prices of counterparties. The fair value obtained through valuation techniques can be calculated by reference to the current fair value, discounted cash flow method, or other valuation techniques for other financial instruments with substantially similar terms and characteristics, including the use of models based on market information available at the balance sheet date.

For financial instruments that are not traded in active markets, their fair values are listed below by types and attributes:

- Investments in non-derivative financial assets without quoted prices in an active market (private fund): The fair value is estimated using the net asset value method.
- Equity instruments without quoted market prices: The fair value is estimated using the market comparable company method, the main assumptions of which are based on the enterprise value derived from the EV/Sales of the investee and the quoted market prices of comparable listed companies. The estimate has been adjusted for the discount effect of the lack of market liquidity of the equity securities.

## 104 CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements (Continued)

## (C) Reconciliation of Level 3 fair values

	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income	Total
Balance at January 1, 2025	\$ 5,246	6,666	11,912
Total gains and losses recognized:			
In profit or loss	67	-	67
In other comprehensive income	-	(1,568)	(1,568)
Balance at March 31, 2025	<u>\$ 5,313</u>	<u>5,098</u>	<u>10,411</u>
Balance at January 1, 2024	\$ 4,913	-	4,913
Total gains and losses recognized:			
In profit or loss	207	-	207
Balance at March 31, 2024	<u>\$ 5,120</u>	<u>-</u>	<u>5,120</u>

## (D) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Consolidated Company's financial instruments that use Level 3 inputs to measure fair value include fair value through other comprehensive income — equity investment mandatorily measured and financial assets at fair value through profit or loss — Private fund.

The Consolidated Company's equity instrument investment with no active market has multiple significant unobservable inputs. Significant unobservable inputs for investments in equity instruments with no active market are not correlated with each other because they are independent of each other.

Due to the amount of Level 3 investments in the Consolidated Company is immaterial, quantitative information is not disclosed.

## (19) Financial risk management

There were no significant changes in the Consolidated Company's financial risk management and policies as disclosed in Note 6(19) of the consolidated financial statements for the year ended December 31, 2024.

## (20) Capital management

The objectives, policies and processes of capital management of the Consolidated Company has been applied consistently with those disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 6(20) of the consolidated financial statements for the year ended December 31, 2024 for the related information.

## (21) Investing and financing activities not affecting current cash flow

- 1) For information of acquisition of right of use by lease, please refer to note 6(8).
- 2) Reconciliation of liabilities arising from financing activities of the Consolidated Company for March 31, 2025 and 2024 were as follows:

	January 1, 2025	Cash flows	Non-cash changes		March 31, 2025
			Acquisition	Modification of contract	
Lease liabilities	<u>\$ 149,356</u>	<u>(10,553)</u>	<u>332</u>	<u>(1,843)</u>	<u>137,292</u>

**104 CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (Continued)**

	<b>January 1, 2024</b>	<b>Cash flows</b>	<u>Non-cash changes</u>		<b>March 31, 2024</b>
			<b>Acquisition</b>	<b>Modification of contract</b>	
Lease liabilities	<u>\$ 147,332</u>	<u>(10,107)</u>	<u>345</u>	<u>4,852</u>	<u>142,422</u>

**7. Related-party transactions**

(1) Names and relationships with related parties

The followings are entities that have had transactions with the Consolidated Company during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Consolidated Company</u>
Wiedu Corporation	The Company's associate (note)
104 Hope Foundation	The entity's chairman is the same as the Company's

Note: Wiedu Corporation is no longer an associate of the Company since October 24, 2024.

(2) Transactions with related parties

1) Operating revenue

The amounts of service revenue by the Consolidated Company to related parties were as follows:

	<b>For the three months ended March 31,</b>	
	<u>2025</u>	<u>2024</u>
Associate		
Wiedu Corporation	<u>\$ -</u>	<u>49</u>

There is no significant difference in the price and credit terms provided by the Consolidated Company to its associate from non-related parties. Accounts receivable from related parties was no expected credit loss required after the assessment by the management.

2) Operating expense

The operating expenses details of training services and rental fees provided by associate for the Consolidated Company were as below:

	<b>For the three months ended March 31,</b>	
	<u>2025</u>	<u>2024</u>
Associate		
Wiedu Corporation	<u>\$ -</u>	<u>43</u>

3) Rental income

The amount of rental income by related parties were as follows:

	<b>For the three months ended March 31,</b>	
	<u>2025</u>	<u>2024</u>
104 Hope Foundation	<u>\$ 3</u>	<u>3</u>

The price charged for rental was agreed by both parties, and was collected by telegraphic transfer.

## 104 CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements (Continued)

## 4) Receivables from related parties

The detail of the receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts receivable	Associate			
	Wiedu Corporation	\$ <u>          -</u>	<u>          -</u>	<u>          33</u>

## 5) Payables to related parties

The detail of the payables for training fees to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Other payables	Associate			
	Wiedu Corporation	\$ <u>          -</u>	<u>          -</u>	<u>          87</u>

## (3) Key management personnel compensation

Key management personnel compensation comprised:

	<u>For the three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 26,149	26,184
Share-based payments	3,200	2,314
	<u>\$ 29,349</u>	<u>28,498</u>

## 8. Pledged assets

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Time deposits (recorded under other financial assets – non-current)	Guarantee for employment services	\$ 10,000	10,000	10,000

## 9. Significant commitments and contingencies

## (1) Unrecognized contractual commitments

The Consolidated Company applied to the Council of Labor Affairs for permission to provide employment services in accordance with the Employment Services Act. For the three months ended March 31, 2025 and 2024, the guaranteed amount provided by banks on behalf of the Consolidated Company was \$1,000 thousand.

## (2) Contingent liabilities: None.

## 10. Losses due to major disasters: None.

## 11. Significant subsequent events: None.

## 12. Other

(1) A summary of employee benefits, depreciation, and amortization, by function were as follows:

**104 CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements (Continued)**

Function  Account	For the three months ended March 31,							
	2025				2024			
	Operating costs	Operating expenses	Non-operating expenses (Note)	Total	Operating costs	Operating expenses	Non-operating expenses (Note)	Total
Employee benefits								
Salary	65,654	275,446	3,398	344,498	59,891	260,054	3,156	323,101
Health and labor insurance	5,260	18,963	401	24,624	4,789	17,804	375	22,968
Pension	2,864	10,721	180	13,765	2,674	10,207	171	13,052
Remuneration of directors	-	2,965	-	2,965	-	2,393	-	2,393
Other personnel expense	1,902	7,362	203	9,467	1,826	7,164	222	9,212
Depreciation	1,182	21,240	297	22,719	1,363	20,398	286	22,047
Amortization	688	2,324	-	3,012	477	1,036	-	1,513

Note: Non operating expenses and non operating income are offset and recognized as other gains and losses.

(2) Seasonality of operations

The Consolidated Company's operations were not affected by seasonality or cyclicity factors.

**13. Other disclosures items**

(1) Information on significant transactions

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Consolidated Company for the three months ended March 31, 2025:

- 1) Loans to other parties: None.
- 2) Guarantees and endorsements for other parties: None.
- 3) Securities held as of March 31, 2025 (excluding investment in subsidiaries, associates, and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Remarks
				Shares/units	Carrying value	Percentage of ownership	Fair value	
The Company	Private fund:							
	Spark Labs Taipei Fund I	-	Non-current financial assets at fair value through profit or loss	-	5,313	-%	5,313	
	Beneficiary certificate:							
"	Yuanta/P-shares Taiwan Dividend Plus ETF	-	"	89,867	3,124	-%	3,124	
"	Yuanta Taiwan High Dividend Low Volatility ETF	-	"	688,455	36,109	-%	36,109	
"	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	-	"	811,648	17,126	-%	17,126	
					<u>61,672</u>		<u>61,672</u>	
	Stock:							
"	Wiedu Corporation	-	Non-current financial assets at fair value through other comprehensive income	1,050,000	5,098	6.89%	5,098	
"	Mega Financial Holding Co., Ltd.	-	"	482,477	19,251	-%	19,251	
					<u>24,349</u>		<u>24,349</u>	

Unit: shares

## 104 CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements (Continued)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Remarks
				Shares/units	Carrying value	Percentage of ownership	Fair value	
"	Bonds: TSMC 1st Unsecured Corporate Bond (green bond) in 2025- Tranche A (114-1)	-	Non-current financial assets at amortized cost	-	100,000	-%	100,000	

- 4) Related-party transactions for purchases and sales with amounts exceeding the lower of \$100 million or 20% of the capital stock: None.
- 5) Receivables from related parties with amount exceeding the lower of \$100 million or 20% of the capital stock: None.
- 6) Business relationships and significant intercompany transactions: None.
- (2) Information on investees:

The following is the information on investees for the three months ended March 31, 2025 (excluding information on investees in Mainland China):

Unit: thousand shares

Name of investor	Name of investee	Location	Main business and products	Original investment amount		Balance of March 31, 2025			Net income (loss) of investee (note 2)	Share of profit/ losses of investees (notes 1 and 2)	Remarks
				March 31, 2025	December 31, 2024	Shares	Percentage of ownership	Book value (notes 1 and 2)			
The Company	104 Consulting	Taiwan	General advertising services, IT software services, electronic information services, talent dispatching, management consultancy and data processing services	12,678	12,678	1,219	100.00%	48,055	2,129	2,129	Subsidiary

Note 1: The long-term investments and investment gain or loss accounts have been eliminated in the preparation of the consolidated financial statements.

Note 2: The investment gain (loss) and book value recognized by the Company are based on the unreviewed financial statements of the investee companies under the equity method.

- (3) Information on investment in Mainland China:

- 1) The names of investees in Mainland China, the main businesses and products, and other information:

Unit: thousand dollars

Name of investee	Main businesses and products	Total amount of paid-in capital (note 4)	Method of investment (note 1)	Aggregate investment amount remitted from Taiwan at beginning of year (note 4)	Amount remitted or returned in current year		Aggregate investment amount remitted from Taiwan at end of period (note 4)	Net income (loss) of investee (note 3)	Percentage of direct or indirect ownership by the Company (%)	Investment gain (loss) (notes 2 and 3)	Book value as of March 31, 2024 (notes 2 and 3)	Amount of investment income remitted back to Taiwan at end of period
					Invested amount	Returned amount						
Redpoint Information	Developing network technologies and computer software, selling products, providing technical advice and services, and management consultancy	60,365	(1)	60,365 (USD2,000)	-	-	60,365 (USD2,000)	242	100.00%	242	49,474	-

Note 1: Ways of investments are as follows:

- (1) direct investment in Mainland China.  
(2) others.

Note 2: The long-term investments and investment gain or loss accounts have been eliminated in the preparation of the consolidated financial statements.

Note 3: The investment gain (loss) and book value disclosed above included direct and indirect investments. The investment gain (loss) and book value recognized by the Company are based on the unreviewed financial statements of the investee companies under the equity method.

Note 4: Based on historical exchange rates.

## 104 CORPORATION AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements (Continued)

## 2) Limitation on investment in Mainland China:

Unit: thousand dollars

Aggregate investment amount remitted from Taiwan to Mainland China at the end of the period (Note 2)	Investment amount approved by Investment Commission of Ministry of Economic Affairs (Notes 2 and 3)	Limitation on investment in Mainland China by Investment Commission of Ministry of Economic Affairs (Note 1)
60,365 (USD 2,000)	350,246 (USD 10,548)	1,074,508

Note 1: Limitation on investment in Mainland China: 60% of the Company's stockholders' equity of \$1,790,847 thousand.

Note 2: Issued capital and investment capital remitted from Taiwan to Mainland China were translated at historical rates, and the rest of the investment information was translated at the period-end rate of March 31, 2025 (USD: NTD=1:33.205).

Note 3: Including cumulative liquidation of \$283,836 thousand (USD8,548 thousand) of investment that has not been repatriated.

## 3) Significant transactions:

There are no direct or indirect significant transactions between the consolidated and its investee companies in mainland China for the three months ended March 31, 2025.

**14. Segment information**

The Consolidated Company identifies reportable segment in accordance with the reported information which used by operating decision maker when making decision. To develop diversified career services and improve operating synergy, the Consolidated Company only has a single reportable segment and considerate the overall operating profit and loss. Please refer to consolidated financial statements of comprehensive income for the related segment information for the three months ended March 31, 2025 and 2024.