Stock Code:8114

Posiflex Technology, Inc. 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
Posiflex Technology, Inc.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Posiflex Technology, Inc. (the "Company") and its subsidiaries (together referred as the "Group") 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 and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the 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 Standards on Auditing of the Republic of China 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 $1,451,530 thousand and $1,647,846 constituting 7.26% and 10.69% of the consolidated total assets as of March 31, 2025 and 2024, respectively, the total liabilities amounting to $361,067 thousand and $384,932 thousand constituting 3.35% and 4.41% of the consolidated total liabilities as of March 31, 2025 and 2024, as well as the total comprehensive income (loss) amounting to $(12,671) thousand and $3,527 thousand constituting (0.93)% and 1.01% of the total consolidated comprehensive income for the three months ended March 31, 2025 and 2024, respectively.

Furthermore, as stated in Note 6(4), the other equity accounted investments of the Group in its investee companies of $232,331 thousand and $243,815 thousand as of March 31, 2025 and 2024, respectively, and its equity in net earnings on these investee companies of $(3,684) thousand and $(2,938) thousand for the three months ended March 31, 2025 and 2024, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, 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 of March 31, 2025 and 2024, and of its consolidated financial performance and 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 into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Yu, Chi-Lung and Chen, Pei-Chi.

KPMG

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

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and 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 independent auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

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

Posiflex Technology, Inc. and Subsidiaries

Consolidated Balance Sheets

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

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2025		December 31, 2024		March 31, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note 6(1))	$ 5,074,684	25	3,813,326	22	3,071,607	20
1136	Financial assets at amortized cost－current (notes 6(2) and 8)	93,556	1	93,532	1	107,280	1
1150	Notes receivable (note 6(2))	2,697	-	748	-	7,705	-
1170	Accounts receivable, net (note 6(2))	3,615,475	18	2,602,263	15	1,419,108	9
1180	Accounts receivable－related parties (notes 6(2) and 7)	8,427	-	21,805	-	17,762	-
1210	Other receivables－related parties (note 7)	3,355	-	2,906	-	512	-
1310	Inventories (note 6(3))	2,877,041	15	2,909,062	16	2,676,169	18
1476	Other financial assets－current (notes 6(6) and 8)	35,994	-	26,882	-	23,637	-
1479	Other current assets (note 6(8))	198,977	1	174,408	1	173,743	1
	Total current assets	11,910,206	60	9,644,932	55	7,497,523	49
	Non-current assets:						
1510	Financial assets at fair value through profit or loss－non-current (note 6(2))	31,829	-	31,427	-	32,000	-
1517	Financial assets at fair value through other comprehensive income－non-current (note 6(2))	115,424	1	119,262	1	126,690	1
1535	Financial assets at amortized cost－non-current (notes 6(2) and 8)	499,998	2	493,674	3	481,853	3
1550	Investments accounted for using equity method (note 6(4))	232,904	1	235,552	1	243,815	2
1600	Property, plant and equipment (notes 6(9) and 8)	3,290,302	17	3,283,352	19	3,297,739	22
1755	Right-of-use assets (note 6(10))	285,200	2	293,962	2	333,244	2
1760	Investment property (note 6(11))	47,666	-	47,712	-	47,849	-
1805	Goodwill (note 6(13))	1,972,978	10	1,949,929	11	1,906,849	12
1821	Intangible assets (note 6(14))	822,234	4	815,163	5	832,452	6
1840	Deferred tax assets	653,908	3	588,737	3	521,771	3
1975	Net defined benefit asset－non-current (note 6(21))	49,699	-	49,290	-	39,841	-
1980	Other financial assets－non-current (notes 6(6) and 8)	29,663	-	23,226	-	22,925	-
1990	Other non-current assets (notes 6(8) and 8)	59,540	-	68,547	-	28,545	-
	Total non-current assets	8,091,345	40	7,999,833	45	7,915,573	51
	Total assets	$ 20,001,551	100	17,644,765	100	15,413,096	100

		March 31, 2025		December 31, 2024		March 31, 2024	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (notes 6(15) and 8)	$ 628,991	4	850,875	6	930,329	6
2120	Financial liabilities at fair value through profit or loss－current (note 6(2))	652	-	1,852	-	745	-
2130	Contract liabilities－current (note 6(26))	503,948	3	302,157	2	354,510	2
2150	Notes payable	16,884	-	12,441	-	5,123	-
2170	Accounts payable	1,481,975	7	1,236,812	7	814,965	5
2180	Payables to related parties (note 7)	53,764	-	17,854	-	28,173	-
2200	Other payables (note 6(16))	1,497,532	7	1,255,179	7	686,347	5
2230	Current tax liabilities	841,546	4	383,609	2	290,260	2
2250	Provisions－current (note 6(17))	196,695	1	168,059	1	77,041	1
2280	Lease liabilities－current (note 6(18))	80,875	1	79,742	1	71,803	-
2320	Current portion of long-term liabilities (notes 6(19) and 8)	7,391	-	9,305	-	5,711	-
2399	Other current liabilities	42,761	-	50,758	-	34,362	-
	Total current liabilities	5,353,014	27	4,368,643	26	3,299,369	21
	Non-current liabilities:						
2527	Contract liabilities－non-current (note 6(26))	73,620	-	87,600	-	96,041	1
2540	Long-term borrowings (notes 6(19) and 8)	70,970	-	62,854	-	61,388	-
2570	Deferred tax liabilities	131,821	1	119,527	1	75,027	1
2580	Lease liabilities－non-current (note 6(18))	380,302	2	390,888	2	439,304	3
2635	Preference share liabilities－non-current (note 6(20))	4,595,089	23	4,595,089	26	4,595,089	30
2640	Net defined benefit liability－non-current	25,065	-	25,274	-	26,394	-
2645	Guarantee deposits received (notes 7 and 9)	144,098	1	142,277	1	138,864	1
2650	Credit balance of investments accounted for using equity method (note 6(4))	573	-	275	-	-	-
	Total non-current liabilities	5,421,538	27	5,423,784	30	5,432,107	36
	Total liabilities	10,774,552	54	9,792,427	56	8,731,476	57
	Equity (notes 6(23) and (24)):						
	Equity attributable to parent company shareholders:						
3110	Ordinary share	762,948	4	762,378	4	755,958	5
3140	Advance receipts for share capital	500	-	570	-	-	-
3200	Capital surplus	847,525	4	837,467	5	778,223	5
3300	Retained earnings	3,574,983	18	2,904,187	16	2,368,826	15
3400	Other equity	69,413	-	20,557	-	(53,185)	-
	Total equity attributable to parent company shareholders	5,255,369	26	4,525,159	25	3,849,822	25
36XX	Non-controlling interests	3,971,630	20	3,327,179	19	2,831,798	18
	Total equity	9,226,999	46	7,852,338	44	6,681,620	43
	Total liabilities and equity	$ 20,001,551	100	17,644,765	100	15,413,096	100

See accompanying notes to consolidated financial statements.

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

Posiflex Technology, Inc. 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	%
4000	**Operating revenue** (notes 6(26) and 7)	$ 5,918,832	100	2,215,962	100
5000	**Operating costs** (notes 6(3), (21), (24), (27), 7 and 12)	2,976,087	50	1,252,120	57
5900	**Gross profit**	2,942,745	50	963,842	43
5910	Unrealized loss from sales	(12)	-	(1)	-
5900	**Realized gross profit**	2,942,733	50	963,841	43
6000	**Operating expenses** (notes 6(2), (21), (24), (27), 7 and 12):				
6100	Selling expenses	557,954	9	298,752	13
6200	Administrative expenses	400,140	7	272,604	12
6300	Research and development expenses	323,344	6	160,346	7
6450	Expected credit loss	3,034	-	15,957	1
	Total operating expenses	1,284,472	22	747,659	33
6900	**Net operating income**	1,658,261	28	216,182	10
7000	**Non-operating income and expenses** (notes 6(28) and 7):				
7100	Interest income	15,012	-	17,195	1
7010	Other income	5,893	-	5,584	-
7020	Other gains and losses	48,807	1	43,878	1
7050	Finance costs	(49,289)	(1)	(49,092)	(2)
7060	Share of profit (loss) of associates accounted for using equity method (note 6(4))	(3,684)	-	(2,938)	-
	Total non-operating income and expenses	16,739	-	14,627	-
7900	**Income before income tax**	1,675,000	28	230,809	10
7950	**Income tax expenses** (note 6(22))	385,531	6	47,786	2
8200	**Net income**	1,289,469	22	183,023	8
8300	**Other comprehensive income (loss):**				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8316	Unrealized gains or losses from investments in equity instruments measured at fair value through other comprehensive income	(2,773)	-	(3,486)	-
8320	Shares of other comprehensive income of associates accounted for using equity method	(951)	-	(514)	-
8349	Less: Income tax related to items that will not be reclassified subsequently (note 6(22))	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	(3,724)	-	(4,000)	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	95,902	1	211,882	10
8370	Shares of other comprehensive income of associates accounted for using equity method	761	-	2,155	-
8399	Less: Income tax related to items that may be reclassified subsequently (note 6(22))	19,178	-	42,610	2
	Total items that may be reclassified subsequently to profit or loss	77,485	1	171,427	8
8300	**Other comprehensive income, net**	73,761	1	167,427	8
8500	**Total comprehensive income**	**$ 1,363,230**	**23**	**350,450**	**16**
	Profit attributable to:				
	Owners of parent	670,796	12	110,582	5
	Non-controlling interests	618,673	10	72,441	3
		$ 1,289,469	**22**	**183,023**	**8**
	Comprehensive income attributable to:				
	Owners of parent	$ 719,652	12	232,258	11
	Non-controlling interests	643,578	11	118,192	5
		$ 1,363,230	**23**	**350,450**	**16**
	Earnings per share (New Taiwan Dollars) (note 6(25))				
9750	Basic earnings per share	**$ 6.60**		**1.46**	
9850	Diluted earnings per share	**$ 6.49**		**1.39**	

See accompanying notes to consolidated financial statements.

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

Posiflex Technology, Inc. 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)

	Attributable to owner of parent												
				Retained earnings				Other equity					
	Ordinary share capital	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains or losses from investments in equity instruments measured at fair value through other comprehensive income	Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of January 1, 2024	$ 755,958	-	777,122	885,227	164,268	1,208,749	2,258,244	(115,061)	(59,800)	(174,861)	3,616,463	2,713,399	6,329,862
Net income for the period	-	-	-	-	-	110,582	110,582	-	-	-	110,582	72,441	183,023
Other comprehensive income for the period	-	-	-	-	-	-	-	125,676	(4,000)	121,676	121,676	45,751	167,427
Total comprehensive income for the period	-	-	-	-	-	110,582	110,582	125,676	(4,000)	121,676	232,258	118,192	350,450
Share-based payment transactions	-	-	1,101	-	-	-	-	-	-	-	1,101	207	1,308
Balance as of March 31, 2024	**$ 755,958**	**-**	**778,223**	**885,227**	**164,268**	**1,319,331**	**2,368,826**	**10,615**	**(63,800)**	**(53,185)**	**3,849,822**	**2,831,798**	**6,681,620**
Balance as of January 1, 2025	$ 762,378	570	837,467	927,155	174,861	1,802,171	2,904,187	89,512	(68,955)	20,557	4,525,159	3,327,179	7,852,338
Net income for the period	-	-	-	-	-	670,796	670,796	-	-	-	670,796	618,673	1,289,469
Other comprehensive income for the period	-	-	-	-	-	-	-	52,580	(3,724)	48,856	48,856	24,905	73,761
Total comprehensive income for the period	-	-	-	-	-	670,796	670,796	52,580	(3,724)	48,856	719,652	643,578	1,363,230
Share-based payment transactions	-	-	5,431	-	-	-	-	-	-	-	5,431	54	5,485
Exercise of employee stock options	570	(70)	3,627	-	-	-	-	-	-	-	4,127	-	4,127
Other changes in capital surplus	-	-	1,000	-	-	-	-	-	-	-	1,000	819	1,819
Balance as of March 31, 2025	**$ 762,948**	**500**	**847,525**	**927,155**	**174,861**	**2,472,967**	**3,574,983**	**142,092**	**(72,679)**	**69,413**	**5,255,369**	**3,971,630**	**9,226,999**

See accompanying notes to consolidated financial statements.

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

Posiflex Technology, Inc. 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
Cash flows from operating activities:		
Income before income tax	$ 1,675,000	230,809
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expenses	66,541	62,079
Amortization expenses	5,057	22,878
Expected credit loss	3,034	15,957
Net loss on financial assets at fair value through profit or loss	1,364	3,185
Interest expense	49,289	49,092
Interest income	(15,012)	(17,195)
Dividend income	(6)	(8)
Compensation cost arising from share-based payment transactions	5,485	1,308
Shares of loss (gain) of associates accounted for using equity method	3,684	2,938
Gains on disposal of property, plant and equipment	(524)	-
Provisions for inventory devaluation and obsolescence loss and inventory scrap loss (reversal gain)	180,226	(4,875)
Adjustment for other non-cash-related profit, net	(3,012)	1
Total adjustments to reconcile profit (loss)	296,126	135,360
Changes in operating assets and liabilities:		
Notes receivable	(1,949)	(5,885)
Accounts receivable (including related parties)	(1,003,127)	(152,751)
Inventories	(138,265)	(157,490)
Other operating assets	(37,374)	(56,609)
Contract liabilities	183,271	41,367
Notes payable	4,443	(1,152)
Accounts payable (including related parties)	267,492	83,386
Other payables	212,896	(51,511)
Net defined benefit assets/liabilities	(617)	(478)
Other operating liabilities	23,541	(7,360)
Total changes in operating assets and liabilities	(489,689)	(308,483)
Total adjustments	(193,563)	(173,123)
Cash flows generated from operations	1,481,437	57,686
Interest received	10,036	26,836
Interest paid	(10,011)	(8,834)
Income taxes refund (paid)	1,282	(1,841)
Net cash flows from operating activities	1,482,744	73,847

(Continued)

See accompanying notes to consolidated financial statements.

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

Posiflex Technology, Inc. and Subsidiaries
Consolidated Statements of Cash Flows (Continued)
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**
Cash flows from investing activities:		
Increase in financial assets at amortized cost	$ -	(17,055)
Acquisition of financial assets at fair value through profit or loss	-	(31,320)
Acquisition of investments accounted for using equity method	-	(474)
Acquisition of property, plant and equipment	(31,324)	(22,936)
Proceeds from disposal of property, plant and equipment	524	-
Acquisition of intangible assets	(3,513)	(2,387)
(Increase) decrease in other financial assets	(6,189)	464
Increase in other non-current assets	(2,491)	(23,512)
Dividends received	8	8
Net cash flows (used in) from investing activities	(42,985)	(97,212)
Cash flows from financing activities:		
Increase in short-term borrowings	23,849	213,620
Decrease in short-term borrowings	(249,255)	(250,000)
Proceeds from long-term borrowings	3,742	-
Repayments of long-term borrowings	(1,455)	(22,631)
(Increase) decrease in guarantee deposits received	1,821	(1,804)
Repayment of the principal portion of lease liabilities	(20,722)	(18,046)
Exercise of employee share options	4,127	-
Expired and uncollected dividends turn into capital surplus	1,819	-
Net cash flows used in financing activities	(236,074)	(78,861)
Effect of exchange rate changes on cash and cash equivalents	57,673	76,264
Net (decrease) increase in cash and cash equivalents	1,261,358	(25,962)
Cash and cash equivalents at beginning of period	3,813,326	3,097,569
Cash and cash equivalents at end of period	**$ 5,074,684**	**3,071,607**

See accompanying notes to consolidated financial statements.

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

Posiflex Technology, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

For the Three Months Ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, except for per share information and unless otherwise specified)

1. Company History

Posiflex Technology, Inc. (the “Company”) was founded in New Taipei City, Republic of China (R.O.C.), on August 11, 1984. The registered address of the Company's office is 4-8F., No. 23, Datong St., Tucheng Dist., New Taipei City 236, Taiwan, R.O.C. The Company's ordinary shares were publicly listed on Taipei Exchange and Taiwan Stock Exchange Corporation on July 20, 2005 and November 26, 2012, respectively.

The Company and its subsidiaries (together referred to as the “Group”) are engaged mainly in the manufacture and sale of industrial computers and peripheral equipment.

2. Approval Date and Procedures of the Financial Statements

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

3. New Standards, Amendments and Interpretations Adopted:

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

The Group 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”

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- 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

(Continued)

Posiflex Technology, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

(c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, 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"	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. ● 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. ● 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. ● 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.	January 1, 2027

Posiflex Technology, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

The Group 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 Group completes its evaluation.

The Group 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 Material Accounting Policies

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (hereinafter referred to as the Regulations) and the guidelines of IAS 34 Interim Financial Reporting (hereinafter referred to as " IAS 34") which are endorsed by the FSC, and do not include all of the information required by the Regulations and by the IFRS Accounting Standards endorsed by the FSC for a complete set of the annual consolidated financial statements.

Except as described in the following paragraph, the Group's material accounting policies are applied consistently for the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of consolidation

The principle of preparation of the consolidated financial statements is consistent with those of the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note 4(3) of the consolidated financial statements for the year ended December 31, 2024.

Posiflex Technology, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

A. List of subsidiaries in the consolidated financial statements

The list of subsidiaries is included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Business	Percentage of Ownership March 31, 2025	Percentage of Ownership December 31, 2024	Percentage of Ownership March 31, 2024	Note
The Company	Portwell Inc. (PORTWELL)	Manufacture and sale of industrial computers and peripheral equipment and information software services	55 %	55 %	55 %	
The Company	Posiflex Business Machines, Inc. (PBM)	Foreign trade	100 %	100 %	100 %	
The Company	Posiflex GmbH (PG)	Foreign trade	100 %	100 %	100 %	Note 1
The Company	Posiflex International Co., Ltd. (PIC)	Foreign trade	100 %	100 %	100 %	〃
The Company	Posiflex Business Machines Sdn. Bhd. (PBMM)	Foreign trade	83.46 %	83.46 %	83.46 %	〃
The Company	Posiflex Technologies South Cone (PTSC)	Foreign trade	100 %	100 %	100 %	〃
The Company	Posiflex Technology (India) Pvt Ltd. (PTIL)	Foreign trade	51 %	51 %	51 %	〃
The Company	Posiflex Technology Pte. Ltd. (PTPL)	Foreign trade	100 %	100 %	100 %	〃
The Company	Posiflex Technology Japan (PJ)	Foreign trade	100 %	100 %	100 %	〃
The Company	KOMING Technology Inc. (KOMING)	Foreign trade and software services	100 %	100 %	100 %	〃
The Company	ONK Cloud Computing Technology Inc. (ONK Cloud)	Software services	99.90 %	99.90 %	99.90 %	〃
The Company	Penetek Technology Inc. (PENETEK)	Manufacture and sale of industrial computers and peripheral equipment	61.52 %	61.52 %	61.52 %	〃
The Company	KIOSK Integrated Solutions, Inc. (KIOSKTW)	Software services	100 %	100 %	100 %	Notes 1、2
PIC	Posiflex Business Machines (Beijing) Co., Ltd. (PBMB)	Foreign trade	100 %	100 %	100 %	Note 1

(Continued)

Posiflex Technology, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Business	Percentage of Ownership March 31, 2025	Percentage of Ownership December 31, 2024	Percentage of Ownership March 31, 2024	Note
PTIL	Mustek Technologies Pvt Ltd. (Mustek)	Foreign trade	82 %	82 %	100 %	Notes 1, 3
PTIL	Quinta Systems Pvt Ltd. (QUINTA)	Foreign trade	70 %	70 %	70 %	Note 1
ONK Cloud	ONK Clouding International Ltd. (ONK International)	Investing	100 %	100 %	100 %	〃
ONK International	ONK Clouding Shanghai (ONK Shanghai)	Software services	100 %	100 %	100 %	〃
PBM	KIS Acquisition Corp. (KIA)	Investing	82 %	82 %	82 %	
KIA	KIOSK Information Systems, Inc. (KIOSK)	Development, manufacture and sale of self-service equipment and software	100 %	100 %	100 %	
PORTWELL	American Portwell Technology, Inc. (APT)	Manufacture and sale of industrial computers and peripheral equipment	100 %	100 %	100 %	
PORTWELL	Portwell Japan, Inc. (PJI)	Manufacture and sale of industrial computers and peripheral equipment	99 %	99 %	99 %	Note 1
PORTWELL	Portwell Development Co., Ltd. (DEVELOPMENT)	Investing	100 %	100 %	100 %	〃
PORTWELL	European Portwell Technology B.V. (EPT)	Manufacture and sale of industrial computers and peripheral equipment	100 %	100 %	100 %	〃
PORTWELL	Portwell India Technology Private Limited (PIT)	Manufacture and sale of industrial computers and peripheral equipment	51 %	51 %	51 %	〃
PORTWELL	Portwell Korea, Inc. (PKI)	Manufacture and sale of industrial computers and peripheral equipment and information software services	100 %	100 %	100 %	〃
PORTWELL	GANLOT, Inc. (GANLOT)	Manufacture and sale of industrial computers and peripheral equipment	100 %	100 %	100 %	〃
PORTWELL	Holdwel Co., Ltd. (HOLDWEL)	Investing	100 %	100 %	83.33 %	Notes 1, 4
APT	KIS Acquisition Corp. (KIA)	Investing	18 %	18 %	18 %	
HOLDWEL	MEDWEL, Inc. (MEDWEL)	Manufacture and sale of industrial computers and peripheral equipment	100 %	100 %	100 %	Note 1

(Continued)

Posiflex Technology, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Business	Percentage of Ownership March 31, 2025	December 31, 2024	March 31, 2024	Note
DEVELOPMENT	Portwell Holding Ltd. (HOLDING)	Investing	100 %	100 %	100 %	Note 1
EPT	Portwell (UK) Ltd. (PUK)	Manufacture and sale of industrial computers and peripheral equipment	100 %	100 %	100 %	〃
EPT	KIOSK Embedded Systems GmbH (KES)	Manufacture and sale of industrial computers and peripheral equipment	100 %	100 %	100 %	〃
EPT	Kiosk Embedded Systems Srl (KESI)	Manufacture and sale of industrial computers and peripheral equipment	100 %	100 %	100 %	〃
HOLDING	Welink Technology Co., Ltd. (WELINK)	Foreign trade and software services	100 %	100 %	100 %	〃

Note 1: The financial statements of non-significant subsidiary have not been reviewed.
Note 2: In March 2025, KIOSKTW increase its capital by cash, which were fully subscribed by the Group.
Note 3: Mustek Automation Pvt Ltd. was renamed as Mustek Technologies Pvt Ltd. in January 2024. Muskek increased its capital by cash in November 2024, which were not subscribed by Group, resulting in its shareholding ratio decrease from 100% to 82%. Please refer to note 6(5) for related information.
Note 4: In May 2024, the Group acquired 16.67% shares of HOLDWEL, resulting in its shareholding ratio to increase from 83.33% to 100%. Please refer to note 6(5) for related information.

B. List of subsidiaries which are not included in the consolidated financial statements: None.

(3) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

A. It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

B. It holds the asset primarily for the purpose of trading;

C. It expects to realize the asset within twelve months after the reporting period; or

D. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

A. It expects to settle the liability in its normal operating cycle;

B. It holds the liability primarily for the purpose of trading;

C. The liability is due to be settled within twelve months after the reporting period; or

D. It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(4) Employee benefits

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

(5) Income tax

Income tax expense in the financial statements is measured and disclosed according to paragraph B12 of IAS 34 endorsed by the FSC.

Income tax expense for the period are measured by multiplying together the pretax income for the interim reporting period and the management's best estimate of effective annual tax rate. This is allocated to current and deferred taxes based on its proportionate size.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases are 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 recognized directly in equity or other comprehensive income as income 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" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, 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.

Except for the following, the preparation of the consolidated financial statements, as well as the major sources of accounting judgments, estimations and assumptions of uncertainty, are applied consistently with note 5 to the consolidated financial statements for the year ended December 31, 2024.

Judgment of whether the Group has substantive control over its investees

The Group holds 18.86% and 25% of the outstanding voting shares of its associates. Although the remaining shares of associates are not concentrated within specific shareholders, the Group still cannot obtain more than half of the total number of associates' directors, and it also cannot obtain more than half of the voting rights at a shareholders' meeting. Therefore, it is determined that the Group does not have substantive control over its associates.

Posiflex Technology, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

6. Description of Significant Accounts

Except as described below, there were no material difference in the description of significant accounts mentioned in the consolidated financial statements for the year ended December 31, 2024. For other information about the description of significant accounts, please refer to note 6 of the consolidated financial statements for the year ended December 31, 2024.

(1) Cash and cash equivalents

		March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	$	1,888	1,501	1,312
Cash in bank and checking deposits		4,172,311	3,205,786	2,426,635
Time deposits		900,485	606,039	643,660
	$	**5,074,684**	**3,813,326**	**3,071,607**

Please refer to note 6(29) for the disclosure of currency risk of the financial assets and liabilities.

(2) Financial assets and liabilities

A. Financial assets at fair value through other comprehensive income－non-current:

		March 31, 2025	December 31, 2024	March 31, 2024
Current:				
Domestic listed companies	$	475	517	344
Domestic emerging market shares		64,507	68,052	73,839
Domestic unlisted shares		28,017	27,203	25,929
Foreign unlisted shares		22,425	23,490	26,578
	$	**115,424**	**119,262**	**126,690**

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes.

B. Financial assets measured at amortized cost

		March 31, 2025	December 31, 2024	March 31, 2024
Current:				
Cash in bank (restricted)	$	15,000	15,000	15,000
Time deposits (restricted)		76,556	76,532	92,280
Time deposits (more than three months)		2,000	2,000	-
	$	**93,556**	**93,532**	**107,280**
Non-current:				
Time deposits (restricted)	**$**	**499,998**	**493,674**	**481,853**

(Continued)

Posiflex Technology, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

The Group has assessed that these financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

For credit risk, please refer to note 6(29).

The financial assets above had been pledged as collateral for bank borrowings; please refer to note 8.

C. Notes receivable and accounts receivable (including related parties):

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	$ 2,697	748	7,705
Accounts receivable	3,682,135	2,664,982	1,496,891
Accounts receivable－related parties	8,427	21,805	17,762
	3,693,259	2,687,535	1,522,358
Less: loss allowance	(66,660)	(62,719)	(77,783)
	$ 3,626,599	2,624,816	1,444,575

Please refer to notes 6(6) and 7 for more details on other receivable excluding from the receivables above.

The Group applies the simplified approach to provide for its loss allowance used for expected credit loss (ECL), which permits the use of lifetime expected loss provision for its receivables. To measure the ECL, receivables (including related parties) have been grouped based on the shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information. The loss allowance provisions were determined as follows:

	March 31, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 2,881,409	0.37%	10,615
1 to 60 days past due	716,803	0.73%	5,202
61 to 180 days past due	47,988	11.82%	5,673
More than 181 days past due	33,881	94.42%	31,992
	$ 3,680,081		53,482

Posiflex Technology, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Expected loss allowance
Current	$ 1,948,124	0.46%	8,904
1 to 60 days past due	650,824	1.23%	8,038
61 to 180 days past due	24,814	27.89%	6,920
More than 181 days past due	50,786	50.94%	25,870
	$ 2,674,548		49,732

	March 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 1,135,471	0.84%	9,565
1 to 60 days past due	243,905	2.69%	6,555
61 to 180 days past due	104,583	22.77%	23,809
More than 181 days past due	27,111	97.99%	26,566
	$ 1,511,070		66,495

Note: As of March 31, 2025, December 31 and March 31, 2024, the outstanding balance of the Group's receivables amounted to $13,178 thousand, $12,987 thousand and $11,288 thousand, respectively, all of which have been recognized as credit losses.

The movement in the allowance for doubtful accounts with respect to receivables was as follows:

	For the three months ended March 31,	
	2025	2024
Beginning balance	$ 62,719	59,821
Impairment loss recognized	3,034	15,957
Effect of exchange rate changes	907	2,005
Ending balance	$ 66,660	77,783

Posiflex Technology, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

D. Financial assets and liabilities at fair value through profit or loss:

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets mandatorily measured at fair value through profit or loss-current:			
Non-hedge derivative financial instruments			
Forward exchange contracts	$ 652	1,852	745
Financial liabilities mandatorily measured at fair value through profit or loss-current:			
Non-derivative financial assets			
Convertible promissory note	$ 31,829	31,427	32,000

For long-term investment strategies, the Group subscribed to the 2-year convertible promissory notes issued by Banyan Hills Technologies, Inc. for USD 1,000 thousand (NTD 31,320 thousand), wherein the Group has the right to convert them into preferred shares before maturity.

For the net gain or loss on fair value on financial instruments at FVTPL, please refer to note 6(28).

Derivatives:

The Group holds derivative financial instruments to hedge the foreign exchange rate risk the Group is exposed to, arising from its operating activities. The following derivatives instruments, without the application of hedge accounting, were classified as financial assets and liabilities mandatorily measured at fair value through profit or loss:

	March 31, 2025			
	Amount (thousand)		Currency	Maturity Dates
Forward exchange	USD	2,500	USD to NTD	2025.4.11~2025.6.20

	December 31, 2024			
	Amount (thousand)		Currency	Maturity Dates
Forward exchange	USD	2,500	USD to NTD	2025.1.10~2025.3.7

	March 31, 2024			
	Amount (thousand)		Currency	Maturity Dates
Forward exchange	USD	2,000	USD to NTD	2024.4.12~2024.5.17

(Continued)

Posiflex Technology, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

(3) Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	$ 982,809	1,302,411	1,201,560
Work-in-process and semi-finished products	444,830	513,301	362,851
Finished goods	1,449,402	1,093,350	1,111,758
	$ 2,877,041	**2,909,062**	**2,676,169**

The details of operating costs were as follows:

	For the three months ended March 31,	
	2025	2024
Cost of goods sold	2,795,861	1,256,995
Inventory devaluation and obsolescence loss (reversal gain) and inventory scrap loss	180,226	(4,875)
	$ 2,976,087	**1,252,120**

As of March 31, 2025, December 31 and March 31, 2024, the Group did not provide any inventories as collateral for its loans.

(4) Investments accounted for using equity method

The components of investment accounted for using the equity method at the reporting date were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Associates	**$ 232,904**	**235,552**	**243,815**
Credit balance of investments accounted for using equity method-associate	**$ (573)**	**(275)**	**-**

A. Associates

In March 2024, the Group acquired 25% shares of Qugo Travel Technologies Private Limited, who mainly engages in the e-commerce platform for travel, for INR $1,250 thousand (approximately NTD $474 thousand), resulting in the Group to have significant influence over the company.

Posiflex Technology, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

Aggregate information of associates accounted for using equity method that are not individually material to the Group was included in the consolidated financial statements as follows:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Attributable to the Group:		
Net (loss) income	$ (3,684)	(2,938)
Other comprehensive income	609	1,724
Total comprehensive income (loss)	**$ (3,075)**	**(1,214)**

The investments above were accounted for using the equity method, and the shares of profit or loss, and other comprehensive income of those investments, were calculated based on the financial statements that have not been reviewed.

B. Collateral

As of March 31, 2025, December 31 and March 31, 2024, the Group did not provide any investment accounted for using equity method as collaterals for its loans.

(5) Changes in Company's ownership interest in a subsidiary

In May 2024, the Group acquired 16.67% shares of HOLDWEL for $138,921 thousand in cash, resulting in shareholding ratio to increase from 83.33% to 100%. The effects of the change in equity attributable to parent company were a decrease in capital surplus of $9,966 thousand and unappropriated retained earnings of $45,614 thousand, respectively.

In November 2024, Muskek increased its capital by cash which were not subscribed by Group, resulting in its shareholding ratio to decrease from 100% to 82%.The effect of the change in equity attributable to parent company was a decrease in capital surplus of $2,712 thousand.

(6) Other financial assets

	March 31, 2025	December 31, 2024	March 31, 2024
Current			
Lease receivables (note 6(9))	$ 1,093	1,492	1,587
Other receivables	33,735	24,238	19,059
Other	1,166	1,152	2,991
	$ 35,994	**26,882**	**23,637**
Non-current:			
Lease receivables (note 6(9))	$ 2	5	1,095
Guarantee deposits paid	29,661	23,221	21,830
	$ 29,663	**23,226**	**22,925**

The guarantee deposits served as the lease guarantee; please refer to note 8.

Posiflex Technology, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

(7) Material non-controlling interests of subsidiaries

As of March 31, 2025, December 31 and March 31, 2024, the Group has holding PORTWELL's ownership by 55%. Please refer to note 6(7) to the 2024 annual consolidated financial statements for other related information.

(8) Other current assets and other non-current assets

Details of other current and non-current assets were as follows:

		March 31, 2025	December 31, 2024	March 31, 2024
Current:				
Current tax assets	$	2,578	2,370	2,150
Prepayments		83,725	80,654	88,968
Other prepayments		69,179	52,162	50,300
Overpaid business tax and refunds receivable		38,822	33,991	28,484
Other		4,673	5,231	3,841
	$	**198,977**	**174,408**	**173,743**
Non-current:				
Prepayments for deposits of equipment	$	58,725	67,732	27,730
Other		815	815	815
	$	**59,540**	**68,547**	**28,545**

(9) Property, plant and equipment

A. The carrying value of the property, plant and equipment of the Group's were as follows:

		Land	Buildings and structures	Machinery equipment	Other equipment	Total
Carrying value:						
Balance as of January 1, 2025	$	**622,017**	**2,266,143**	**168,749**	**226,443**	**3,283,352**
Balance as of March 31, 2025	$	**631,151**	**2,246,747**	**181,574**	**230,830**	**3,290,302**
Balance as of January 1, 2024	$	**618,575**	**2,353,179**	**160,218**	**174,545**	**3,306,517**
Balance as of March 31, 2024	$	**620,236**	**2,334,017**	**154,361**	**189,125**	**3,297,739**

There were no significant additions, disposal of the Group property, plant and equipment for the three month ended March 31, 2025 and 2024. Information on depreciation for the period is discussed in note 12. Please refer to note 6(9) of the 2024 annual consolidated financial statements for other related information.

Posiflex Technology, Inc. and Subsidiaries
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B. Lease receivables

The Group leases out its machinery and equipment with an average lease period of 5 years.

The above machinery and equipment were pledged as collateral by the lessees.

As of March 31, 2025, December 31 and March 31, 2024, the balance of lease receivables please refer to note 6(6).

For credit risk information, please refer to note 6(29).

C. As of March 31, 2025, December 31 and March 31, 2024, the property, plant and equipment of the Group had been pledged as collateral for long-term borrowings, please refer to note 8.

(10) Right-of-use assets

The Group leases many assets including land, buildings and transportation equipment. The carrying amounts of the right-of-use assets of the Group were as below:

	Land	Buildings	Transportation equipment	Total
Carrying value:				
Balance as of January 1, 2025	$ 147,444	142,325	4,193	293,962
Balance as of March 31, 2025	$ 145,818	125,552	13,830	285,200
Balance as of January 1, 2024	$ 83,635	176,932	9,527	270,094
Balance as of March 31, 2024	$ 152,323	171,939	8,982	333,244

(11) Investment property

The cost and depreciation of the investment property of the Group were as follows:

	Land	Buildings	Total
Carrying value:			
Balance as of January 1, 2025	$ 40,719	6,993	47,712
Balance as of March 31, 2025	$ 40,719	6,947	47,666
Balance as of January 1, 2024	$ 40,719	7,175	47,894
Balance as of March 31, 2024	$ 40,719	7,130	47,849

There were no signifiant addition and disposal of investment property for the three months ended March 31, 2025 and 2024. Information on depreciation for the period was discussed in note 12. Please refer to note 6(11) of the 2024 annual consolidated financial statements for the other related information.

The fair value of the investment property was not significantly different from those disclosed in the note 6(11) of the annual consolidated financial statements for the year ended December 31, 2024.

Posiflex Technology, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

(12) Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

A maturity analyses of lease payments, showing the undiscounted lease payments to be received after the reporting date, are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Less than one year	$ 1,212	1,221	1,133
Two to five years	380	679	1,374
Total undiscounted lease payments	**$ 1,592**	**1,900**	**2,507**

For the three month ended March 31, 2025 and 2024, the rental income from investment properties both amounted to $305 thousand.

(13) Goodwill

There were no significant additions, disposal, or recognition and reversal of impairment losses of goodwill for the three months ended March 31, 2025 and 2024. Please refer to note 6(13) of the 2024 annual consolidated financial statements for other related information.

(14) Intangible assets

The carrying value of the intangible assets of the Group's were as follows:

	Customer relationships	Acquired specific technology	Trademarks	Computer software	Others	Total
Carrying value:						
Balance as of January 1, 2025	**$ -**	**5**	**774,884**	**40,274**	**-**	**815,163**
Balance as of March 31, 2025	**$ -**	**5**	**783,326**	**38,903**	**-**	**822,234**
Balance as of January 1, 2024	**$ 33,039**	**14,585**	**733,076**	**43,910**	**12**	**824,622**
Balance as of March 31, 2024	**$ 21,520**	**9,500**	**759,106**	**42,319**	**7**	**832,452**

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 was discussed in note 12. Please refer to note 6(14) of the 2024 annual consolidated financial statement for other related information.

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(15) Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank loans	$ 50,000	250,000	190,000
Secured bank loans	578,991	600,875	740,329
	$ 628,991	**850,875**	**930,329**
Range of interest rates	**1.90%~8.5%**	**1.89%~8.5%**	**1.70%~8.5%**

Please refer to note 6(29) for the disclosure of liquidity risk.

For the collateral for short-term borrowings, please refer to note 8.

(16) Other payables

The details of other payables of the Group were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Payables for salaries and bonus	$ 969,193	808,410	274,905
Accrued dividends on preference shares	192,419	153,935	192,419
Compensation payables to directors and employees	97,089	59,822	19,229
Payables for equipment	8,052	11,574	6,173
Others	230,779	221,438	193,621
	$ 1,497,532	**1,255,179**	**686,347**

(17) Provisions

	March 31, 2025	December 31, 2024	March 31, 2024
Advertising	$ 50,875	59,557	49,284
Warranties	145,820	108,502	27,757
	$ 196,695	**168,059**	**77,041**

There were no significant changes in provisions for the three months ended March 31, 2025 and 2024. For other related information, please refer to note 6(17) of the 2024 annual consolidated financial statements for other related information.

(18) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	$ **80,875**	**79,742**	**71,803**
Non-current	$ **380,302**	**390,888**	**439,304**

The lease liabilities mentioned above contain the lease liabilities of the state-owned land leased by the subsidiary, PORTWELL, as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	$ 6,393	6,366	6,286
Non-current	294,952	296,560	301,344
	$ **301,345**	**302,926**	**307,630**

For the maturity analysis, please refer to note 6(29).

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2025	2024
Interests on lease liabilities	$ **3,533**	**4,051**
Expenses relating to short-term leases	$ **654**	**624**
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ **490**	**316**

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the three months ended March 31,	
	2025	2024
Total cash outflow for leases	$ **25,399**	**23,037**

A. Real estate leases

The Group leases land (the state-owned land) and buildings for its plants and office spaces. The leases of land typically run for a period of 20 years, and the plants and office spaces for 1 to 10 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

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Also, some leases of land and office spaces contain extension options exercisable. These leases are negotiated and monitored by the local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors, in which the lessee is not reasonably certain to use an optional extended lease term. Payments associated with the optional period are not included within lease liabilities.

B. Other leases

The Group leases transportation equipment, with lease terms of 2 to 7 years. The Group does not have the options to purchase the assets at the end of the contract term. In addition, the Group is prohibited from sub-leasing or transferring the entire or portion of the assets without the lessor's consent.

Furthermore, the Group has elected not to recognize the right-of-use assets and lease liabilities for its printers, which qualify as short-term leases and low-value asset leases.

(19) Long-term borrowings

The details, conditions and terms of the long-term borrowings of the Group were as follows:

	March 31, 2025			
	Currency	Range of interest rates	Maturity dates	Amounts
Secured bank loans				
Bank loans	USD	6.6%	September 2030	$ 13,722
Bank loans	JPY	1.9%	December 2035	64,639
				78,361
Less: Current portion				(7,391)
Total				**$ 70,970**

	December 31, 2024			
	Currency	Range of interest rates	Maturity dates	Amounts
Secured bank loans				
Bank loans	USD	9.49%	September 2029	$ 9,819
Bank loans	JPY	1.65%	December 2035	62,340
				72,159
Less: Current portion				(9,305)
Total				**$ 62,854**

(Continued)

	March 31, 2024			
	Currency	**Range of interest rates**	**Maturity dates**	**Amounts**
Secured bank loans				
Bank loans	JPY	1.5%	December 2035	$ 67,099
Less: Current portion				(5,711)
Total				$ **61,388**

For the collateral for bank loans, please refer to note 8.

(20) Preference share liabilities

The details of the preference share liabilities of the Group were as follows:

	March 31, 2025	**December 31, 2024**	**March 31, 2024**
A preference stock	$ **4,595,089**	**4,595,089**	**4,595,089**

There were no significant issues, repurchases and repayments of preference share liabilities for the three month ended March 31, 2025 and 2024. Information on interest expense for the period is discussed in note 6(28). Please refer to note 6(20) of the 2024 annual consolidated financial statements for other related information.

According to the declaration from the preference shareholder, Embedded City, recieved by the Company on August 2024, the Company should not breach the preference share subscription agreement. Otherwise, Embedded City will send a written notice to the Company requiring the Company to redeem its entire uncoverted preference shares, held in part or in whole, by cash before July 2026.

According to the declaration from the preference shareholder, Embedded City, received by the Company on August 2023, the Company should not breach the preference share subscription agreement. Otherwise, Embedded City will send a written notice to the Company requiring the Company to redeem its entire unconverted preference shares, held in part or in whole, by cash before July 2025.

The Company received a declaration from the preference shareholder, Embedded City, on May 2024, wherein Embedded City should receive the preference dividends for 2024 according to the preference share subscription agreement and participate in dividend distribution declared in 2025 on ordinary shares such that Embedded City agrees on the dividend distribution for 2025 that belongs to net income in 2024, if the total amount of the preference shares (including the preference dividends and further participation in dividend distributions) reaches the adjusted net profit multiplied by the ownership proportion of preference shares of 70%, the excess of the Embedded City agrees not to continue to participate in the distribution.

The Company received a declaration from the preference shareholder, Embedded City, on May 9, 2023, wherein Embedded City should receive the preference dividends for 2023 according to the preference share subscription agreement and participate in dividend distribution declared in 2024 on ordinary shares such that Embedded City agrees on the dividend distribution for 2024 that belongs to net income in 2023, if the total amount of the preference shares (including the preference dividends and further participation in dividend distributions) reaches the adjusted net profit multiplied by the ownership proportion of preference shares of 70%, the excess of the Embedded City agrees not to continue to participate in the distribution.

(21) Employee benefits

Since there were no significant market fluctuations, curtailments, settlements, and no other significant one off event from the previous fiscal year, the pension costs in the financial statements were measured and disclosed based on the actuarial results determined on December 31, 2024 and 2023.

For information related to the Group's pension costs, please refer to note 12.

(22) Income tax

A. Income tax expenses:

The amounts of income tax expenses were as follows:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Current income tax expense		
Current period	$ 385,531	47,786

The amount of income tax expense (income) recognized in other comprehensive income were as follows:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Exchange differences on translation of foreign financial statements	$ 19,178	42,610

B. The Company's tax returns have been examined by the tax authorities through 2023.

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(23) Capital and other equity

Except as described in the following paragraph, there were no significant changes in the Group's capital and other equity interest for the three months ended March 31, 2025 and 2024. For related information on the shareholders' equity, please refer to note 6(23) of the 2024 annual consolidated financial statements.

A. Share Capital

The Group received the amount of $4,127 thousand as subscription to the 50 thousand capital stocks executed by its employees for the three months ended March 31, 2025, the related registration procedure of all the capital stock have not been completed, of which the amounts of $500 thousand and $3,627 thousand were recognized as Advance Receips for Share Capital and Increase in Capital Surplus. In addition, the share capital of $570 thousand capital stocks which have been advance received in beginning period have completed the related registration procedure.

B. Capital surplus

		March 31, 2025	December 31, 2024	March 31, 2024
Paid-in capital in excess of par value	$	476,247	471,624	396,660
Paid-in capital in excess of the par value derived from corporate bond conversion		186,826	186,826	186,826
Share options－bonds payable		87,533	87,533	87,533
Employee share options		33,260	28,825	37,291
Conversion right－preference share		35,191	35,191	35,191
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	-	9,966
Changes in equity of investments accounted for using equity method		26,555	26,555	23,843
Others		1,913	913	913
	$	**847,525**	**837,467**	**778,223**

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C. Retained earnings

The following are the appropriation of earnings in 2024 and 2023 which were proposed during board's meeting and approved during the shareholders' meeting held on March 13, 2025 and June 11, 2024, respectively:

	2024		2023	
	Amount per share (NTD)	**Total amount**	**Amount per share (NTD)**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 7.77	593,043	4.70	355,300
Dividends distributed to preference shareholders:				
Cash	$ 2.83	88,280		-

The preference share dividends of A shares for 2025 and 2024, each amounting to $153,935 thousand, were calculated based on an annual interest rate of 3.35%.

The appropriation of retained earnings for 2023 is consistent with the resolutions proposed by the Board of Directors. The appropriation of earnings distribution for 2024 will be presented for resolution in annual shareholders' meeting. The related information will be available on the Market Observation Post System on the website after the meeting.

(24) Share-based payment

share-based payment for the three months ended March 31, 2025 and 2024. For related information on the share-based payment, please refer to note 6(24) of the consolidated financial statements for the year ended December 31, 2024.

The amount of compensation costs generated from share-based payment were as follow:

	For the three months ended March 31,	
	2025	**2024**
Compensation cost	$ 5,485	1,308

(25) Earnings per share

	For the three months ended March 31,	
	2025	**2024**
Basic earnings per share:		
Net income attributable to the Company	$ 670,796	110,582
Net income attributable to preference shareholders	(167,066)	-
Net income attributable to ordinary shareholders of the Company	$ 503,730	110,582
Weighted-average number of ordinary shares (in thousands)	76,305	75,596
Basic earnings per share	$ 6.60	1.46

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	For the three months ended March 31	
	2025	**2024**
Diluted earnings per share:		
Net income attributable to ordinary shareholders of the Company (basic)	$ 503,730	110,582
Interest expense on convertible preference shares	-	38,484
Net income attributable to ordinary shareholders of the Company (diluted)	**$ 503,730**	**149,066**
Weighted-average number of ordinary shares (in thousands) (basic)	76,305	75,596
Employee remuneration	215	80
Employee share options	1,133	331
Convertible preference shares	-	31,153
Weighted-average number of ordinary shares (in thousands) (diluted)	**77,653**	**107,160**
Diluted earnings per share	**$ 6.49**	**1.39**

(26) Revenue from contracts with customers

A. Disaggregation of revenue

	For the Three Months Ended March 31, 2025			
	Domestic	**U.S.A.**	**Others**	**Total**
Revenue from sale of goods	$ 543,931	4,810,640	503,687	5,858,258
Revenue from warranty and managed services	2,013	58,561	-	60,574
	$ 545,944	**4,869,201**	**503,687**	**5,918,832**

	For the Three Months EndedMarch 31, 2024			
	Domestic	**U.S.A.**	**Others**	**Total**
Revenue from sale of goods	$ 513,667	1,184,051	458,587	2,156,305
Revenue from warranty and managed services	2,438	57,219	-	59,657
	$ 516,105	**1,241,270**	**458,587**	**2,215,962**

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B. Contract liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Contract liabilities－current			
Sale of goods	$ 386,699	199,728	203,193
Warranty and managed services	117,249	102,429	151,317
	503,948	302,157	354,510
Contract liabilities－non-current			
Warranty and managed services	73,620	87,600	96,041
	$ 577,568	**389,757**	**450,551**

For details on notes and accounts receivable, and loss allowance, please refer to note 6(2).

The amounts of revenue recognized for the years ended March 31, 2025 and 2024 that were included in the contract liability balance at the beginning of the period were $71,796 thousand and $111,570 thousand, respectively.

(27) Remuneration to employees and directors

According to the Articles of Association, once the Group has annual profit, it should appropriate 2%~10% of the profit to its employees, and no more than 4% to its directors as remuneration.

The remunerations to employees amounted to thousand, $28,394 thousand, and $2,622 thousand, as well as the remunerations to directors amounted to $8,873 thousand and $1,311 thousand for the for the three months ended March 31, 2025 and 2024, respectively. These amounts were calculated using the Group's net income before tax without the remunerations to employees and directors for each period, multiplied by the percentage which is stated under the Group' s Article of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts approved by the Board of Directors, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as employees remuneration are calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

For the years ended December 31, 2024 and 2023, the remunerations to employees amounted to $45,579 thousand and $10,197 thousand, and the remunerations to directors amounted to $14,243 thousand and $5,099 thousand, respectively. Remuneration to employees and directors in 2024 and 2023 were unpaid and paid in cash. There were no differences between the estimated amounts and the actual amounts of remuneration. The information is available on the Market Observation Post System website.

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(28) Non-operating income and expenses

A. Interest income

	For the three months ended March 31,	
	2025	2024
Interest income from bank deposits	$ 14,999	17,167
Interest income on lease receivable	9	22
Other interest income	4	6
	$ 15,012	17,195

B. Other income

	For the three months ended March 31,	
	2025	2024
Rental income	$ 5,887	5,576
Dividend income	6	8
	$ 5,893	5,584

C. Other gains and losses

	For the three months ended March 31,	
	2025	2024
Gains on disposal of property, plant and equipment	$ 524	-
Foreign exchange gains , net	49,293	45,222
Net gains (losses) on financial assets and liabilities at FVTPL	(1,364)	(3,185)
Other	354	1,841
	$ 48,807	43,878

D. Finance costs

	For the three months ended March 31,	
	2025	2024
Interest expenses on preference share liabilities	$ 38,484	38,484
Interest expenses on bank loans	7,272	6,557
Interest expenses on lease liabilities	3,533	4,051
	$ 49,289	49,092

(Continued)

(29) Financial Instruments

Except as described in the following paragraph, there were no significant changes in the Group’s fair value of financial instruments exposed to credit risk and market risk. For related information about the fair value on financial instruments, please refer to note 6(29) of the 2024 annual consolidated financial statements.

A. Credit risk

(a) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(b) Concentration of credit risk

The Group mainly transacts with entities with good credit ratings, domestic and foreign. Aside from granting credit facilities to customers according to procedures for granting credits, the Group also continues to obtain understanding of the credit status of its customers. As of March 31, 2025, December 31 and March 31, 2024, The amounts of Customers account for more than 10% of the Group’ s accounts receivable were $2,443,331 thousand, $1,359,523 thousand and $251,514 thousand respectively, resulting in the Group’s accounts receivable were concentrated, but have evaluated the possibility of collecting accounts receivable periodically and recognize loss allowances properly, the authority expect the situation will not lead to significant loss in the future.

(c) Receivables and debt securities

For credit risk exposure on receivables, please refer to note 6(2). No loss allowances were recognized under other financial assets at amortized cost, including other receivables and other financial assets.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 24 months expected credit losses.

B. Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments but excluding the impact of netting agreements, except for notes and accounts payable (including related parties) and other payables:

	Carrying amount	Contractual cash flows	Within 1 year	1~5 years	Over 5 years
March 31, 2025					
Non-derivative financial liabilities					
Short-term borrowings	$ 628,991	644,555	644,555	-	-
Lease liabilities	461,177	542,418	92,137	140,094	310,187
Long-term borrowings (including current portion)	78,361	88,011	9,141	42,432	36,438
Preference share liabilities	4,595,089	4,595,089	-	4,595,089	-
Guarantee deposits received	144,098	144,098	197	142,716	1,185
	$ 5,907,716	6,014,171	746,030	4,920,331	347,810

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	Carrying amount	Contractual cash flows	Within 1 year	1~5 years	Over 5 years
December 31, 2024					
Non-derivative financial liabilities					
Short-term borrowings	$ 850,875	859,815	859,815	-	-
Lease liabilities (including current portion)	470,630	555,282	91,306	150,529	313,447
Long-term borrowings (including current portion)	72,159	78,078	16,768	25,647	35,663
Preference share liabilities	4,595,089	4,595,089	-	4,595,089	-
Guarantee deposits received	142,277	142,277	168	140,924	1,185
	$ 6,131,030	**6,230,541**	**968,057**	**4,912,189**	**350,295**

	Carrying amount	Contractual cash flows	Within 1 year	1~5 years	Over 5 years
March 31, 2024					
Non-derivative financial liabilities					
Short-term borrowings	$ 930,329	954,227	954,227	-	-
Lease liabilities	511,107	605,767	86,097	196,442	323,228
Long-term borrowings (including current portion)	67,099	72,974	6,671	25,828	40,475
Preference share liabilities	4,595,089	4,595,089	-	4,595,089	-
Guarantee deposits received	138,864	138,865	1,176	137,689	-
	$ 6,242,488	**6,366,922**	**1,048,171**	**4,955,048**	**363,703**

The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

C. Currency risk

(a) Exposure to currency risk

The Group’ s financial assets and liabilities exposed to exchange rate risk were as follows:

	March 31, 2025		
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary items			
USD	$ 77,227	33.205	2,564,332
CNY	6,616	4.573	30,255
Investments accounted for using equity method			
USD	1,672	33.205	55,535
Financial liabilities			
Monetary items			
USD	26,593	33.205	883,009

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	December 31, 2024		
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary items			
USD	$ 49,318	32.785	1,616,885
CNY	7,494	4.478	33,557
Investments accounted for using equity method			
USD	1,709	32.785	56,017
Financial liabilities			
Monetary items			
USD	27,851	32.785	913,097
CNY	775	4.478	3,471

	March 31, 2024		
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary items			
USD	$ 51,620	32.000	1,651,852
CNY	9,250	4.408	40,773
Investments accounted for using equity method			
USD	1,633	32.000	52,241
Financial liabilities			
Monetary items			
USD	20,279	32.000	648,923
CNY	1,305	4.408	5,752

(b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, receivables, short-term borrowings, notes and accounts payable (including related parties), and other payables that are denominated in foreign currency. Assuming all other variable factors remain constant, a strengthening (weakening) of 5% of the NTD against the USD and CNY, as of March 31, 2025 and 2024, would have increased (decreased) the comprehensive income $68,463 thousand and $41,518 thousand for the three months ended March 31, 2025 and 2024, respectively.

(c) Foreign exchange gains or losses on monetary items

Due to the variety of the functional currencies of the Group's entities, the Group's foreign (losses) gains on monetary items amounted to thousand, $49,293 thousand, and $45,222 thousand for the three month ended March 31, 2025 and 2024, respectively.

D. Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group’s financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

If the interest rate had increased or decreased by 1%, the Group’s net income would have increased or decreased by $1,415 thousand and $1,995 thousand for the three month ended March 31, 2025 and 2024, respectively, with all other variable factors remaining constant.

E. Fair value of financial instruments

(a) Categories of financial instruments and fair value

The fair value of financial assets at FVTPL and FVOCI is measured on a recurring basis. The Group's carrying amount and the fair value of financial assets (including information for fair value hierarchy, but excluding financial instruments whose fair values approximate the carrying amounts, and lease liabilities), were as follows:

	March 31, 2025				
	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
Financial assets at FVTPL					
Foreign convertible promissory note	**$ 31,829**	**-**	**-**	**31,829**	**31,829**
Financial assets at FVOCI					
Domestic listed stocks	$ 475	475	-	-	475
Domestic emerging market shares	64,507	-	16,903	47,604	64,507
Domestic unlisted stocks	28,017	-	-	28,017	28,017
Foreign unlisted stocks	22,425	-	-	22,425	22,425
	$ 115,424	**475**	**16,903**	**98,046**	**115,424**

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	December 31, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL					
Foreign convertible promissory note	**$ 31,427**	**-**	**-**	**31,427**	**31,427**
Financial assets at FVOCI					
Domestic listed stocks	$ 517	517	-	-	517
Domestic emerging market shares	68,052	-	20,448	47,604	68,052
Domestic unlisted stocks	27,203	-	-	27,203	27,203
Foreign unlisted stocks	23,490	-	-	23,490	23,490
	$ 119,262	**517**	**20,448**	**98,297**	**119,262**

	March 31, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL					
Foreign convertible promissory note	**$ 32,000**	**-**	**-**	**32,000**	**32,000**
Financial assets at FVOCI					
Domestic listed stocks	$ 344	344	-	-	344
Domestic emerging market shares	73,839	-	18,517	55,322	73,839
Domestic unlisted stocks	25,929	-	-	25,929	25,929
Foreign unlisted stocks	26,578	-	-	26,578	26,578
	$ 126,690	**344**	**18,517**	**107,829**	**126,690**

(b) Valuation techniques for financial instruments not measured at fair value

The Group estimates its financial instruments not measured at fair value using the following methods and assumptions:

Fair value measurement for financial assets and liabilities measured at amortized cost will be based on the latest quoted price and agreed upon price if these prices are available in active markets. When market value is unavailable, the fair value of financial assets and liabilities is evaluated based on the discounted cash flow of the financial assets and liabilities.

(c) Valuation techniques for financial instruments that are measured at fair value

A. Non-derivative

The Group held its domestic listed stocks and domestic emerging market shares, which are measured at fair value, according to standard provisions and conditions, with the fair value being measured using the quoted prices in an active market.

Except for the above financial instruments with an active market, the Group estimated the fair value of the remaining financial instruments by using the valuation techniques. The valuation technique is used to arrive at their fair value, for which the market transaction prices of the similar companies and market conditions are considered Including calculation by using gettable market information at the report date.

B. Derivative

The fair value is measured using the public quotation. When a public quotation cannot be obtained, the fair value will be based on third-party pricing information. Forward foreign exchange contracts are usually valued based on the current forward exchange rate.

(d) Transfer between level 1 and level 2: None.

(e) Reconciliation of level 3 fair values:

	Financial assets at FVTPL-convertible promissory note	**Financial assets at FVOCI-equity investments without at active market**
Balance as of January 1, 2025	$ 31,427	98,297
Total gains and losses		
Recognized in income	402	-
Recognized in other comprehensive income	-	(251)
Balance as of March 31, 2025	**$ 31,829**	**98,046**

	Financial assets at FVTPL-convertible promissory note	**Financial assets at FVOCI-equity investments without at active market**
Balance as of January 1, 2024	$ -	108,611
Increase	31,320	-
Total gains and losses		
Recognized in income	680	-
Recognized in other comprehensive income	-	(782)
Balance as of March 31, 2024	**$ 32,000**	**107,829**

The total gains and losses that were included in “other gains and losses” and “unrealized gains and losses on financial assets at fair value through other comprehensive income” mentioned above.

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

The Group's financial instruments that use Level 3 inputs to measure their fair value include financial assets at FVTPL – convertible promissory note and financial assets at FVOCI – equity investments.

The Group classified its equity investments without an active market as recurring level 3 fair values in the fair value hierarchy due to the use of significant unobservable inputs. The significant unobservable inputs of the equity investments without an active market are independent, therefore, there is no correlation between them.

Quantified information of significant unobservable inputs were as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at FVTPL-convertible promissory note	Options approach	‧ volatility as of March 31, 2025, December 31 and March 31, 2024 were 53.65%, 53.65% and 106.59%, respectively.	Not applicable
Financial assets at FVOCI－equity investments without an active market	Market approach	‧ Price-to-book ratios as of March 31, 2025, December 31 and March 31, 2024 were 2.69, 2.69 and 2.43, respectively. ‧ Liquidity discount as of March 31, 2025, December 31 and March 31, 2024 were 19.32%, 19.32% and 14.04, respectively.	‧ The higher the price-to-book ratio, the higher the fair value. ‧ The higher the liquidity discount, the lower the fair value.
Financial assets at FVOCI－equity investments without an active market	Asset approach	‧ Net asset value. ‧ Liquidity discount as of March 31, 2025, December 31 and March 31, 2024 were 30% .	‧ The higher the price-to-book ratio, the higher the fair value. ‧ The higher the liquidity discount, the lower the fair value.

(30) Financial risk management

There were no significant changes in the Group's objectives and policies applied in the financial risk management from those in the consolidated financial statement for the year ended December 31, 2024. For related information about the financial risk management, please refer to note 6(30) of the consolidated financial statements for the year ended December 31, 2024.

(Continued)

(31) Capital management

The Group' s objectives, policies and processes for capital management were consistent with those of consolidated financial statements for the year ended December 31, 2024. There were no significant changes in quantified factors of capital management from those in the consolidated financial statement for the year ended December 31, 2024. For related information about the capital management, please refer to note 6(31) of the consolidated financial statements for the year ended December 31, 2024.

(32) Financing activities of non-cash transactions

Reconciliation of liabilities arising from financing activities was as follows:

			Non-cash changes		
	January 1, 2025	**Cash flow**	**Foreign exchange movement**	**Other changes**	**March 31, 2025**
Short-term borrowings	$ 850,875	(225,406)	3,522	-	628,991
Lease liabilities (including current portion)	470,630	(20,722)	2,579	8,690	461,177
Guarantee deposits received	142,277	1,821	-	-	144,098
Long-term borrowings (including current portion)	72,159	2,287	3,915	-	78,361
	$ 1,535,941	**(242,020)**	**10,016**	**8,690**	**1,312,627**

			Non-cash changes		
	January 1, 2024	**Cash flow**	**Foreign exchange movement**	**Other changes**	**March 31, 2024**
Short-term borrowings	$ 959,809	(36,380)	6,900	-	930,329
Lease liabilities (including current portion)	446,922	(18,046)	7,259	74,972	511,107
Guarantee deposits received	135,162	(1,804)	5,506	-	138,864
Long-term borrowings (including current portion)	92,092	(22,631)	(2,362)	-	67,099
	$ 1,633,985	**(78,861)**	**17,303**	**74,972**	**1,647,399**

(Continued)

7. Related-party Transactions

(1) Names and relationship with related parties

The followings are entities that have had transactions with the Group during the periods covered in the consolidated financial statements:

Name of related parties	Relationship with the Group
MiTwell, Inc. (MiTwell) (Note 1)	Associate
LePOS Limited (Note 2)	Associate
Qugo Travel Technologies Private Limited(QUGO)	Associate
POME Technology Inc. (POME)	Subsidiary of associate
WELINK SOLUTIONS Inc. (WELINK)	Subsidiary of associate
Esquarre Capital Taiwan Branch (Esquarre)	Substantive related party

(Note 1) MiTwell renamed its Chinese name in May 2024.
(Note 2) LPK Limited rename as LePOS Limited in October 2024.

(2) Significant related-party transactions

A. Operating revenue

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Associate	$ 1,290	8,924
Subsidiary of associate	7,963	12,075
	$ 9,253	**20,999**

The selling prices for sales to related parties were determined by the products' fair market value, and the collection terms were mainly 30-90 days, which were similar to those offered to third party customers.

The Group's receivables due from related parties as a result of transactions mentioned above were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Associate	$ 1,685	14,922	7,890
Subsidiary of associate	6,742	6,883	9,872
	$ 8,427	**21,805**	**17,762**

B. Purchases

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Associate	$ 559	-
Subsidiary of associate	102,658	41,774
	$ 103,217	**41,774**

The terms and pricing of purchase transactions with related parties were not significantly different from those with third party vendors.

The Group's payables to related parties as a result of transactions mentioned above were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Associate	$ 5	136	-
Subsidiary of associate	46,882	17,485	28,048
	$ 46,887	**17,621**	**28,048**

C. Other transactions

(a) The amounts paid by the Group to its related parties for administrative and other expenses were as follows:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Substantive related party	$ 1,500	1,500
Associate	796	18
Subsidiary of associate	353	215
	$ 2,649	**1,733**

The Group's payables as a result of transactions mentioned above were as follow:

	March 31, 2025	December 31, 2024	March 31, 2024
Associate	$ -	1	-
Subsidiary of associate	6,877	232	125
	$ 6,877	**233**	**125**

Accounts payable of Subsidiary of associate mentioned above including collection and payment on behalf.

(b) The Group signed lease contracts with its related parties, with lease terms based on their mutual agreements, and the related rental revenue was as follows:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Associate	$ 58	58
Subsidiary of associate	1,450	942
	$ 1,508	**1,000**

As of March 31, 2025, December 31 and March 31, 2024, the Group received the rental guaranteed deposits of $528 thousand, $528 thousand and $353 thousand, respectively.

(c) The Group's receivables as a result of transactions mentioned above were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Associate	$ 2,504	2,111	-
Subsidiary of associate	851	795	512
	$ 3,355	**2,906**	**512**

(3) Transactions with key management personnel

Key management personnel compensation comprised the following:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Short-term employee benefits	$ 90,212	59,363
Post-employment benefits	1,710	1,185
Share-based payment	2,320	1,126
	$ 94,242	**61,674**

The remuneration to directors and key executives was determined by the remuneration committee, which is based on the performance of individuals and market trends.

Please refer to note 6(24) for further information on share-based payment.

Posiflex Technology, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

8. Assets pledged as security

The carrying values of the Group's pledged assets are as follows:

Assets	Purpose of Pledged	March 31, 2025	December 31, 2024	March 31, 2024
Security deposit for loans (recognized as other financial assets－current)	Collateral for short-term bank loans	$ 1,166	1,152	2,991
Property, plant and equipment	Collateral for bank borrowing	1,952,891	1,943,537	2,201,385
Cash in bank (recognized as financial assets at amortized cost)	Collateral for short-term bank loans	15,000	15,000	15,000
Time deposits (recognized as financial assets at amortized cost)	Collateral for long-term and short-term bank loans	576,554	570,206	574,133
Guarantee deposits paid (recognized as other financial assets－non-current)	Lease guarantee	29,661	23,221	21,830
Equipment waiting for inspection (recognized as other assets－non-current)	Collateral for long-term bank loans	-	9,819	-
		$ 2,575,272	2,562,935	2,815,339

9. Significant Commitments and Contingencies

Company A, a customer of the Group, provided the guarantee deposit amounting to $141,020 thousand (USD $4,247 thousand) to ensure the delivery of its order. The deposit is not deductible to the payables and shall be fully refunded to Company A after the end of the project. The deposit received by the Group had been recognized as guarantee deposits received-non-current.

10. Significant Casualty Loss: None.

11. Significant Subsequent Events:

In response to purchasing plant assets by the new second-tier subsidiary, Posiflex Business Machines, LLC. which was established by the Company' s subsidiary, Posiflex Business Machines, Inc.. The Company planned to increase capital USD25,000 thousand in cash to Posiflex Business Machines, Inc.. The decision was made by the Board of Directors on May 8, 2025.

The Company's subsidiary, Posiflexs Business Machines, Inc., established a new 100% owned second-tier subsidiary, Posiflex Business Machines, LLC, with USD25,000 thousand. The decision was made by the Board of Directors on May 8, 2025.

Posiflex Technology, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

In response to the business development and strategic planning, the new second-tier subsidiary, Posiflex Business Machines, LLC, which was established by the Company' s subsidiary, Posiflex Business Machines, Inc., planned to acquire plant assets in Colorado from BRC BIG CO JV, LLC, with the expected total amount of the transaction is USD19,500 thousand. The decision was made by the Board of Directors on May 8, 2025.

12. Other

(1) Summaries of current-period employee benefits, depreciation, and amortization, by function, were as follows:

By function / By item	For the three months ended March 31, 2025			For the three months ended March 31, 2024		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits						
Salary	233,497	926,029	1,159,526	125,517	404,033	529,550
Labor and health insurance	13,412	38,886	52,298	11,565	32,873	44,438
Pension	4,294	17,926	22,220	4,098	16,133	20,231
Others	7,783	23,356	31,139	3,741	13,398	17,139
Depreciation (note)	23,954	42,541	66,495	22,487	39,546	62,033
Amortization	147	4,910	5,057	5,824	17,054	22,878

Note: For the three month ended March 31, 2025 and 2024, the deprecation expenses of the assets leased to the third parties under operating leases both amounted to $46 thousand recognized as deductions of rental revenue.

(2) Seasonality of operations

The Group's operations were not affected by seasonality or cyclicaity factors.

13. Other disclosures:

(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 Group:

A. Loans to other parties:None

B. Guarantees and endorsements for other parties: Please refer to Table 1.

C. Significant securities held as of March 31, 2025 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 2.

D. Related-party transactions for purchases and sales with amounts exceeding the lower of $100 million or 20% of the capital stock: Please refer to Table 3.

E. Receivables from related parties with amounts exceeding the lower of $100 million or 20% of the capital stock: Please refer to Table 4.

F. Business relationships and significant intercompany transactions: Please refer to Table 5.

(2) Information on investees: Please refer to Table 6.

(3) Information on investment in Mainland China: Please refer to Table 7.

(i) The names of investees in Mainland China, their main businesses and products, and other information: Please refer to Table 7.

(ii) Limitation on investment in Mainland China: Please refer to Table 7.

(iii) Significant transactions:

The significant intercompany transactions with the subsidiaries in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

14. Segment information:

The Group's operating segment information and reconciliation were as follows:

	For the three months ended March 31, 2025			
	Domestic	**U.S.A.**	**Others**	**Total**
Revenue from external customers	**$ 545,944**	**4,869,201**	**503,687**	**5,918,832**
Reportable segment profit	**$ 12,410**	**2,329,521**	**42,848**	**2,384,779**
Total segment assets				$ 19,768,647
Investments accounted for using equity method				232,904
Total assets				**$ 20,001,551**

	For the three months ended March 31, 2024			
	Domestic	**U.S.A.**	**Others**	**Total**
Revenue from external customers	**$ 516,105**	**1,241,270**	**458,587**	**2,215,962**
Reportable segment profit	**$ 220,502**	**373,495**	**71,092**	**665,089**
Total segment assets				$ 15,169,281
Investments accounted for using equity method				243,815
Total assets				**$ 15,413,096**

Posiflex Technology, Inc. and Subsidiaries
Guarantees and endorsements for other parties
For the three months ended March 31, 2025

Table 1 (In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period (Note 4)	Balance of guarantees and endorsements as of the reporting date (Note 4)	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of the accumulated amounts of guarantees and endorsements to net worth of the latest financial statements (Note 3)	Maximum amount for guarantees and endorsements (Note 2)	Parent company endorsements/ guarantees to third parties on behalf of the subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of the parent company	Endorsements/ guarantees to third parties on behalf of the companies in Mainland China	Note
		Name	Relationship with the Company (Note1)											
0	The Company	PBM and KIOSK	b	10,510,738	265,640	265,640	-	-	5.05 %	10,510,738	Y	N	N	
0	The Company	PTIL	b	10,510,738	25,402	25,402	25,402	-	0.48 %	10,510,738	Y	N	N	
0	The Company	KIOSK	b	10,510,738	431,665	431,665	265,640	90,000	8.21 %	10,510,738	Y	N	N	Note 5
1	APT	PORTWELL	d	8,193,228	498,075	498,075	300,000	499,998	12.16 %	8,193,228	N	N	N	Note 6
2	PTIL	MUSTEK	d	129,322	62,240	62,240	-	-	72.19 %	129,322	N	N	N	

Note 1: The Company may make endorsements/guarantees for the following companies:

a. A company which has business transactions with the Company
b. A company in which the Company directly and indirectly holds more than 50% of the voting shares.
c. A company that directly and indirectly holds more than 50% of the voting shares in the Company.
d. Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares.
e. The Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
f. All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
g. Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 2: According to the Company's guarantee of the endorsement:

a. Limit for the total endorsements/ guarantees amount shall not exceed 200% of the latest financial statements of the Company's net assets. The amount of endorsements/ guarantees for any single entity shall not exceed 200% of the latest financial statements of the Company's net assets.

b. The total amount of endorsements/ guarantees of the Company and its subsidiaries shall not exceed 200% of the latest financial statements of the Company's net assets. The amount of endorsements/ guarantees of the Company and its subsidiaries for any single entity shall not exceed 200% of the latest financial statements of the Company's net assets.

c. Besides the restrictions mentioned in the two paragraphs above, the Company makes endorsements/guarantees for another entity due to their business transactions, wherein the amount of endorsements/ guarantees for the individual entity shall not exceed the total amount of transactions between the Company and the entity in recent year (the higher of the purchase or sales amount between the parties).

d. Limit for the total endorsements/ guarantees amount shall not exceed 200% of the latest financial statements of APT's net assets, and it shall not exceed 200% of the latest financial statements of the Company's net assets as well. The amount of endorsements/ guarantees for any single entity shall not exceed 200% of the latest financial statements of APT's net assets, and it shall not exceed 200% of the latest financial statements of the Company's net assets as well.

e. Limit for the total endorsements/ guarantees amount shall not exceed 150% of the latest financial statements of PTIL's net assets, and it shall not exceed 200% of the latest financial statements of the Company's net assets as well. The amount of endorsements/ guarantees for any single entity shall not exceed 150% of the latest financial statements of PTIL's net assets and it shall not exceed 200% of the lastest statements of the Company's net assets as well.

According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the net assets mentioned above refer to equity attributable to the shareholders of the Company on the balance sheet.

Note 3: The ratio of endorsements/guarantees to net assets from the financial statements of the Company for the year ended March 31, 2025.

Note 4: Both of the highest balance and the balance at the end of the period of the endorsements/guarantees for PBM and KIOSK each amounted to US$8,000 thousand; both of the highest balance and the balance at the end of the period of the endorsements/guarantees for PTIL each amounted to US$765 thousand; both of the highest balance and the balance at the end of the period of the endorsements/guarantees for KIOSK each amounted to US$13,000 thousand; both of the highest balance and the balance at the end of the period of the endorsements/guarantees by APT for PORTWELL each amounted to US$15,000 thousand; both of the highest balance and the balance at the end of the period of the endorsements/guarantees by PTIL for MUSTEK each amounted to INR$160,000 thousand. The ending balance of endorsements/guarantees with NTD was calculated by the exchange rate of US$1: NT$33.205; INR$1=NTD$0.389 as of March 31, 2025.

Note 5: The time deposit of NT$75,000 thousand and cash in bank of NT$15,000 thousand was pledged as collateral for KIOSK's bank borrowings amounting to US$4,500 thousand.

Note 6: The time deposit of US$15,058 thousand was pledged as collateral by APT for Portwell's bank borrowings amounting NTD$400,000 thousand.

Posiflex Technology, Inc. and Subsidiaries

Significant Securities held as of March 31, 2025 (excluding investment in subsidiaries, associates and joint ventures)

As of March 31, 2025

Table 2 (In Thousands of New Taiwan Dollars/share)

Name of holder	Category and name of security	Relationship with company	Account	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Banyan Hills Technologies, Inc. Convertible promissory note	-	Financial assets at fair value through profit and loss－non-current	-	31,829 (USD959)	-	31,829 (USD959)	
PORTEWLL	AcSiP Technology Corp.'s stock	-	Financial assets at fair value through other comprehensive income－non-current	5,180,000	47,604	14.14 %	47,604	
PORTEWLL	Welink Solutions, Inc.' stock	Subsidiary of associate	Financial assets at fair value through other comprehensive income－non-current	1,935,346	28,017	9.68 %	28,017	
Holding	Beijing Caswell Ltd.'s stock	-	Financial assets at fair value through other comprehensive income－non-current	-	22,425	18.00 %	22,425	

Note 1: For more information about the investment of subsidiaries, associates and joint ventures, please refer to Tables 6 and 7.

Posiflex Technology, Inc. and Subsidiaries

Related-party transactions for purchases and sales with amounts exceeding the lower of $100 million or 20% of the capital stock

For the three months ended March 31, 2025

Table 3 (In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
PORTWELL	APT	Subsidiary	Sale	(3,089,414)	(94) %	Net 15 days from invoice date	-	-	1,050,431	79%	Note

Note : The relevant transactions and ending balance were eliminated in the consolidated financial statements.

Posiflex Technology, Inc. and Subsidiaries

Receivables from related parties with amounts exceeding the lower of $100 million or 20% of the capital stock

For the three months ended March 31, 2025

Table 4 (In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss Allowance	Note
					Amount	Action taken			
The Company	PBM	Subsidiary of the Group	124,454	2.19	47,575	Strengthen collections of receivables	5,788	-	Note
The Company	PTIL	Subsidiary of the Group	141,780	1.61	25,978	Strengthen collections of receivables	26,183	-	Note
PORTWELL	APT	Subsidiary of the Group	1,050,431	18.32	-	-	1,050,431	-	Note

Note : The relevant transactions and ending balance were eliminated in the consolidated financial statements.

Posiflex Technology, Inc. and Subsidiaries
Business relationships and significant intercompany transactions
For the three months ended March 31, 2025

Table 5 (In Thousands of New Taiwan Dollars)

No. (Note 2)	Name of company	Name of counter-party	Nature of relationship (Note 3)	Intercompany transactions			
				Account (Note 5)	Amount	Trading terms	Percentage of the consolidated total revenue or total assets (Notes 1, 4)
1	PORTWELL	APT	3	Sales revenue	3,089,414	The selling price for related parties, determined by the consumption situation in their regions, approximated the market price.	52 %
1	PORTWELL	APT	3	Accounts receivable	1,050,431	Net 15 days from invoice date	5 %

Note 1: The transactions with amount that account for more than 1% of the consolidated total revenue or total assets were disclosed.

Note 2: The information of number is as follow:
1. The number 0 represents the parent company.
2. The subsidiaries are numbered in order starting from number 1.

Note 3: The types of relationships with traders are as follows:
1. The parent company to the subsidiary.
2. The subsidiary to the parent company.
3. The subsidiary to the subsidiary.

Note 4: The ratio of the transaction amount to the consolidated total sales revenue or consolidated total assets was calculated as follows:
1. For transaction amount accounted for as asset or liability, the ratio is calculated based on the ending balance of the consolidated total assets.
2. For transaction amount accounted for as profit or loss, the ratio is calculated based on the accumulated amount of profit or loss at the end of the financial period of the consolidated total sales revenue.

Note 5: Only the sales revenue and accounts receivable from related parties were disclosed; the relative purchase and accounts payable need not be redisclosed.

Posiflex Technology, Inc. and Subsidiaries
Information on investees
For the three months ended March 31, 2025

Table 6 (In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2025	December 31, 2024	Shares	Percentage of ownership	Carrying value			
The Company	PORTWELL	Taiwan	Manufacture and sale of industrial computers and peripheral equipment and information software services.	2,534,078	2,534,078	54,070,812	55.00 %	4,774,247	1,380,010	755,707	Subsidiary (Notes 1,2)
The Company	PBM	U.S.A.	Foreign trade	2,810,494	2,810,494	417,034,408	100.00 %	1,899,501	(53,034)	(53,034)	Subsidiary (Note 1)
The Company	PIC	Seychelles	Foreign trade	107,055	107,055	-	100.00 %	57,584	(4,191)	(4,191)	Subsidiary (Note 1)
The Company	PENETEK	Taiwan	Manufacture and sale of industrial computers and peripheral equipment	36,910	36,910	3,691,000	61.52 %	31,017	(3,735)	(2,298)	Subsidiary (Note 1)
The Company	KOMING	Taiwan	Foreign trade and software services	15,000	15,000	1,500,000	100.00 %	10,442	31	31	Subsidiary (Note 1)
The Company	PBMM	Malaysia	Foreign trade	7,795	7,795	801,214	83.46 %	10,839	(597)	(501)	Subsidiary (Note 1)
The Company	PTSC	Argentina	Foreign trade	15,151	15,151	-	100.00 %	(37)	-	-	Subsidiary (Note 1)
The Company	ONK Cloud	Taiwan	Software services	3,196	3,196	319,667	99.90 %	80	-	-	Subsidiary (Note 1)
The Company	PG	Germany	Foreign trade	67,989	67,989	-	100.00 %	26,118	(2,940)	(2,940)	Subsidiary (Note 1)
The Company	PTIL	India	Foreign trade	8,441	8,441	51,000	51.00 %	29,364	(1,384)	(706)	Subsidiary (Note 1)
The Company	PTPL	Singapore	Foreign trade	11,612	11,612	500,000	100.00 %	3,201	(479)	(479)	Subsidiary (Note 1)
The Company	PJ	Japan	Foreign trade	43,162	43,162	2,400	100.00 %	(3,791)	1,788	1,788	Subsidiary (Note 1)
The Company	LePOS	Hong Kong	Foreign trade	52,403	52,403	17,500	35.00 %	55,535	(3,394)	(1,188)	Investment accounted for using the equity method
The Company	KIOSKTW	Taiwan	Software services	29,000	20,000	2,900,000	100.00 %	15,315	(765)	(765)	Subsidiary (Notes 1, 3)
ONK Cloud	ONK International	Samoa	Investing	5,027	5,027	-	100.00 %	(96)	-	-	Subsidiary (Note 1)
PBM	KIA	U.S.A.	Investing	3,295,755	3,295,755	1,012,355	82.00 %	1,867,880	(33,551)	(27,512)	Subsidiary (Note 1)
PTIL	MUSTEK	India	Foreign trade	48	48	-	82.00 %	10,738	1,697	1,392	Subsidiary (Note 1)
PTIL	QUINTA	India	Foreign trade	931	931	69,999	70.00 %	(13,216)	(3,235)	(2,264)	Subsidiary (Note 1)
QUINTA	QUGO	India	Ecommerce platform for travel	474	474	12,500	25.00 %	(573)	(1,149)	(287)	Investment accounted for using the equity method
PORTWELL	APT	U.S.A.	Manufacture and sale of industrial computers and peripheral equipment	909,329	909,329	42,777,780	100.00 %	3,897,967	322,886	322,886	Subsidiary(Note 1)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2025	December 31, 2024	Shares	Percentage of ownership	Carrying value			
PORTWELL	PJI	Japan	Manufacture and sale of industrial computers and peripheral equipment	31,383	31,383	1,980	99.00 %	171,585	2,757	2,729	Subsidiary (Note 1)
PORTWELL	DEVELOPMENT	Samoa	Investing	91,840	91,840	2,800,000	100.00 %	50,736	(520)	(520)	Subsidiary (Note 1)
PORTWELL	EPT	Netherland	Manufacture and sale of industrial computers and peripheral equipment	208,574	208,574	45,000	100.00 %	108,397	(27,846)	(27,846)	Subsidiary (Note 1)
PORTWELL	PIT	India	Manufacture and sale of industrial computers and peripheral equipment	14,470	14,470	2,877,776	51.00 %	8,239	6,570	3,351	Subsidiary (Note 1)
PORTWELL	PKI	South Korea	Manufacture and sale of industrial computers and peripheral equipment	36,457	36,457	278,153	100.00 %	(3,955)	(508)	(508)	Subsidiary (Note 1)
PORTWELL	GANLOT	Taiwan	Manufacture and sale of industrial computers and peripheral equipment	16,800	16,800	2,800,000	100.00 %	61,451	(13)	(13)	Subsidiary (Note 1)
PORTWELL	MiTwell	Taiwan	Manufacture and sale of industrial computers and peripheral equipment	64,047	64,047	6,097,663	18.86 %	177,369	(11,007)	(2,209)	Investment accounted for using the equity method
PORTWELL	HOLDWEL	Cayman Islands	Investing	233,441	233,441	120,000,000	100.00 %	338,224	1,776	1,851	Subsidiary (Note 1)
APT	KIA	U.S.A.	Investing	525,215	525,215	222,225	18.00 %	539,831	(33,551)	(6,039)	Subsidiary (Note 1)
DEVELOPMENT	HOLDING	Samoa	Investing	91,840	91,840	2,800,000	100.00 %	51,340	(520)	(520)	Subsidiary (Note 1)
EPT	KES	Germany	Manufacture and sale of industrial computers and peripheral equipment	59,953	59,953	1	100.00 %	89,467	36	36	Subsidiary (Note 1)
EPT	PUK	U.K.	Manufacture and sale of industrial computers and peripheral equipment	3,883	3,883	200,000	100.00 %	14,969	38	38	Subsidiary (Note 1)
EPT	KESI	Italy	Manufacture and sale of industrial computers and peripheral equipment	1,586	1,586	50,000	100.00 %	3,701	589	589	Subsidiary (Note 1)
HOLDWEL	MEDWELL	Taiwan	Manufacture and sale of industrial computers and peripheral equipment	92,000	92,000	9,200,000	100.00 %	256,099	761	761	Subsidiary (Note 1)

Note 1: The relevant transactions and ending balance were eliminated in the consolidated financial statements.
Note 2: Share of profits / losses of investee includes the amortized adjustment caused by consilidation.
Note 3: KIOSKTW increased its capital by cash in March 2025 which were subscribed by Group.

Posiflex Technology, Inc. and Subsidiaries
Information on investment in Mainland China
For the three months ended March 31, 2025

Table 7 (In Thousands of New Taiwan Dollars)

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

Name of investee	Main businesses and products	Total amount of paid-in capital (note 3)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025 (note 4)	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2025 (note 4)	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (note 1)	Book value	Accumulated remittance of earnings in current period	Note
					Outflow	Inflow							
Posiflex Business Machines (Beijing) Co., Ltd. (PBMB)	Foreign trade	116,218	(note 5)	116,218	-	-	116,218	(4,191)	100.00%	(4,191)	57,584	-	
ONK Clouding Shanghai (ONK Shanghai)	Software services	5,645	(note 5)	5,645	-	-	5,645	-	99.90 %	-	(96)	-	
Beijing Caswell Ltd.	Manufacture and sale of networking and communication equipment	126,179	(note 5)	22,712	-	-	22,712	(12,235)	18.00 %	-	22,425	-	Note 2
Welink Technology Co., Ltd.	Manufacture and sale of computers and peripheral equipment; design and sale of software; foreign trade	41,340	(note 5)	-	-	-	-	(1,126)	100.00%	(1,126)	(434)	-	Note 2

Note 1: The investment income (losses) recognized was based on the financial statements from the investee company, which had not been reviewed.

Note 2: The beginning investment amounts of Welink Technology were RMB $174 thousand and US$1,045 thousand; and the beginning investment amounts of Beijing Caswell were US$180 thousand. All investment capitals were remitted through third regions.

Note 3: The amounts with NTD were calculated based on the exchange rate of US$1: NT$33.205 and RMB1: NT$4.573 at the end of March 2025. The paid-in capitals of PBMB, ONK Clouding Shanghai, Beijing Caswell, Welink Technology were US$3,500 thousand, US$170 thousand, US$3,800 thousand, US$1,245 thousand, respectively.

Note 4: The amounts with NTD were calculated based on the exchange rate of US$1: NT$33.205 at the end of March 2025. The cumulative investment amount from Taiwan at the beginning and the end of the period were US$3,500 thousand for PBMB, US$170 thousand for ONK Clouding Shanghai and US$684 thousand for Beijing Caswell.

Note 5: Investments in companies in Mainland China through the existing companies in the third regions.

(2) Limitation on investment in Mainland China

Accumulated Investment in Mainland China as of March 31, 2025 (Note 2)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on Investment (Note 1)
214,836	214,836	5,536,199

Note 1: According to Directions Governing the Examination of Investment or Technical Cooperation in Mainland China, the upper limit of investment in mainland China is the higher between 60% of the total equity or total consolidated equity.

Note 2: The amount with NTD was calculated based on the exchange rate of US$1: NT$33.205 at the end of March 2025. The amount of accumulated investments included that of the Company of US$3,670 thousand and PORTWELL of US$2,800 thousand.

Note 3: The amount with NTD was calculated based on the exchange rate of US$1: NT$33.205 at the end of March 2025. The investment amounts authorized by Investment Commission, MOEA included those of the Company of US$3,670 thousand, and PORTWELL of US$2,800 thousand.