

PCHOME ONLINE INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2024 and 2023**

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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.

Table Of Contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Statement of Financial Position	4
5. Consolidated Statement of Comprehensive Income	5
6. Consolidated Statement of Changes in Equity	6
7. Consolidated Statement of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Organization and Business	8
(2) Approval Date and Procedures of the Consolidated Financial Statements	8
(3) New Standards and Interpretations Not Yet Adopted	8~9
(4) Summary of material accounting policies	10~14
(5) Major Sources of Accounting Assumptions, Judgments and Estimation Uncertainty	15
(6) Explanation to Significant Accounts	15~46
(7) Related-Party Transactions	46~49
(8) Restricted Assets	50
(9) Significant Contingencies and Commitments	50~51
(10) Significant Catastrophic Losses	51
(11) Significant Subsequent Events	51
(12) Others	51
(13) Additional Disclosures	
a) Information on significant transactions	52~55
b) Information on investees	55~57
c) Information on investment in Mainland China	58
d) Major shareholders	58
(14) Segment Information	59



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Independent Auditors' Review Report

To the Board of Directors of PChome Online Inc.:

Introduction

We have reviewed the accompanying consolidated balance sheets of the PChome Online Inc. and its subsidiaries (the "Group") of March 31, 2024 and 2023, and the consolidated statements of comprehensive income for the three months ended March 31, 2024 and 2023, changes in equity and cash flows for the three months ended March 31, 2024 and 2023 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 Interim 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(b), 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 \$3,350,064 thousand and \$1,716,540 thousand, each constituting 12% and 6% of the consolidated total assets as of March 31, 2024 and 2023, respectively; the total liabilities amounting to \$1,388,232 thousand and \$595,014 thousand, each constituting 8% and 3% of the consolidated total liabilities as of March 31, 2024 and 2023, respectively, and the total comprehensive income (loss) amounting to loss \$38,910 thousand and loss \$65,976 thousand, constituting 91% and 129% of the consolidated total comprehensive income (loss) for the three months ended March 31, 2024 and 2023, respectively.

Furthermore, as stated in Note 6(f), the other equity accounted investments of the Group in its investee companies of \$275,879 thousand and \$270,901 thousand as of March 31, 2024 and 2023, respectively, and its share of gain or loss of associates and joint ventures accounted for using equity method on these investee companies of gain \$1,012 thousand and gain \$974 thousand for the three months ended March 31, 2024 and 2023, 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 at March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months then ended 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 Chen, Yi-Chun and Lien, Shu-Ling.

KPMG

Taipei, Taiwan (Republic of China)
April 29, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial statements of financial position, financial performance and cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditor’s 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 auditor’s report and consolidated financial statements, the Chinese version shall prevail.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31, 2024, December 31, 2023, and March 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

ASSETS		2024.3.31		2023.12.31		2023.3.31		LIABILITIES AND STOCKHOLDERS' EQUITY		2024.3.31		2023.12.31		2023.3.31	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current Assets:								Current Liabilities:							
1100	Cash and cash equivalents (Note (6)(a))	\$ 3,962,625	15	4,263,320	16	6,697,676	23	2100	Short-term borrowings (Notes (6)(n) and (7))	\$ 3,400,920	13	2,955,017	11	5,215,427	18
1170	Accounts and notes receivable, net (Notes (6)(d) and (7))	3,290,842	12	3,378,874	12	2,990,030	10	2130	Current contract liabilities(Note (6)(w))	485,780	2	519,984	2	529,474	2
1200	Other receivables, net (Notes (6)(d) and (7))	1,552,975	6	1,574,788	6	1,279,417	4	2170	Accounts and notes payable	2,554,289	10	3,171,460	11	2,469,341	8
1300	Inventories (Note (6)(e))	1,283,427	5	1,753,164	6	1,739,107	6	2200	Other payables (Notes (6)(g) and (7))	1,181,939	4	1,313,941	4	1,259,756	4
1476	Other current financial assets (Notes (6)(m) and (8))	1,248,561	5	1,258,199	5	1,490,063	5	2230	Current tax liabilities	221,265	1	170,017	1	240,625	1
1479	Other current assets, others	352,905	1	369,557	1	433,004	2	2280	Current lease liabilities (Note (6)(r))	538,803	2	550,664	2	582,653	2
		<u>11,691,335</u>	<u>44</u>	<u>12,597,902</u>	<u>46</u>	<u>14,629,297</u>	<u>50</u>	2300	Other current liabilities (Note (6)(o))	2,232,590	8	2,230,751	8	2,149,574	7
								2320	Long-term liabilities, current portion	576,262	2	428,944	2	1,480,944	5
									(Notes (6)(p), (q) and (7))						
										<u>11,191,848</u>	<u>42</u>	<u>11,340,778</u>	<u>41</u>	<u>13,927,794</u>	<u>47</u>
Non-Current Assets:								Non-Current liabilities:							
1510	Non-current financial assets at fair value through profit or loss (Note (6)(b))	429,999	2	429,999	1	421,402	1	2540	Long-term borrowings (Notes (6)(p) and (7))	3,018,949	11	3,315,803	13	2,140,433	8
1517	Non-current financial assets at fair value through other comprehensive income (Note (6)(c))	839,566	3	859,583	3	828,984	3	2570	Deferred tax liabilities (Note (6)(s))	12,619	-	10,954	-	13,891	-
1550	Investments accounted for using equity method (Note (6)(f))	275,879	1	274,872	1	270,901	1	2580	Non-current lease liabilities (Note (6)(r))	4,000,821	15	4,128,727	15	4,527,085	15
1600	Property, plant and equipment (Note (6)(j))	2,038,679	7	1,591,822	6	1,158,784	4	2612	Long-term accounts payable (Note (6)(g))	84,735	-	84,735	-	234,748	1
1755	Right-of-use assets (Note (6)(k))	4,198,146	16	4,518,139	16	5,045,005	17	2670	Other non-current liabilities, others	24,926	-	21,084	-	17,198	-
1780	Intangible assets (Note (6)(l))	5,703,478	21	5,702,263	21	5,780,420	20			<u>7,142,050</u>	<u>26</u>	<u>7,561,303</u>	<u>28</u>	<u>6,933,355</u>	<u>24</u>
1840	Deferred tax assets (Note (6)(s))	244,889	1	218,846	1	161,539	1		Total liabilities	<u>18,333,898</u>	<u>68</u>	<u>18,902,081</u>	<u>69</u>	<u>20,861,149</u>	<u>71</u>
1930	Long-term notes and accounts receivable (Note (6)(d))	782,489	3	687,517	3	641,584	2		Equity attributable to owners of parent (Note (6)(t)):						
1980	Other non-current financial assets (Notes (6)(m) and (8))	526,890	2	509,679	2	249,110	1		Share capital:						
1990	Other non-current assets, others	110,162	-	64,918	-	62,998	-	3110	Ordinary share	1,439,529	5	1,439,529	5	1,281,629	4
		<u>15,150,177</u>	<u>56</u>	<u>14,857,638</u>	<u>54</u>	<u>14,620,727</u>	<u>50</u>	3200	Capital surplus	5,558,001	21	5,560,918	20	5,108,435	18
								3300	Retained earnings	(579,381)	(2)	(503,683)	(2)	27,763	-
								3400	Other equity interest	203,139	1	211,032	1	173,730	1
								3500	Treasury shares	(210,502)	(1)	(210,502)	(1)	(210,502)	(1)
									Total equity attributable to owners of parent:	<u>6,410,786</u>	<u>24</u>	<u>6,497,294</u>	<u>23</u>	<u>6,381,055</u>	<u>22</u>
								36XX	Non-controlling interests (Notes (6)(i) and (t))	<u>2,096,828</u>	<u>8</u>	<u>2,056,165</u>	<u>8</u>	<u>2,007,820</u>	<u>7</u>
									Total equity	<u>8,507,614</u>	<u>32</u>	<u>8,553,459</u>	<u>31</u>	<u>8,388,875</u>	<u>29</u>
Total assets		<u>\$ 26,841,512</u>	<u>100</u>	<u>27,455,540</u>	<u>100</u>	<u>29,250,024</u>	<u>100</u>		Total liabilities and equity	<u>\$ 26,841,512</u>	<u>100</u>	<u>27,455,540</u>	<u>100</u>	<u>29,250,024</u>	<u>100</u>

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

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

PCHOME ONLINE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		<u>For the three months ended March 31,</u>			
		<u>2024</u>		<u>2023</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4111	Sales revenue	\$ 9,750,141	101	10,316,045	102
4170	Less: Sales returns	99,923	1	160,145	2
	Operating revenue, net (Notes (6)(w) and (7))	<u>9,650,218</u>	<u>100</u>	<u>10,155,900</u>	<u>100</u>
5000	Operating costs (Notes (6)(e) and (7))	<u>8,407,557</u>	<u>87</u>	<u>8,956,648</u>	<u>88</u>
	Gross profit from operations	<u>1,242,661</u>	<u>13</u>	<u>1,199,252</u>	<u>12</u>
	Operating expenses:				
6100	Selling expenses	828,391	9	929,715	9
6200	Administrative expenses	164,150	2	159,672	2
6300	Research and development expenses	137,168	1	147,742	1
6450	Expected credit loss (Note (6)(d))	124,778	1	80,204	1
	Total operating expenses	<u>1,254,487</u>	<u>13</u>	<u>1,317,333</u>	<u>13</u>
	Net operating loss	<u>(11,826)</u>	<u>-</u>	<u>(118,081)</u>	<u>(1)</u>
	Non-operating income and expenses (Note (6)(y)):				
7100	Interest income	9,532	-	10,329	-
7010	Other income	42,207	-	72,595	-
7020	Other gains and losses, net	(2,200)	-	30,045	-
7050	Finance costs	(42,006)	-	(36,905)	-
7060	Share of loss of associates and joint ventures accounted for using equity method, net	1,012	-	974	-
	Total non-operating income and expenses	<u>8,545</u>	<u>-</u>	<u>77,038</u>	<u>-</u>
	Loss from continuing operations before tax	<u>(3,281)</u>	<u>-</u>	<u>(41,043)</u>	<u>(1)</u>
7950	Less: Tax expense (Note (6)(s))	<u>26,680</u>	<u>-</u>	<u>39,836</u>	<u>-</u>
	Loss	<u>(29,961)</u>	<u>-</u>	<u>(80,879)</u>	<u>(1)</u>
	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss				
8311	Loss on remeasurements of defined benefit plans	-	-	(253)	-
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income (Note (6)(z))	(20,017)	-	37,394	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note (6)(s))	-	-	-	-
	Items that may not be reclassified subsequently to profit or loss	<u>(20,017)</u>	<u>-</u>	<u>37,141</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign statements	7,174	-	(7,217)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Items that may be reclassified subsequently to profit or loss	<u>7,174</u>	<u>-</u>	<u>(7,217)</u>	<u>-</u>
	Other comprehensive income (loss), net of tax	<u>(12,843)</u>	<u>-</u>	<u>29,924</u>	<u>-</u>
8500	Total comprehensive loss	<u>\$ (42,804)</u>	<u>-</u>	<u>(50,955)</u>	<u>(1)</u>
	(Loss) Profit attributable to:				
8610	Loss attributable to owners of parent	\$ (75,698)	(1)	(120,977)	(1)
8620	Profit, attributable to non-controlling interests	45,737	-	40,098	-
		<u>\$ (29,961)</u>	<u>-</u>	<u>(80,879)</u>	<u>(1)</u>
	Comprehensive income attributable to:				
8710	Comprehensive loss, attributable to owners of parent	\$ (83,591)	-	(94,262)	(1)
8720	Comprehensive income, attributable to non-controlling interests	40,787	-	43,307	-
		<u>\$ (42,804)</u>	<u>-</u>	<u>(50,955)</u>	<u>(1)</u>
	Earnings per share (Note (6)(v))				
9750	Basic earnings per share (NT dollars)	<u>\$ (0.54)</u>		<u>(0.96)</u>	

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

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

PCHOME ONLINE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three months ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent											
	Share capital				Other Equity Interest						Non-Controlling Interests	Total Equity
	Retained Earnings		Legal Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned Employee Compensation	Treasury shares	Total Equity Attributable to Owners of Parent			
Ordinary Capital	Capital Surplus											
Balance at January 1, 2023	\$ 1,281,629	5,011,096	54,113	94,880	(9,252)	156,045	(41)	(210,502)	6,377,968	2,062,194	8,440,162	
(Loss) Profit for the three months ended March 31, 2023	-	-	-	(120,977)	-	-	-	-	(120,977)	40,098	(80,879)	
Other comprehensive (loss) income for the three months ended March 31, 2023	-	-	-	(253)	(7,379)	34,347	-	-	26,715	3,209	29,924	
Total comprehensive (loss) income for the three months ended March 31, 2023	-	-	-	(121,230)	(7,379)	34,347	-	-	(94,262)	43,307	(50,955)	
Changes in ownership interests in subsidiaries	-	97,324	-	-	-	-	-	-	97,324	(97,687)	(363)	
Share-based payment transactions	-	15	-	-	-	-	10	-	25	6	31	
Balance at March 31, 2023	\$ 1,281,629	5,108,435	54,113	(26,350)	(16,631)	190,392	(31)	(210,502)	6,381,055	2,007,820	8,388,875	
Balance at January 1, 2024	\$ 1,439,529	5,560,918	54,113	(557,796)	(26,794)	237,826	-	(210,502)	6,497,294	2,056,165	8,553,459	
(Loss) Profit for the three months ended March 31, 2024	-	-	-	(75,698)	-	-	-	-	(75,698)	45,737	(29,961)	
Other comprehensive (loss) income for the three months ended March 31, 2024	-	-	-	-	4,323	(12,216)	-	-	(7,893)	(4,950)	(12,843)	
Total comprehensive (loss) income for the three months ended March 31, 2024	-	-	-	(75,698)	4,323	(12,216)	-	-	(83,591)	40,787	(42,804)	
Changes in ownership interests in subsidiaries	-	(2,917)	-	-	-	-	-	-	(2,917)	(5,221)	(8,138)	
Share-based payment transactions	-	-	-	-	-	-	-	-	-	5,097	5,097	
Balance at March 31, 2024	\$ 1,439,529	5,558,001	54,113	(633,494)	(22,471)	225,610	-	(210,502)	6,410,786	2,096,828	8,507,614	

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

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

PCHOME ONLINE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months ended March 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2024	2023
Cash flows from (used in) operating activities:		
Loss before tax	\$ (3,281)	(41,043)
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	210,393	229,305
Amortization expenses	34,152	31,471
Expected credit losses	124,778	80,204
Interest expenses	42,006	36,905
Interest income	(9,532)	(10,329)
Share-based payment transactions	5,097	31
Shares of profit of associates and joint ventures accounted for using equity method	(1,012)	(974)
Gain on disposal of property, plant and equipment	(215)	(7,775)
Loss on disposal of investments	-	2,999
Gain on lease modification	(128)	(28,120)
Total adjustments to reconcile profit	<u>405,539</u>	<u>333,717</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts and notes receivable	(8,573)	232,291
Other receivables	84,530	6,060
Inventories	469,737	244,075
Other current assets	16,822	68,932
Other financial assets	(9,661)	25,738
Total changes in operating assets	<u>552,855</u>	<u>577,096</u>
Changes in operating liabilities:		
Contract liabilities	(34,204)	(99,989)
Accounts and notes payable	(617,171)	(1,456,423)
Other payables	(123,602)	(316,406)
Other current liabilities	1,839	(128,652)
Other non-current liabilities	3,842	635
Total changes in operating liabilities	<u>(769,296)</u>	<u>(2,000,835)</u>
Total changes in operating assets and liabilities	<u>(216,441)</u>	<u>(1,423,739)</u>
Total adjustments	<u>189,098</u>	<u>(1,090,022)</u>
Cash flow from (used in) operations	185,817	(1,131,065)
Interest received	5,474	7,285
Interest paid	(41,693)	(32,081)
Income taxes paid	(52)	(1,081)
Net cash flows generated from (used in) operating activities	<u>149,546</u>	<u>(1,156,942)</u>
Cash flows from investing activities:		
Proceeds from capital reduction of investments accounted for using equity method	-	275
Acquisition of property, plant and equipment	(520,423)	(188,807)
Proceeds from disposal of property, plant and equipment	-	9,013
Acquisition of intangible assets	(31,932)	(2,529)
Other financial assets	2,088	(390,674)
Other non-current assets	(48,576)	(4,170)
Other payables	-	(104,194)
Net cash flows used in investing activities	<u>(598,843)</u>	<u>(681,086)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	445,903	1,852,972
Increase in long-term borrowings	368,339	104,000
Repayments of long-term borrowings	(517,875)	(103,125)
Payments of lease liabilities	(144,404)	(159,270)
Net cash flows generated from financing activities	<u>151,963</u>	<u>1,694,577</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(3,361)</u>	<u>(8,680)</u>
Net decrease in cash and cash equivalents	<u>(300,695)</u>	<u>(152,131)</u>
Cash and cash equivalents at beginning of period	<u>4,263,320</u>	<u>6,849,807</u>
Cash and cash equivalents at end of period	<u>\$ 3,962,625</u>	<u>6,697,676</u>

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

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Organization and Business

PChome Online Inc. (the Company) was incorporated on July 14, 1998. The primary business scope of the Company and its subsidiaries (together referred to as the Group) includes software design, digital information supply, data processing, and wholesaling and retailing of office machinery, equipment, and information software.

On August 30, 2004, the Board of Directors of the Taipei Exchange approved the Company's application for stock listing, and it became officially listed and traded on January 25, 2005.

(2) Approval Date and Procedures of the Consolidated Financial Statements

These consolidated financial statements were authorized for issuance by the Board of Directors on April 29, 2024.

(3) New Standards and Interpretations Not Yet Adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") 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, 2024:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

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

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

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
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.	January 1, 2027

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
	<ul style="list-style-type: none">● 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.	

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”
- Amendments to IAS21 “Lack of Exchangeability”

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(4) Summary of material accounting policies

(a) Statement of compliance

The consolidated interim 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 consolidated interim financial statements, the Chinese version shall prevail.

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

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated interim financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note (4) of the consolidated financial statements for the year ended December 31, 2023.

(b) Basis of consolidation

1. List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			2024.3.31	2023.12.31	2023.3.31	
The Company	PChome Store Inc.	Internet services	- %	- %	77.78 %	Note 2
"	Linktel Inc.	Type II Telecommunications Business	100.00 %	100.00 %	100.00 %	Note 1
"	IT Home Publications Inc.	Magazine publication	- %	- %	100.00 %	Note 3
"	PCHOME US INC.	E-commerce platform	91.97 %	91.97 %	91.97 %	Note 1
"	PC HOME ONLINE INTERNATIONAL CO., LTD.	International trade and investment activities	100.00 %	100.00 %	100.00 %	"
"	PChome (Thailand) Co., Ltd.	E-commerce platform	66.25 %	66.25 %	66.25 %	"
"	PChome Travel Inc.	Travel agency business	100.00 %	100.00 %	100.00 %	"
"	PChome Financial Technology Inc.	Information service	100.00 %	100.00 %	100.00 %	"
"	PChome Holding Inc.	Investment activities	100.00 %	100.00 %	100.00 %	"

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			2024.3.31	2023.12.31	2023.3.31	
The Company	PChome Express Co., Ltd.	Transportation and logistics	100.00 %	100.00 %	100.00 %	Note 1
"	Chunghwa PChome Fund 1 Co., Ltd.	Investment activities	50.00 %	50.00 %	50.00 %	"
"	Cornerstone Ventures Co., Ltd.	"	51.00 %	51.00 %	51.00 %	"
"	PChome CB Co., Ltd.	E-commerce cross-border services	65.23 %	65.23 %	70.00 %	Notes 1&8
"	Mitch Co., Ltd.	Clothing sales	100.00 %	100.00 %	100.00 %	Notes 1&4
"	YunTan technology Inc.	Information processing and provision of electronic information	59.94 %	59.94 %	70.00 %	Notes 1&5
"	21st Century Technology Co., Ltd.	Financial technology services	- %	43.63 %	43.63 %	Note 10
"	21st Financial Technology Co., Ltd	"	43.66 %	- %	- %	"
"	PChome Data Technology Co., Ltd.	Information processing and provision of electronic information	100.00 %	100.00 %	100.00 %	Note 1
"	PIN technology Inc.	"	100.00 %	100.00 %	100.00 %	"
"	EC Global Limited	Investment activities	100.00 %	100.00 %	100.00 %	"
"	PChome eBay Co., Ltd.	Information processing and provision of electronic information	65.00 %	65.00 %	65.00 %	
PChome eBay Co., Ltd.	PChome Store Inc.	Internet services	100.00 %	100.00 %	22.22 %	Note 2
"	ECOSMOS PTE. LTD.	Information processing and provision of electronic information	100.00 %	100.00 %	100.00 %	Note 1
"	21st Century Technology Co., Ltd.	Financial technology services	- %	1.41 %	1.41 %	Note 10
"	21st Financial Technology Co., Ltd	"	1.41 %	- %	- %	"
PC HOME ONLINE INTERNATIONAL CO., LTD.	PCHOME ONLINE INC.	International trade and investment activities	- %	100.00 %	100.00 %	Note 1
"	PC HOME ONLINE (HK) LTD.	Information service and indirect investment activities	100.00 %	- %	- %	Notes 1&12
PCHOME ONLINE INC.	PC HOME ONLINE (HK) LTD.	Information service and indirect investment activities	- %	100.00 %	100.00 %	"

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			2024.3.31	2023.12.31	2023.3.31	
PChome Holding Inc.	PChome Marketplace Inc.	Investment activities	100.00 %	100.00 %	100.00 %	
PChome Marketplace Inc.	PChome Japan KK	International trading E-commerce	- %	- %	100.00 %	
PChome CB Co., Ltd.	PChome CBS Co., Ltd.	Internet services	100.00 %	100.00 %	100.00 %	Note 1
"	PCHOME CB PTE. LTD.	"	100.00 %	100.00 %	100.00 %	"
"	Air Supply Logistic Co., Ltd.	Transportation and logistics	100.00 %	100.00 %	- %	Notes 1&9
PCHOME CB PTE. LTD.	PChome Bibian Inc.	E-commerce cross-border services	100.00 %	100.00 %	100.00 %	Note 1
YunTan technology Inc.	Einsure insurance broker Inc.	Insurance brokers	100.00 %	100.00 %	100.00 %	"
21st Century Technology Co., Ltd.	21st Financial Technology Co., Ltd	Investment activities	- %	100.00 %	100.00 %	Note 10
"	Pi Mobile Technology Inc.	Online payment processing services	- %	5.25 %	5.25 %	"
"	Cherri Tech, Inc.	Financial technology services and indirect investment activities	- %	100.00 %	100.00 %	"
21st Financial Technology Co., Ltd	21st Century Digital Technology Co., Ltd.	Financial technology services	100.00 %	100.00 %	100.00 %	
"	Pi Mobile Technology Inc.	Online payment processing services	99.49 %	94.24 %	94.24 %	Notes 1&10&11
"	Cherri Tech, Inc.	Financial technology services and indirect investment activities	100.00 %	- %	- %	Note 10
21st Century Digital Technology Co., Ltd.	FAN7 TOUR CO., LTD.	Travel agency business	100.00 %	100.00 %	100.00 %	Note 1
"	Lianju Asset Management Co., Ltd.	Financial Institution Creditor's Right (Money) Purchase	100.00 %	100.00 %	100.00 %	Notes 1&6
Pi Mobile Technology Inc.	Pay and Link Inc.	Electronic payment business	100.00 %	100.00 %	100.00 %	Note 1
"	Yun Tung Bao International Co., Ltd.	Online payment processing services	100.00 %	100.00 %	100.00 %	"
Cherri Tech, Inc.	Japan Cherri KK	Financial technology services	80.00 %	80.00 %	60.00 %	Note 7

Note 1: The financial statements of the non-significant subsidiaries have not been reviewed.

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- Note 2: 1.PChome Store Inc. issued a cash capital increase for new shares in March 2023, such shares are fully subscribed by the Company and PChome eBay Co. Ltd., respectively. The shareholding was changed, and the Company owns 77.78% of the Company, PChome eBay Co. Ltd. Owns 22.22% and PChome Marketplace Inc. owns 0.00%, respectively.
- 2.The Company sold 58,724 thousand ordinary shares of PChome Store Inc. to PChome eBay Co. Ltd. on April 28, 2023. After the transaction, PChome eBay Co. Ltd. holds 100% shares of PChome Store Inc.
- Note 3: The Company disposed all of its shares of IT Home Publications Inc. pursuant to the resolution of the Board of Directors on August 14, 2023.
- Note 4: The Company purchased 40% equity of Mitch Co., Ltd. from external shareholders, resulting in an increase in its shareholding ratio from 60% to 100%.
- Note 5: Yun Tan technology Inc. issued a cash capital increase for new shares on September 1, 2023, such shares were fully subscribed by external shareholders, resulting in a decrease in the Company's shareholding ratio from 70% to 59.94%.
- Note 6: The subsidiary was established on February 10, 2023.
- Note 7: Cherri Tech, Inc. increased its shareholding from 60% to 80% by cash capital increase in Japan Cherri KK pursuant to the resolution of the Board of Directors on June 8, 2023.
- Note 8: PChome CB Co., Ltd. issued shares for the exercise of employee stock options in October, 2023, resulting in a decrease in the Company's shareholding ratio from 70% to 65.23%.
- Note 9: The subsidiary was established on November 23, 2023.
- Note 10: In order to integrate the resources of the Group, the investment structure within the Group was restructured. On October 21, 2022, merger resolutions were approved by shareholders' meeting of 21st Century Technology Co., Ltd. and 21st Financial Technology Co., Ltd., with 21st Financial Technology Co., Ltd. as the surviving company and 21st Century Technology Co., Ltd. as the dissolved company. From the effective date, 21st Financial technology Co., Ltd, the surviving company, assumes all the assets, rights, liabilities and obligations of 21st Century Technology Co., Ltd. After effective date of merger, the Company's shareholding ratio in 21st Financial Technology Co., Ltd. was 43.66%.
- Note 11: 21st Financial Technology Co., Ltd. assumed 5.25% of the shares of Pi Mobile Technology Inc. held by 21st Century Technology Co., Ltd. from February 16, 2024, the effective date of merger, increasing its shareholding ratio to 99.49% .
- Note 12: PCHOME ONLINCE INC. was dissolved and liquidated on March 15, 2024 due to organization adjustment and the Group's strategy.
- 2.List of subsidiaries which are not included in the consolidated interim financial statements:
None.

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current:

1. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is expected to be realized within twelve months after the reporting period; or
4. 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.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non current:

1. It is expected to be settled in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period; or
4. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(d) Employee benefits

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

(e) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the effective tax rate at time of realization or liquidation and recognized directly in equity or other comprehensive income as tax expense.

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(5) Major Sources of Accounting Assumptions, Judgments and Estimation Uncertainty

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

The principles of preparation of the consolidated interim financial statements and the related significant estimates and underlying assumptions are consistent with Note (5) of the consolidated financial statements for the year ended December 31, 2023.

(6) Explanation to Significant Accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2023 consolidated financial statements. Please refer to Note (6) of the consolidated financial statements for the year ended December 31, 2023.

(a) Cash and cash equivalents

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Cash on hand	\$ 10,754	2,174	2,186
Checking accounts	37,804	39,909	40,212
Savings accounts	3,143,168	3,397,964	5,310,550
Foreign currency deposits	23,517	36,048	129,087
Time deposits	738,420	753,983	1,192,835
Cash equivalents	<u>8,962</u>	<u>33,242</u>	<u>22,806</u>
Cash and cash equivalents in consolidated statement of cash flows	<u>\$ 3,962,625</u>	<u>4,263,320</u>	<u>6,697,676</u>

Please refer to Note (6)(z) for the interest analysis and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets designated at fair value through profit or loss

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Mandatorily measured at fair value through profit or loss:			
Preferred stocks	\$ 342,903	342,903	390,074
Foreign convertible bonds	<u>87,096</u>	<u>87,096</u>	<u>31,328</u>
Total	<u>\$ 429,999</u>	<u>429,999</u>	<u>421,402</u>

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. The Group holds preferred stocks issued by domestic and foreign unlisted companies, all of which are non-cumulative preferred stocks with shareholder voting rights, and the dividends are paid at the agreed annual rate, which is adjusted and reset periodically in accordance with the agreed period. Most of the shares have the liquidation preference. According to the ranking order of the preferred stocks, if the targets must be liquidated while the Group holds their preferred stocks, the Group will have the opportunity to get the dividends which are same as the investment amount.
2. The convertible bonds issued by foreign companies held by the Group will be converted into preferred stocks when it meets the contract conversion conditions.
3. Relevant information for the price risk please refer to Note (6)(z).
4. Abovementioned financial assets designated at fair value through profit or loss of the Group had not been pledged as collateral.

(c) Non-current financial assets at fair value through other comprehensive income

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Equity instruments at fair value through other comprehensive income			
Stocks unlisted on domestic and foreign markets	\$ <u>839,566</u>	<u>859,583</u>	<u>828,984</u>

1. The Group holds these equity instruments, which are not held for trading at designated fair value through other comprehensive income, for long-term strategic purposes.
2. For the relevant information about preferred stocks and foreign convertible bonds that are held by the Group, please refer to Note (6)(b).
3. For the market price risk, please refer to Note (6)(z). For the credit risk and the market risk, please refer to Note (6)(aa).
4. There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the three months ended March 31, 2024 and 2023.
5. Abovementioned financial assets at fair value through other comprehensive income of the Group had not been pledged as collateral.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(d) Notes and accounts receivables, other receivables and long-term receivables

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Notes receivable-measured as amortized cost	\$ 14	41	3
Trade receivable-measured as amortized cost	2,336,891	2,466,778	2,894,902
Trade receivable-fair value through other comprehensive income	2,634,162	2,574,996	1,604,810
Other receivables-measured as amortized cost	1,402,868	1,478,163	1,202,231
Finance lease receivable-Rental fee	172,954	4,808	7,320
Finance lease receivable-Goods	93,696	100,163	76,192
Less: Allowance for impairment losses	(140,599)	(138,480)	(109,604)
Less: Unrealized interest revenue	(873,680)	(845,290)	(764,823)
	<u>\$ 5,626,306</u>	<u>5,641,179</u>	<u>4,911,031</u>
Current	\$ 4,843,817	4,953,662	4,269,447
Non-current	782,489	687,517	641,584
	<u>\$ 5,626,306</u>	<u>5,641,179</u>	<u>4,911,031</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, all receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information, including macroeconomic and relevant industry information. The expected credit losses except for 21st Century Digital Technology Co., Ltd., were determined as follows:

	<u>2024.3.31</u>		
	<u>Gross carrying amount</u>	<u>Weighted-average loss rate</u>	<u>Allowance for expected credit losses</u>
Current	\$ 2,091,651	0.00003%~0.169%	9
Past under 180 days	5,754	10%	299
Over 181 days past due	11,527	25%~100%	8,018
	<u>\$ 2,108,932</u>		<u>8,326</u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2023.12.31		
	Gross carrying amount	Weighted-average loss rate	Allowance for expected credit losses
Current	\$ 2,100,971	0.00005%~0.169%	22
Past under 180 days	8,265	10%	455
Over 181 days past due	13,783	25%~100%	7,727
	\$ 2,123,019		8,204
	2023.3.31		
	Gross carrying amount	Weighted-average loss rate	Allowance for expected credit losses
Current	\$ 1,548,087	0.002%~0.00026%	33
Past under 180 days	20,853	10%~45.12%	1,081
Over 181 days past due	23,708	25%~100%	11,331
	\$ 1,592,648		12,445

The expected credit losses of the Group's subsidiary, 21st Century Digital Technology Co., Ltd., were determined as follows:

	2024.3.31		
	Gross carrying amount	Weighted-average loss rate	Allowance for expected credit losses
Current	\$ 3,216,333	0%~2.26%	70,709
Past under 180 days	399,974	2.26%~86.85%	30,130
Over 181 days past due	41,666	12.82%~100%	31,434
	\$ 3,657,973		132,273
	2023.12.31		
	Gross carrying amount	Weighted-average loss rate	Allowance for expected credit losses
Current	\$ 3,168,197	0%~2.26%	69,456
Past under 180 days	448,062	2.26%~88.79%	29,511
Over 181 days past due	40,381	12.82%~100%	31,309
	\$ 3,656,640		130,276

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2023.3.31		
	Gross carrying amount	Weighted-average loss rate	Allowance for expected credit losses
Current	2,985,276	0%~1.71%	49,814
Past under 180 days	412,034	1.71%~9.83%	18,329
Over 181 days past due	30,677	9.83%~100%	29,016
	\$ 3,427,987		97,159

The movement in the allowance for notes and trade receivable, other receivables and long-term receivables was as follows:

	For the three months ended March 31,	
	2024	2023
Balance at January 1	\$ 138,480	107,815
Impairment losses recognized	124,778	80,204
Amounts written off	(122,659)	(78,415)
Balance at March 31	\$ 140,599	109,604

The Group entered into an agreement with different financial institutions to sell its accounts receivable. Under the agreement, the Group will guarantee all receivables that cannot be recovered (whether deferred payment or breach the contract) during a specified period. The Group retains all the risks and rewards of such receivables and does not qualify for derecognition of financial assets. As of March 31, 2024, the carrying amount of transferred receivables and related financial liabilities as follows:

2024.3.31					
Purchaser	Foreclosed amount	Credit line	Amount advanced paid (reported on short-term borrowings)	Range of interest Rate	Collateral
KGI Bank	\$ 862,597	800,000	610,000	4.00%	Promissory notes
Far Eastern International Bank	\$ 1,467,529	1,680,000	1,152,196	3.10%	Pledge deposits and promissory notes
CMI Credit LTD.	\$ 15,662	13,911	13,911	4.62%	Promissory notes
HOTAI Finance Co., LTD.	\$ 288,374	500,000	287,396	2.99%	Promissory notes
O-Bank	\$ -	100,000	-	2.52%	

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2023.12.31					
Purchaser	Transferred amount	Credit line	Amount advanced paid (reported on short-term borrowings)	Range of interest Rate	Collateral
KGI Bank	\$ 910,704	800,000	610,000	3.387%	Promissory notes
Far Eastern International Bank	\$ 1,257,910	1,680,000	988,438	3.25%	Pledge deposits and promissory notes
CMI Credit LTD.	\$ 27,863	23,560	23,560	4.62%	Promissory notes
HOTAI Finance Co., LTD.	\$ 378,312	500,000	369,824	2.99%	Promissory notes
O-Bank	\$ 207	100,000	224	2.52%	

2023.3.31					
Purchaser	Transferred amount	Credit line	Amount advanced paid (reported on short-term borrowings)	Range of interest Rate	Collateral
KGI Bank	\$ 718,738	800,000	660,000	3.726%	Promissory notes
Far Eastern International Bank	\$ 782,010	1,680,000	679,532	3.655%	Pledge deposits and promissory notes
CMI Credit LTD.	\$ 104,062	350,637	85,055	4.49%	Promissory notes

As of March 31, 2024, December 31 and March 31, 2023, the Group provided promissory notes of \$3,080,000 thousand, \$3,180,000 thousand and \$1,740,000 thousand for guaranteed the performance of the above contracts with repurchase agreements to those companies and banks undertaking the sale of the accounts receivable.

In addition, part of the accounts receivable of the Group are installment payments of goods received from the distributors, and the parties agree to proceed by the agreed terms of the agreement with respect to the payment of all the formalities and expenses associated with the assignment of the debt. The sale of accounts receivable is a non-resource transaction, and the seller is not liable for the performance of the debtor's obligations after the transaction is completed.

(e) Inventories

	2024.3.31	2023.12.31	2023.3.31
Merchandise inventories	\$ 1,296,311	1,764,283	1,755,326
Less: Allowance for inventory valuation and obsolescence losses	(12,884)	(11,119)	(16,219)
	\$ 1,283,427	1,753,164	1,739,107

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The details of operating cost were as follows:

	For the three months ended March 31,	
	2024	2023
Cost of goods sold	\$ 8,384,437	8,941,355
Interest cost	20,740	19,479
Provision for inventory market price decline and obsolescence (gain from price recovery of inventory)	1,765	(4,186)
Loss on disposal of scrap	615	-
	\$ 8,407,557	8,956,648

The allowance for inventory valuation and obsolescence loss was due to the decline of inventory to net realizable value or obsolescence, which was recognized as cost of goods sold for the three months ended March 31, 2024.

The factors that caused the net realizable value of inventories to be lower than the cost no longer exist, resulting in the net realizable value of inventory to increase and be recognized as profit or loss on inventory for the three months ended March 31, 2024.

As of March 31, 2024, December 31 and March 31, 2023, the inventories of the Group were not pledged as collateral.

(f) Investments accounted for using equity method

A summary of the Group's financial information for investments accounted for using the equity method at the reporting date were as follows:

	2024.3.31	2023.12.31	2023.3.31
Associates	\$ 275,879	274,872	270,901

1. Associates

Associates to the Group consisted of the followings:

Name of Associates	Nature of Relationship with the Group	Main operating location/ Registered Country of the Company	Proportion of shareholding and voting rights		
			2024.3.31	2023.12.31	2023.3.31
Rakuya International Info. Co. Ltd.	Real estate business, and internet information rental service	Taiwan	26.47 %	26.47 %	26.47 %
UPN Information Co., Ltd.	Investment activities	Cayman islands	40.00 %	40.00 %	40.00 %

The Group acquired 40% shares of UPN Information Co., Ltd. with \$226,000 thousand in August 2022. As of March 31, 2024, \$65,684 thousand had not been paid for the related cash acquisition, which was recognized as other payables.

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

After Ruten Japan KK had been liquidated based on a resolution approved during its shareholders' meeting held on March 20, 2023, the Group received liquidation shares of \$275 thousand on March 24, 2023.

2. Collateral

As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group did not provide any investment accounted for using equity method as collateral.

3. Investments were accounted for by the equity method, and the share of profit or loss and other comprehensive income of those investments were recognized based on the financial statements that have not been reviewed.

(g) Acquisition of subsidiary

1. Cherri Tech Inc.

1) In order to strengthen the Group's layout in financial services, and enhance the competitiveness and business advantages of the Company and Cherri Tech Inc. in line with the Group's development strategy, the resources of both parties had been integrated based on the resolution approved during the board meeting held on April 12, 2022, wherein the Group acquired 20.82% shares of Cherri Tech Inc. at the amount of \$524,788 thousand in cash on April 27, 2022, as well as 59.26% shares of Cherri Tech Inc. at the amount of \$269,908 thousand in cash and 3,238 thousand newly issued shares of 21st Century Technology Co., Ltd. on July 29, 2022, resulting in the Group to gain control over Cherri Tech Inc. As of March 31, 2024, \$171,233 thousand had not been paid for the related cash acquisition, of which \$86,498 thousand and \$84,735 thousand were recognized as other payables and long-term payables.

2) Acquisition of identifiable asset and liabilities assumed.

The date of acquisition of identifiable asset and liabilities assumed is as follows:

Cash and cash equivalents	\$	96,350
Accounts receivable		21,837
Other receivables		11,778
Other current assets		3,381
Property, plant and equipment		2,422
Right-of-use assets		6,301
Intangible assets		227,635
Other non-current assets		2,353
Accounts payable		(73)
Other payables		(35,180)
Lease liabilities		(6,322)
Other current liabilities		(665)
Guarantee deposit received		(195)
The fair value of identifiable net assets	\$	<u><u>329,622</u></u>

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Group will continue to review the above matters during the measurement period. If new information about the facts and circumstances that existed on the acquisition date is obtained within one year from the acquisition date, and is identified an adjustment to the above provisional amount or any additional provision for liabilities existing at the acquisition date, the accounting for acquisitions will be revised.

3) Goodwill

Goodwill arising from the acquisition has been recognized as follows:

Consideration transferred (cash)	\$ 794,696
Consideration transferred (equity of 21st Century Technology Co., Ltd.)	949,388
Non-controlling interest (measured by proportionate share of the fair value of the identifiable net assets)	68,011
Less: fair value of identifiable net assets	<u>(329,622)</u>
Goodwill	<u><u>\$ 1,482,473</u></u>

Goodwill is attributable mainly to the digital financial services owned by Cherri Tech Inc. for its future benefits.

(h) Losing control of subsidiaries

The Group had sold all of its shares in IT Home Publications Inc. with a consideration of \$16,000 thousand on September 27, 2023, and resulted in a loss of control over it. The Group recognized a loss on disposal of \$1,262 thousand, and recorded it as other gains and losses in the consolidated statement of comprehensive income.

The carrying amount of assets and liabilities of IT Home Publications Inc. on September 30, 2023 as follow:

Cash and cash equivalents	\$ 64,069
Accounts receivable and other receivables	42,523
Property, plant and equipment	8,269
Other current assets	18,556
Right-of-use assets	14,392
Other non-current assets	1,071
Accounts payable and other payables	(41,366)
Contract liabilities	(73,596)
Lease liabilities	(14,592)
Other liabilities	<u>(2,064)</u>
Carrying amount of net assets	<u><u>\$ 17,262</u></u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(i) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

<u>Subsidiaries</u>	<u>Main operation place</u>	<u>Percentage of non-controlling interests</u>		
		<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
PChome eBay Co., Ltd.	Taiwan	35.00 %	35.00 %	35.00 %
Chunghwa PChome Fund 1 Co., Ltd.	Taiwan	50.00 %	50.00 %	50.00 %
21st Century Technology Co., Ltd.	Taiwan	-	54.96 %	54.96 %
21st Financial Technology Co., Ltd.	Cayman islands	54.93 %	-	-

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Intragroup transactions were not eliminated in this information.

1.PChome eBay Co., Ltd. and its subsidiaries' collective financial information:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Current assets	\$ 1,538,519	1,517,034	1,244,485
Non-current assets	76,052	81,669	230,277
Current liabilities	(887,267)	(905,154)	(452,249)
Non-current liabilities	(202,336)	(205,829)	(16,217)
Net assets	<u>\$ 524,968</u>	<u>487,720</u>	<u>1,006,296</u>
Non-controlling interests	<u>\$ 183,739</u>	<u>170,702</u>	<u>352,204</u>

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Operating revenue	\$ <u>233,932</u>	<u>193,708</u>
Net profit	\$ 36,855	22,546
Other comprehensive income	237	(4)
Total comprehensive income	<u>\$ 37,092</u>	<u>22,542</u>
Profit, attributable to non-controlling interests	<u>\$ 12,899</u>	<u>7,891</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ 12,982</u>	<u>7,890</u>

2.Chunghwa PChome Fund 1 Co., Ltd.'s collective financial information:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Current assets	\$ 73,064	91,871	132,215
Non-current assets	445,714	429,999	421,402
Current liabilities	(4,858)	(4,814)	(19,588)
Net assets	<u>\$ 513,920</u>	<u>517,056</u>	<u>534,029</u>
Non-controlling interests	<u>\$ 256,960</u>	<u>258,528</u>	<u>267,015</u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	For the three months ended March 31,	
	2024	2023
Net loss	\$ (3,137)	(2,377)
Other comprehensive income	-	-
Total comprehensive loss	<u>\$ (3,137)</u>	<u>(2,377)</u>
Loss, attributable to non-controlling interests	<u>\$ (1,568)</u>	<u>(1,189)</u>
Comprehensive loss, attributable to non-controlling interests	<u>\$ (1,568)</u>	<u>(1,189)</u>

3. Collective financial information of 21st Century Technology Co., Ltd. and its subsidiaries:

	2023.12.31	2023.3.31
Current assets	\$ 4,926,739	5,360,451
Non-current assets	3,713,878	3,278,210
Current liabilities	(5,239,392)	(5,009,873)
Non-current liabilities	(645,162)	(1,032,336)
Net assets	<u>\$ 2,756,063</u>	<u>2,596,452</u>
Non-controlling interests	<u>\$ 1,505,377</u>	<u>1,425,532</u>

	For the three months ended March 31, 2023
Operating revenue	\$ <u>385,857</u>
Net profit	\$ 89,506
Other comprehensive income	5,435
Total comprehensive income	<u>\$ 94,941</u>
Profit attributable to non-controlling interests	<u>\$ 41,032</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ 44,019</u>

4. Collective financial information of 21st Financial Technology Co., Ltd. and its subsidiaries:

	2024.3.31
Current assets	\$ 5,142,319
Non-current assets	3,312,438
Current liabilities	(5,405,352)
Non-current liabilities	(240,979)
Net assets	<u>\$ 2,808,426</u>
Non-controlling interests	<u>\$ 1,540,810</u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	<u>For the three months ended March 31, 2024</u>
Operating revenue	\$ <u>475,102</u>
Net profit	\$ 93,193
Other comprehensive income	<u>(99,803)</u>
Total comprehensive income	\$ <u>(6,610)</u>
Profit attributable to non-controlling interests	\$ <u>34,755</u>
Comprehensive income, attributable to non-controlling interests	\$ <u>30,053</u>

(j) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the three months ended March 31, 2024 and 2023, were as follows:

	<u>Transportation equipment</u>	<u>Storage equipment</u>	<u>Furniture and office equipment</u>	<u>Leasehold improvements</u>	<u>Testing equipment</u>	<u>Total</u>
Carrying amounts:						
Balance at January 1, 2024	\$ <u>46,522</u>	<u>536,436</u>	<u>177,033</u>	<u>280,417</u>	<u>551,414</u>	<u>1,591,822</u>
Balance at March 31, 2024	\$ <u>43,458</u>	<u>518,384</u>	<u>156,264</u>	<u>266,615</u>	<u>1,053,958</u>	<u>2,038,679</u>
Balance at January 1, 2023	\$ <u>58,783</u>	<u>4,702</u>	<u>246,954</u>	<u>118,686</u>	<u>703,520</u>	<u>1,132,645</u>
Balance at March 31, 2023	\$ <u>55,718</u>	<u>6,019</u>	<u>237,078</u>	<u>116,801</u>	<u>743,168</u>	<u>1,158,784</u>

The Group purchased relevant equipment for operation in 2024. For relevant significant contracts, please refer to Note (9)(e). As of March 31, 2024, December 31, 2023, and March 31, 2023, the property, plant and equipment were not pledged as collateral.

Information on depreciation for the period is discussed in Note (12)(a). Please refer to Note (6)(i) of the consolidated financial statement for the year ended December 31, 2023 for other related information.

(k) Right-of-use assets

The cost and depreciation of the right-of-use assets of the Group for the three months ended March 31, 2024 and 2023, were as follows:

	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost:				
Balance as of January 1, 2024	\$ 6,121,392	44,228	6,452	6,172,072
Additions	12,416	-	-	12,416
Decrease	(200,735)	-	-	(200,735)
Effect of changes in foreign exchange rates	<u>(572)</u>	-	-	<u>(572)</u>
Balance as of March 31, 2024	\$ <u>5,932,501</u>	<u>44,228</u>	<u>6,452</u>	<u>5,983,181</u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Total</u>
Balance as of January 1, 2023	\$ 3,662,793	44,228	5,280	3,712,301
Additions	4,000,048	-	-	4,000,048
Decrease	(1,214,719)	-	-	(1,214,719)
Effect of changes in foreign exchange rates	(344)	-	-	(344)
Balance as of March 31, 2023	<u>\$ 6,447,778</u>	<u>44,228</u>	<u>5,280</u>	<u>6,497,286</u>
Accumulated depreciation:				
Balance as of January 1, 2024	\$ 1,627,945	22,114	3,874	1,653,933
Depreciation for the year	140,399	2,764	498	143,661
Decrease	(12,221)	-	-	(12,221)
Effect of changes in foreign exchange rates	(338)	-	-	(338)
Balance as of March 31, 2024	<u>\$ 1,755,785</u>	<u>24,878</u>	<u>4,372</u>	<u>1,785,035</u>
Balance as of January 1, 2023	\$ 1,682,683	11,057	1,878	1,695,618
Depreciation for the year	180,443	2,764	501	183,708
Decrease	(426,936)	-	-	(426,936)
Effect of changes in foreign exchange rates	(109)	-	-	(109)
Balance as of March 31, 2023	<u>\$ 1,436,081</u>	<u>13,821</u>	<u>2,379</u>	<u>1,452,281</u>
Carrying amount:				
Balance as of January 1, 2024	<u>\$ 4,493,447</u>	<u>22,114</u>	<u>2,578</u>	<u>4,518,139</u>
Balance as of March 31, 2024	<u>\$ 4,176,716</u>	<u>19,350</u>	<u>2,080</u>	<u>4,198,146</u>
Balance as of January 1, 2023	<u>\$ 1,980,110</u>	<u>33,171</u>	<u>3,402</u>	<u>2,016,683</u>
Balance as of March 31, 2023	<u>\$ 5,011,697</u>	<u>30,407</u>	<u>2,901</u>	<u>5,045,005</u>

The Group rented buildings as warehouse from Chunghwa Post Co., Ltd. in February, 2023. The lease term is 15 years and rental fee will be adjusted yearly based on the Price Index of the year.

(l) Intangible assets

The costs and amortization and impairment loss of intangible assets of the Group for the three months ended March 31, 2024 and 2023, were as follows:

	<u>Software</u>	<u>Goodwill</u>	<u>Concession</u>	<u>Others</u>	<u>Total</u>
Carrying amounts:					
Balance at January 1, 2024	\$ <u>48,308</u>	<u>5,011,342</u>	<u>379,354</u>	<u>263,259</u>	<u>5,702,263</u>
Balance at March 31, 2024	<u>\$ 70,319</u>	<u>5,011,342</u>	<u>365,806</u>	<u>256,011</u>	<u>5,703,478</u>
Balance at January 1, 2023	<u>\$ 70,409</u>	<u>5,011,342</u>	<u>433,548</u>	<u>292,309</u>	<u>5,807,608</u>
Balance at March 31, 2023	<u>\$ 64,033</u>	<u>5,011,342</u>	<u>427,597</u>	<u>277,448</u>	<u>5,780,420</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 2024 and 2023. Information on amortization for the period is discussed in Note (12)(a). Please refer to Notes (6)(g) and (l) of the 2023 annual consolidated financial statements for other related information.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. On July 29, 2022, the Group obtained the amounts of \$1,482,473 thousand, \$57,421 thousand and \$170,214 thousand, arising from the acquisition of Cherri Tech Inc., in goodwill, expertise and customer relationship, respectively. Please refer to the Note (6)(g) for relevant information.

2. Cash generating units of goodwill apportioned to the consolidated company

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
PChome CB Co., Ltd.	\$ 99,358	99,358	99,358
Yun Tan Technology Inc.	15,161	15,161	15,161
21st Century Technology Co., Ltd.	-	3,414,350	3,414,350
Cherri Tech Inc.	1,482,473	1,482,473	1,482,473
21st Financial Technology Co., Ltd.	<u>3,414,350</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,011,342</u>	<u>5,011,342</u>	<u>5,011,342</u>

Since February 16, 2024, the effective date of merger, 21st Financial Technology Co., Ltd. assumed all the assets, rights, liabilities and obligations of 21st Century Technology Co., Ltd. due to the investment structure adjustment within the Group. Please refer to Note (4)(b) for other related information.

(m) Other current financial assets and other non-current financial asset

The other current financial assets others and other non-current financial assets of the Group were as follows:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Time deposits-current	\$ 812,287	831,586	1,201,549
Guarantee deposits paid	526,890	509,679	249,110
Trust accounts	<u>436,274</u>	<u>426,613</u>	<u>288,514</u>
	<u>\$ 1,775,451</u>	<u>1,767,878</u>	<u>1,739,173</u>

1. Time deposits that do not meet the definition of cash equivalents are recognized as other current financial assets.

2. For special trust accounts, please refer to Note (9)(f).

3. Please refer to Note (8) for the assets pledged as collateral by the Group.

(n) Short-term borrowings

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Unsecured bank loans	\$ 887,778	413,321	3,340,840
Secured bank loans	2,012,196	1,948,662	1,689,532
Other short-term loans	301,307	393,384	85,055
Short-term notes and bills payable	<u>199,639</u>	<u>199,650</u>	<u>100,000</u>
	<u>\$ 3,400,920</u>	<u>2,955,017</u>	<u>5,215,427</u>
Unused short-term credit line	<u>\$ 5,199,310</u>	<u>5,308,514</u>	<u>3,356,770</u>
Range of interest rates	<u>0.97%~4.62%</u>	<u>0.97%~4.62%</u>	<u>0.97%~4.49%</u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Group for the collateral for short-term borrowings, please refer to Note (8).

The Group's guaranteed bank and other borrowings arising from the alienation of claims receivable, please refer to Note (6)(d) for relevant explanations.

For details of loans and guarantees provided by related parties, please refer to Note (7).

(o) Other current liabilities

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Receipts under custody-online payment processing service mainly	\$ 1,867,748	1,859,707	1,783,596
Current refund liabilities	25,630	33,941	35,071
Others-shopping credits	<u>339,212</u>	<u>337,103</u>	<u>330,907</u>
	<u>\$ 2,232,590</u>	<u>2,230,751</u>	<u>2,149,574</u>

Agreements were entered into between the Group and its online sellers for entrusting the Group to collect sellers' online transaction payments. Collections were recognized under other current liabilities and were accounted for as payables to the sellers.

Current refund liabilities were expected to be paid to customers due to their right to refund the goods, and were recognized under other current liabilities.

(p) Long-term borrowings

The details were as follows:

	<u>2024.3.31</u>			
	<u>Currency</u>	<u>Rate</u>	<u>Maturity year</u>	<u>Amount</u>
Unsecured bank loans	TWD	1.57%~1.63%	2024~2030	\$ 677,145
Secured bank loans	TWD	1.63%~2.74%	2026~2028	2,289,348
Other long-term borrowings	TWD	3.99%	2024	100,000
Loans from related parties	TWD	2.75%	2024~2025	528,718
Less: current portion				<u>(576,262)</u>
Total				<u>\$ 3,018,949</u>
Unused long-term credit lines				<u>\$ 1,851,000</u>
	<u>2023.12.31</u>			
	<u>Currency</u>	<u>Rate</u>	<u>Maturity year</u>	<u>Amount</u>
Unsecured bank loans	TWD	1.45%~2.26%	2024~2030	\$ 945,215
Secured bank loans	TWD	1.50%~2.74%	2026~2028	2,170,814
Other long-term borrowings	TWD	3.99%	2024	100,000
Loans from related parties	TWD	2.75%	2024~2025	528,718
Less: current portion				<u>(428,944)</u>
Total				<u>\$ 3,315,803</u>
Unused long-term credit lines				<u>\$ 2,624,200</u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2023.3.31			
	Currency	Rate	Maturity year	Amount
Unsecured bank loans	TWD	1.445%~3.35%	2023, 2024 2026, 2028	\$ 841,650
Secured bank loans	TWD	1.5%~2.25%	2025, 2028	530,300
Other long-term borrowings	TWD	3.99%	2023~2024	150,000
Loans from related parties	TWD	2.75%	2023~2024	725,525
Less: current portion				<u>(107,042)</u>
Total				<u>\$ 2,140,433</u>
Unused long-term credit lines				<u>\$ 2,423,800</u>

The circumstances of the Group setting mortgage on assets as a guarantee for bank borrowings, please refer to Note (8).

The Group has entered into a syndicated credit agreement with financial institutions in 2023, under which, specific financial ratios must be maintained in the Group's annual audited financial statements and semi-annual reviewed financial statements of the parent company, and the consolidated financial statements. In the event that the aforementioned financial ratios fail to meet the agreed-upon requirements, the Company may, in accordance with the provisions of the agreements, submit a written request to the arranger bank for confirmation by the lending banks, and the majority of the lending banks may decide whether or not to grant a waiver of the financial ratios, and the waiver will not be deemed to be a breach of the agreements until the majority of the lending banks have reached such a decision.

The Company is the joint guarantor of the unsecured bank loans of the subsidiaries, Pi Mobile Technology Inc., PChome Bibian Inc., PChome Express Co., Ltd., and 21st Century Digital Technology Co., Ltd., as of March 31, 2024. For the information about guarantees and endorsements for other parties, please refer to Note (13)(a).

For details of loans and guarantees provided by related parties, please refer to Note (7).

(q) Bonds payable

The details of secured convertible bonds were as follows:

	2023.12.31	2023.3.31
Total convertible corporate bonds issued	1,500,000	1,500,000
Unamortized discounted corporate bonds payable	-	(5,098)
Cumulative redeemed amount	(1,379,000)	-
Cumulative converted amount	<u>(121,000)</u>	<u>(121,000)</u>
Balance of corporate bonds issued	<u>-</u>	<u>1,373,902</u>
Equity component – conversion options, included in capital surplus– stock options	<u>129,737</u>	<u>129,737</u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Convertible bonds that were recognized in profit or loss were as follows:

	For the three months ended March 31,
	2023
Embedded derivative instruments – call options, included in other gains or losses	\$ <u><u>-</u></u>
Interest expense	\$ <u><u>2,455</u></u>

As of March 31, 2023, the amount of bonds payable was \$1,373,902 thousand, and the duration of the bonds payable was less than one year, recognized as the current portion of long-term debt.

The Company issued secured 3-year convertible bonds at October 7, 2020, the face value of this bond amounted to \$1,500,000 thousand, coupon rate is 0% and was issued at 107.42% of the face value. Therefore, the actual borrowing amount was \$1,611,304 thousand. The issuance period was from October 7, 2020, to October 7, 2023, while the conversion period started from January 8, 2021, to October 7, 2023. The Company repaid the convertible corporate bonds at face value in one lump sum in cash upon maturity.

The Company has entered into an agreement to guarantee the issuance of corporate bonds with KGI Bank, Chang Hwa Commercial Bank Ltd. and Far Eastern International Bank Co., Ltd. During the guarantee period (the same as the issuance period of the secured convertible bonds), these financial institutions are responsible for assuming main and subordinated debts such as the principal balance of convertible bonds and interest compensation payables. The guarantee ratio of KGI Bank, Chang Hwa Commercial Bank, Ltd., and Far Eastern International Bank Co., Ltd is 40%, 40% and 20%, respectively.

Relevant information for the price risk of embedded derivative – call options please refer to Note (6)(z).

(r) Lease liabilities

The carrying amounts of lease liabilities of the Group were as follows:

	2024.3.31	2023.12.31	2023.3.31
Current	\$ <u><u>538,803</u></u>	<u><u>550,664</u></u>	<u><u>582,653</u></u>
Non-current	\$ <u><u>4,000,821</u></u>	<u><u>4,128,727</u></u>	<u><u>4,527,085</u></u>

Maturity analysis please refer to Note (6)(z).

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2024	2023
Interests on lease liabilities	\$ <u><u>13,797</u></u>	<u><u>13,665</u></u>
Expenses relating to short-term leases	\$ <u><u>10,663</u></u>	<u><u>11,320</u></u>
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	\$ <u><u>1,762</u></u>	<u><u>2,566</u></u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Total cash outflow for leases	\$ <u>170,626</u>	<u>186,821</u>

The Group leases buildings for its office space and warehouses. The leases of office space typically run of a period for 1 to 3 years, and of warehouses for 3 to 15 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.

(s) Income taxes

1. Income tax expense recognized in profits or losses

The amounts of income tax expense for the three months ended March 31, 2024 and 2023, were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Current income tax expenses:		
Current period	\$ 59,339	45,371
Adjustment for prior periods	<u>(8,281)</u>	<u>-</u>
	<u>51,058</u>	<u>45,371</u>
Deferred tax expense:		
Origination and reversal of temporary differences	<u>(24,378)</u>	<u>(5,535)</u>
Income tax expenses	<u>\$ 26,680</u>	<u>39,836</u>

2. The amounts of income tax expenses recognized in other comprehensive income for the three months ended March 31, 2024 and 2023, both were zero.

3. The Company's tax returns for the years through 2021 were examined and approved by the Taipei National Tax Administration.

(t) Capital and other equity

1. Issuance of common stock

As of March 31, 2024, December 31, 2023, and March 31, 2023, the total value of nominal ordinary shares amounted to \$2,000,000 thousand. The face value of each share is \$10. There were 143,953 thousand, 143,953 thousand and 128,163 thousand ordinary shares issued, respectively. (including the issuance of the employee restricted shares amounted to 319 thousand, 319 thousand and 529 thousand shares as of March 31, 2024, December 31, 2023, and March 31, 2023, respectively.) All issued shares were paid up upon issuance.

On September 17, 2021, as resolved by the board of directors, common shares were issued at a private offering price of \$106.65 per share, in a quantity of 10,000 thousand shares with a par value of \$10 per share. The private offering cut-off date was set on October 1, 2021. In actuality, 9,377 thousand shares were issued, and the relevant changes in registration have been completed.

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The transfer of the aforementioned privately offered common shares, along with any subsequent gratis allotment of shares, is subject to the provisions stipulated under Article 43-8 of the Securities Exchange Act. Furthermore, a declaration for the supplementary public offering and listing on the over-the-counter market shall only be initiated after a period of three years from the date of delivery of the privately offered common share (November 18, 2021), in compliance with the relevant regulations and laws.

On February 21, 2023, the Board of Directors resolved to issue 16,000 thousand common shares at a price of \$40.1 per share, and par value per share is \$10, as totaling \$641,600 thousand. The Company has received approval from the Financial Supervisory Commission in the letter No. 1120345634 on June 20, 2023, for this capital increase. The relevant statutory registration procedures have since been completed.

2. Capital surplus

The balances of additional paid-in capital were as follows:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Share capital	\$ 3,114,669	3,114,669	2,600,396
Conversion premium	119,798	119,798	119,798
Differences between consideration and carrying amount of subsidiaries acquired or disposed	1,714,997	1,714,997	1,714,997
Changes in equity of subsidiaries	472,728	475,645	507,856
Changes in equity of investment in associates and joint ventures accounted for using the equity method	3,934	3,934	3,934
Issuance of convertible bonds	129,737	129,737	129,737
Share based payment transactions—employee restricted shares	-	-	29,579
Share based payment transactions—treasury stock	2,138	2,138	2,138
Total	<u>\$ 5,558,001</u>	<u>5,560,918</u>	<u>5,108,435</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Retained earnings

The Company's article of incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficit, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve. However, this restriction is not applied when the legal reserve has reached the paid-in capital of the Company; In addition, according to the operation needs of the Company and the provisions of laws and regulations, if there is a balance of the special surplus reserve, priority may be given to the distribution of dividends of the special shares of the current year. And then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the board of directors and submitted to the shareholders' meeting for proposal.

The Company may explicitly stipulate in the Articles of Incorporation to authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The Company adopts the residual dividend policy; the residual earnings will be distributed by cash dividends before the Company fulfills the funding needs, and the ratio for stock dividend shall not exceed 80% of the total distribution. The amount, type and ratio of such dividend distribution, may be approved by the Board of Directors based on the actual profit and financial situation of the current year and submitted to the shareholders' meeting for decision.

The Board of Directors of the Company resolved not to distribute dividends for 2023 and 2022 on March 19, 2024 and March 20, 2023. Relevant information would be available at the Market Observation Post System website.

4. Treasury shares

On March 16, 2021, the Board of Directors of the Company resolved to repurchase its ordinary shares from the centralized securities exchange market, in order to transfer to employees, at price between \$60 and \$110 per share, in accordance with the requirements under section 28(2) of the Securities and Exchange Act. As of March 31, 2024, a total of 1,230 thousand shares have been bought back at a cost of \$108,254 thousand, of which 351 thousand shares were transferred to employees in 2021, amounting to \$30,892 thousand. The cost does not exceed the upper limit amount \$108,440 thousand approved by the Board of Directors.

On May 11, 2022, the Board of Directors of the Company resolved to repurchase its ordinary shares from the centralized securities exchange market, in order to transfer to employees, at price between \$70 and \$125 per share, in accordance with the requirements under section 28(2) of the Securities and Exchange Act. As of March 31, 2024, a total of 1,900 thousand shares have been bought back at a cost of \$133,140 thousand. The cost does not exceed the upper limit amount \$286,781 thousand approved by the Board of Directors.

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and should not hold any shareholder rights before their transfer.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. Other equity, net of tax

	Exchange difference on translation of foreign financial statements	Unrealized gains from financial assets measured at fair value through other comprehensive income	Unearned Employee Compensation
Balance at January 1, 2024	\$ (26,794)	237,826	-
Exchange differences on foreign operations	4,323	-	-
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(12,216)	-
Balance at March 31, 2024	<u>\$ (22,471)</u>	<u>225,610</u>	<u>-</u>
Balance at January 1, 2023	\$ (9,252)	156,045	(41)
Exchange differences on foreign operations	(7,379)	-	-
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	34,347	-
Share-based payment transactions	-	-	10
Balance at March 31, 2023	<u>\$ (16,631)</u>	<u>190,392</u>	<u>(31)</u>

6. Non-controlling Interests

	2024	2023
Balance at January 1	\$ 2,056,165	2,062,194
Shares of non-controlling interests		
Gain for the ended March 31	45,737	40,098
Unrealized gains from financial assets measured at fair value through other comprehensive income	2,851	163
Remeasurement from defined benefit plans	(7,801)	3,046
Changes in non-controlling interests	(5,221)	(97,687)
Share-based payment transactions	5,097	6
Balance at March 31	<u>\$ 2,096,828</u>	<u>2,007,820</u>

(u) Share-based payment

1. The Group's shared-based payment arrangements are as follows:

	Equity-settled					
	Treasury stocks transferred to employees	Treasury stocks transferred to employees	Subsidiaries' employee stock options	Subsidiaries' employee stock options	Subsidiaries' employee stock options	Cash capital increase reserve for employee
Grant date	August 6, 2021	November 3, 2021	September 1, 2022	April 1, 2023	October 5, 2023	June 28, 2023
Number of shares granted	333,000 shares	18,000 shares	55,000 shares	5,880,000 shares	1,538,495 shares	667,000 shares
Contract term	2 years	2 years	6 years	10 years	0.1 years	-
Vesting conditions	Immediately vested	Immediately vested	Note 1	Note 2	Immediately vested	Immediately vested

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1: The Group provides 25% of its shares as employee stock options after the first year of service rendered by its employees, wherein an average of 2.08% of the shares can be realized monthly from the second to fourth year of their service.

Note 2: Employees who have vested in 4 years can obtain 25% of the warrants for each of their full year of service.

1) Determining the fair value of equity instruments granted

The Group adopted the Black-Scholes Model to calculate the fair value of the stock option at grant date, and the assumptions adopted in this valuation model were as follows:

	Treasury stocks transferred to employees	Treasury stocks transferred to employees	Subsidiaries' employee stock options	Subsidiaries' employee stock options	Subsidiaries' employee stock options	Cash capital increase reserve for employee
Fair value at grant date	4.88	17.96	14.19	USD0.127~0.755	1.91	10.55
Stock price at grant date	91.18	105.64	14.19	USD1.375	11.86	50.60
Exercise price	-	-	10.00	USD0.0001	\$10	\$40.10
Expected volatility (%)	46.82%	42.65%	21.89%	55.25%	38.73%	22.72%
Expected life of the option (years)	-	-	6 years	10 years	0.1 years	0.12 years
Risk-free interest rate (%)	0.0484%	0.0909%	1.0195%	1.1163%~1.2275%	1.0057%	1.10%

2) Information on employee stock options

(Unit: Thousands)

	For the three months ended March 31,			
	2024		2023	
	Weighted-average exercise price	Numbers of options	Weighted-average exercise price	Numbers of options
Balance, beginning of January 1	NTD 0.50	5,148,457	USD -	-
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options expired	-	-	-	-
Balance, end of March 31	0.50	5,148,457	-	-

2. Expenses and liabilities resulted from share-based payments

The incurred expenses from share-based payments transactions for the three months ended March 31, 2024 and 2023, were as follows:

	For the three months ended March 31,	
	2024	2023
Salary expenses	\$ 5,097	31

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(v) Earnings per share

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Loss attributable to common stockholders of the Company	<u>(75,698)</u>	<u>(120,977)</u>
Weighted-average number of ordinary shares	<u>141,174</u>	<u>125,384</u>
Basic earnings per share (New Taiwan Dollars)	<u>(0.54)</u>	<u>(0.96)</u>

Due to the net loss after tax of the Group in for the three months ended March 31, 2024 and 2023, when calculating the potential items of diluted earnings per share, it will have an anti-dilutive effect. Therefore, the diluted earnings per share is excluded.

(w) Revenue from contracts with customers

1. Disaggregation of revenue

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Revenue of electronic commerce	\$ 9,229,308	9,844,034
Revenue of non-electronic commerce	<u>420,910</u>	<u>311,866</u>
	<u>\$ 9,650,218</u>	<u>10,155,900</u>

For details on accounts receivables and allowance for impairment, please refer to Note (6)(d).

The amount of revenue recognized for the three months ended March 31, 2024 and 2023 that were included in the contract liability balance at the beginning of the period were \$463,765 thousand and \$412,642 thousand, respectively.

2. Contract balances

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.12.31</u>
Contract liabilities	<u>\$ 485,780</u>	<u>519,984</u>	<u>529,474</u>

(x) Remunerations to employees, directors and supervisors

In accordance with the articles of the Company should contribute 1%~15% of the profit as employee compensation and less than 1.5% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficit, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

No remunerations to employees, and directors and supervisors were accrued by the Company due to net loss after tax for the three months ended March 31, 2024 and 2023.

No remunerations to employees, and directors and supervisors were accrued by the Company due to net loss after tax for the year ended December 31, 2023, due to net loss after tax. For the year ended December 31, 2022, the Company estimated its employees' remuneration amounting to \$2,352 thousand, and directors' and supervisors' remuneration amounting to \$264 thousand. There were no differences between the estimated amount in the financial statement and the actual amount distributed to employees in 2022. Related information would be available on the Market Observation Post System website.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(y) Non-operating income and expenses

1. Interest income

The details of interest income were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Interest income from bank deposits	\$ 8,659	10,094
Other interest income	873	235
Total interest income	<u>\$ 9,532</u>	<u>10,329</u>

2. Other income

The details of other income were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Income from fines and penalties- 21st Century Digital Technology Co., Ltd.	\$ -	46,986
Gain on recovery of bad debts - 21st Century Digital Technology Co., Ltd.	4,392	6,233
Income from the collection and payments -PChome Store Inc.	8,469	-
Credit card rewards -PChome Bibian Inc.	4,009	2,750
Income from tinsurance cliam -PChome Express Co., Ltd.	10,000	-
Government grants	1,892	3,996
Other income	13,445	12,630
Total other income	<u>\$ 42,207</u>	<u>72,595</u>

3. Other gains and losses, net

The details of other gains and losses were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Gains on disposal of property, plant and equipment	215	7,775
Loss on disposal of investments	-	(2,999)
Lease modification	128	28,120
Foreign currency exchange gains	1,024	90
Others	(3,567)	(2,941)
Other gains and losses, net	<u>\$ (2,200)</u>	<u>30,045</u>

4. Finance costs

The details of finance cost were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Interest expenses borrowing	\$ 25,811	20,785
Interest expenses on lease liabilities	13,797	13,665
Interest expenses on bonds	-	2,455
Others	2,398	-
Finance costs, net	<u>\$ 42,006</u>	<u>36,905</u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(z) 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 other information about the fair value of financial instruments, please refer to Note (6)(x) of the consolidated financial statements for the year ended December 31, 2023.

1. Liquidity risk

The following are the contractual maturities of financial liabilities of the Group, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Balance at March 31, 2024							
Non-derivative financial liabilities							
Short-term borrowings	\$ 3,400,920	3,400,920	1,353,441	2,047,479	-	-	-
Accounts and notes payable	2,554,289	2,554,289	2,554,289	-	-	-	-
Other payables	1,181,939	1,181,939	1,163,206	18,733	-	-	-
Receipts under custody	1,867,748	1,867,748	1,867,748	-	-	-	-
Lease liability	4,539,624	4,539,624	281,504	257,299	434,292	932,978	2,633,551
Long-term borrowings	3,595,211	3,595,211	382,603	193,659	2,055,839	959,080	4,030
Long-term payables	84,735	84,735	-	-	84,735	-	-
	<u>\$ 17,224,466</u>	<u>17,224,466</u>	<u>7,602,791</u>	<u>2,517,170</u>	<u>2,574,866</u>	<u>1,892,058</u>	<u>2,637,581</u>
Balance at December 31, 2023							
Non-derivative financial liabilities							
Short-term borrowings	\$ 2,955,017	2,955,017	1,000,748	1,954,269	-	-	-
Accounts and notes payable	3,171,460	3,171,460	3,171,460	-	-	-	-
Other payables	1,313,941	1,313,941	1,284,303	29,638	-	-	-
Receipts under custody	1,859,707	1,859,707	1,859,707	-	-	-	-
Lease liability	4,679,391	4,679,391	289,629	261,035	457,561	970,874	2,700,292
Long-term borrowings	3,744,747	4,031,997	291,042	137,902	3,090,226	512,531	296
Long-term payables	84,735	84,735	-	-	84,735	-	-
	<u>\$ 17,808,998</u>	<u>18,096,248</u>	<u>7,896,889</u>	<u>2,382,844</u>	<u>3,632,522</u>	<u>1,483,405</u>	<u>2,700,588</u>
Balance at March 31, 2023							
Non-derivative financial liabilities							
Short-term borrowings	\$ 5,215,427	5,215,427	4,027,635	1,187,792	-	-	-
Accounts and notes payable	2,469,341	2,469,341	2,467,895	1,446	-	-	-
Other payables	1,259,756	1,259,756	1,256,714	3,042	-	-	-
Receipts under custody	1,783,596	1,783,596	1,783,596	-	-	-	-
Lease liability	5,109,738	5,109,738	284,811	297,842	531,936	1,095,828	2,899,321
Bonds payable	2,247,475	2,247,475	53,792	553,250	1,057,025	159,208	424,200
Long-term borrowings	1,373,902	1,379,000	-	1,379,000	-	-	-
Long-term payables	234,748	234,748	-	-	150,174	84,574	-
	<u>\$ 19,693,983</u>	<u>19,699,081</u>	<u>9,874,443</u>	<u>3,422,372</u>	<u>1,739,135</u>	<u>1,339,610</u>	<u>3,323,521</u>

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

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Currency risk

1) Currency risk exposure

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

	2024.3.31			2023.12.31			2023.3.31		
	Foreign currency (thousands of dollars)	Exchange rate	TWD	Foreign currency (thousands of dollars)	Exchange rate	TWD	Foreign currency (thousands of dollars)	Exchange rate	TWD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 1,922	32.00	61,504	2,491	30.69	76,510	4,807	30.45	146,366
JPY	32,472	0.2114	6,865	47,832	0.2173	10,394	62,827	0.2288	14,375
SGD	-	-	-	-	-	-	788	22.92	18,052
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	202	32.00	6,475	239	30.69	7,349	351	30.45	10,695

2) 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, other receivables, and accounts payable that are denominated in foreign currency.

A 5% appreciation or depreciation of the TWD against the USD, JPY and SGD as of March 31, 2024 and 2023, would have increased or decreased net loss by \$2,476 thousand and \$6,724 thousand, respectively. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the three months ended March 31, 2024 and 2023.

Due to the variety of functional currency, the Group disclosed the foreign currency gain or loss on monetary items aggregately. For the three months ended March 31, 2024 and 2023, the foreign exchange gain (including realized and unrealized) were \$1,024 thousand and \$90 thousand, respectively.

3) Interest analysis

The interest rate exposure of the Group's financial assets and liabilities is described in Note (6)(z) on liquidity risk management.

The following sensitivity analysis is based on the exposure to the interest rate risk of financial assets and liabilities on the reporting date.

If the interest rate had increased or decreased by 0.1%, the Group's net income would have increased or decreased by \$2,179 thousand and \$775 thousand for the three months ended March 31, 2024 and 2023, respectively, with all other variable factors remaining constant. This is mainly due to the Group's deposits and borrowings at variable rates.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Other market price risk

For the three months ended March 31, 2024 and 2023, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for profit or loss as illustrated below:

<u>Prices of securities at the reporting date</u>	For the three months ended March 31,			
	2024		2023	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 1%	\$ 6,716	2,743	6,632	3,121
Decreasing 1%	(6,716)	(2,743)	(6,632)	(3,121)

4. Fair value of financial instruments

1) Fair value hierarchy

The carrying amount and fair value of the Group's financial assets, including the information on fair value hierarchy were as follows:

	2024.3.31				
	<u>Book Value</u>	Fair Value			<u>Total</u>
		Level 1	Level 2	Level 3	
Fair value through profit or loss					
Preferred stock	\$ 342,903	-	-	342,903	342,903
Foreign convertible bonds	87,096	-	-	87,096	87,096
	<u>\$ 429,999</u>	<u>-</u>	<u>-</u>	<u>429,999</u>	<u>429,999</u>
Fair value through other comprehensive income					
Domestic and foreign stock of non-listed company	<u>\$ 839,566</u>	<u>-</u>	<u>-</u>	<u>839,566</u>	<u>839,566</u>
	2023.12.31				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Fair value through profit or loss					
Preferred stock	\$ 342,903	-	-	342,903	342,903
Foreign convertible bonds	87,096	-	-	87,096	87,096
	<u>\$ 429,999</u>	<u>-</u>	<u>-</u>	<u>429,999</u>	<u>429,999</u>
Fair value through other comprehensive income					
Domestic and foreign stock of non-listed company	<u>\$ 859,583</u>	<u>-</u>	<u>-</u>	<u>859,583</u>	<u>859,583</u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2023.3.31				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Fair value through profit or loss					
Preferred stock	\$ 390,074	-	-	390,074	390,074
Foreign convertible bonds	<u>31,328</u>	-	-	<u>31,328</u>	<u>31,328</u>
	<u><u>\$ 421,402</u></u>	<u>-</u>	<u>-</u>	<u><u>421,402</u></u>	<u><u>421,402</u></u>
Fair value through other comprehensive income					
Domestic and foreign stock of non-listed company	<u>\$ 828,984</u>	<u>-</u>	<u>-</u>	<u><u>828,984</u></u>	<u><u>828,984</u></u>

2) Valuation techniques for financial instruments measured at fair value

2.1) Non-derivative financial instruments

The financial instruments held by the Group are regarded as non-quoted price of the equity instruments. The fair value of the financial instruments is estimated by the comparable listed company market approach. The major assumption is measured by the multiplier which is derived from comparable listed company market approach. The effect of the estimation has been adjusted by the lack of market liquidity discounted rate.

2.2) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models.

3) Reconciliation of Level 3 fair values

	Fair value through profit or loss	Fair value through other comprehensive income
Opening balance, January 1, 2024	\$ 429,999	859,583
Total gains and losses recognized:		
In other comprehensive income	-	(20,017)
Ending Balance, March 31, 2024	<u><u>\$ 429,999</u></u>	<u><u>839,566</u></u>
Opening balance, January 1, 2023	\$ 421,430	791,590
Total gains and losses recognized:		
In profit or loss	(28)	-
In other comprehensive loss	-	37,394
Ending Balance, March 31, 2023	<u><u>\$ 421,402</u></u>	<u><u>828,984</u></u>

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023, the total gains and losses that were included in “other gains and losses” and “unrealized gains and losses from fair value through other comprehensive income” were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Total gains and losses recognized:		
In other gains and losses	-	(28)
In other comprehensive income, and including “unrealized gains and losses from fair value through other comprehensive income”	(20,017)	37,394

4) 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 fair value include “financial assets measured at fair value through profit or loss – derivative financial instruments” and “fair value through other comprehensive income available-for-sale financial assets – equity investments”.

Most of the Group’s financial instruments categorized as Level 3 and have only one significant unobservable input. Derivative financial instruments and equity investments, which have no active market price, have more than one significant unobservable inputs, and those inputs have no correlation between each other.

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Fair value through profit or loss – Embedded derivative – call options	Binomial tree pricing convertible bonds model	·Volatility (March 31, 2023 was 46.13%.)	·The estimated fair value would increase (decrease) if the volatility were higher (lower).
Fair value through profit or loss – Equity and debt investments without an active market	Comparable listed company market approach	·Market value ratio (March 31, 2024 and December 31, 2023 were 0.895~11.54 and 0.895~11.54, respectively.) ·Liquidity discounted rate (March 31, 2024, December 31, 2023 and March 31, 2023 were 11.38%~30%, 11.38%~30% and 28.05%~30%, respectively.)	·The estimated fair value would increase (decrease) if the market value were higher (lower). ·The estimated fair value would increase (decrease) if the lack of liquidity discounted rate or weighted average cost of capital were lower (higher).
	Discounted cash flow Method	·Weighted average cost of capital (March 31, 2024 and December 31, 2023 were both 14.27%)	

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Fair value through other comprehensive income – Equity investments without an active market	Comparable listed company market approach	<ul style="list-style-type: none"> ·Market value ratio (March 31, 2024, December 31, 2023 and March 31, 2023 were, 0.795~18.33, 0.84~17.84 and 0.93~9.70, respectively.) ·Liquidity discounted rate (March 31, 2024, December 31, 2023 and March 31, 2023 were 10%~30%, 2.42%~48.08% and 2.39%~30%, respectively.) 	<ul style="list-style-type: none"> ·The estimated fair value would increase (decrease) if the market value were higher (lower). ·The estimated fair value would increase (decrease) if the lack of liquidity discounted rate were lower (higher).

5) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

Sensitivity analysis for fair values of financial instruments using Level 3 Inputs, the Group's fair value measurement on financial instruments is reasonable. However, the measurement would be different if different valuation models or valuation parameters are used. For financial instruments using level 3 inputs, the impact on the net income or loss and other comprehensive income or loss will be as follows if the valuation parameters changed:

	<u>Input</u>	<u>Variation</u>	<u>Profit or loss</u>		<u>Other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>	<u>Favorable</u>	<u>Unfavorable</u>
March 31, 2024						
Financial assets at fair value through profit or loss						
Derivative financial instruments	P/S ratio	5%	\$ 4,355	(4,355)	-	-
Equity investments without an active market	P/S ratio etc.	5%	17,145	(17,145)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market value ratio	5%	-	-	33,237	(33,115)
"	Liquidity discounted rate	5%	-	-	51,474	(51,008)
			\$ 21,500	(21,500)	84,711	(84,123)

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	<u>Input</u>	<u>Variation</u>	<u>Profit or loss</u>		<u>Other comprehensive income</u>	
			<u>Favor-able</u>	<u>Unfavor-able</u>	<u>Favor-able</u>	<u>Unfavor-able</u>
December 31, 2023						
Financial assets at fair value through profit or loss						
Derivative financial instruments	P/S ratio	5%	4,355	(4,355)	-	-
Equity investments without an active market	P/S ratio etc.	5%	17,145	(17,145)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market value ratio	5%	-	-	35,936	(35,204)
"	Liquidity discounted rate	5%	-	-	48,122	(48,025)
			\$ 21,500	(21,500)	84,058	(83,229)
March 31, 2023						
Financial assets at fair value through profit or loss						
Derivative financial instruments	P/S ratio	5%	1,566	(1,566)	-	-
Equity investments without an active market	P/S ratio etc.	5%	19,504	(19,504)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market value ratio	5%	-	-	29,515	(31,550)
"	Liquidity discounted rate	5%	-	-	47,221	(46,535)
			\$ 21,070	(21,070)	76,736	(78,085)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(aa) Financial risk management

There were no significant changes in the Group's objectives and policies applied in the financial risk management as compared to Note (6)(ab) of the consolidated financial statements for the year ended December 31, 2023.

(ab) Capital management

The Group's objectives, policies, and processes for capital management were consistent with the consolidated financial statements for the year ended December 31, 2023. There were no significant changes in the quantified factors of capital management as compared to the consolidated financial statements for the year ended December 31, 2023. For other information about the capital management, please refer to Note (6)(ac) of the consolidated financial statements for the year ended December 31, 2023.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ac) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the March 31, 2024 and 2023, were as follows:

1. For right-of-use assets under lease, please refer to Note (6)(k).
2. For conversion of convertible bonds to ordinary shares, please refer to Note (6)(q).
3. The reconciliation of liabilities arising from financing activities was as follows:

	<u>2024.1.1</u>	<u>Cash flows</u>	<u>Non-cash changes</u> <u>Others</u>	<u>2024.3.31</u>
Long-term borrowings	\$ 3,744,747	(149,536)	-	3,595,211
Short-term borrowings	2,955,017	445,903	-	3,400,920
Lease liabilities	4,679,391	(144,404)	4,637	4,539,624
Total liabilities from financing activities	<u>\$ 11,379,155</u>	<u>151,963</u>	<u>4,637</u>	<u>11,535,755</u>

	<u>2023.1.1</u>	<u>Cash flows</u>	<u>Non-cash changes</u> <u>Others</u>	<u>2023.3.31</u>
Long-term borrowings	\$ 2,246,600	875	-	2,247,475
Short-term borrowings	3,362,455	1,852,972	-	5,215,427
Lease liabilities	2,084,863	(159,270)	3,184,145	5,109,738
Bonds payable	1,371,447	-	2,455	1,373,902
Total liabilities from financing activities	<u>\$ 9,065,365</u>	<u>1,694,577</u>	<u>3,186,600</u>	<u>13,946,542</u>

(7) Related-Party Transactions

- (a) Ultimate controlling party
- (b) Names and relationships with related parties

The followings are entities that have had transactions with related party during the period covered in the consolidated interim financial statements.

<u>Names of related party</u>	<u>Relationships with the Group</u>
Rakuya International Info. Co. Ltd.	Associate of the Company
Ruten Japan KK (Note1)	"
SHANG-ENINFO CO., LTD	"
UPN Information Co., Ltd.	"
Miho International Cosmetic Co., Ltd.	Other related party of the Company
Eastern Online Co., Ltd.	"
EOLEMBRAIN ONLINE MARKETING RESEARCH CO., LTD.	"

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

<u>Names of related party</u>	<u>Relationships with the Group</u>
SITE INC.	Other related party of the Company
PAYEASY DIGIATL INTERNATIONAL CO., LTD.	"
Cyu Wei Jing Rong Ke Ji Co., Ltd.	"
21St Century Co., Ltd.	"
21St Century Zi-Rong Co., Ltd.	"
21St Century Xin Yong Guan Li Co., Ltd.	"
Yin Zhen Shi Ye Ltd.	"
Jing Hua Co., Ltd.	"
Lian Hong Shi Ye Ltd.	"
Wei Ting Shi Ye Co., Ltd.	"
Ming Pin Co., Ltd.	"
Te Wei Co., Ltd.	"
Yu Xin Guo Ji Co., Ltd.	"
Tai Ding Shi Ye Co., Ltd.	"
Min Yu Qi Ye Co., Ltd.	"
Shang Shan Human Culture Foundation	"
WS Fashion Group Co., Ltd.	"
Puma Consultants Limited.	"
Zhuang, Fan Jie	"
Liao, Zong Lun	"
Zhang, Man Ling	"
Zhou, Yi Ming	"

Note1: The dissolution and liquidation procedures had completed on March 20, 2023.

(c) Significant transactions with related parties

1. Purchases

The amounts of significant purchase transactions and outstanding balances between the consolidated entity and related parties were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Associates	\$ 6	-
Other related parties	152	-
	<u>\$ 158</u>	<u>-</u>

Prices for the purchases above were negotiated, and there were no comparable prices with non-related parties.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Receivables from related parties

The receivables from related parties were as follows:

<u>Item</u>	<u>Related party categories</u>	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Account receivables (Note1)	Other related parties	\$ 3,118	23,520	-
Lease receivable	Associates	3,991	4,808	7,320
Other receivables	Associates	24	100	416
Other receivables (Note2)	Other related parties	<u>2,272</u>	<u>5,390</u>	<u>48,225</u>
		<u>\$ 9,405</u>	<u>33,818</u>	<u>55,961</u>

Note 1: Collection arising from online trading.

Note 2: For the years ended December 31, 2024 and 2023, the collections and payments generated by exchanging points of the Group amounted to \$264 thousand and \$25,926 thousand, respectively. As of December 31, 2024 and 2023, the carrying amounts were recognized under other receivables.

3. Payables to related parties

<u>Item</u>	<u>Related party categories</u>	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Other payables	Other related parties	<u>\$ 87</u>	<u>1,258</u>	<u>340</u>

4. Other

<u>Item</u>	<u>Related party categories</u>	<u>For the three months ended March 31,</u>	
		<u>2024</u>	<u>2023</u>
Operating cost	Associate	\$ 39	-
Operating expenses	Associate	30	-
Operating expenses	Other related parties	1,914	519
Other operating income	Associates	18	21
Other operating income	Other related parties	55	188

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. Borrowings from Related Parties

The borrowings from related parties were as follows:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Wei Ting Shi Ye Co., Ltd.	\$ 105,355	105,355	213,621
Te Wei Co., Ltd.	106,015	106,015	62,621
Ming Yu Qi Ye Co., Ltd.	66,030	66,030	197,965
Chou, Yi Ming	<u>251,318</u>	<u>251,318</u>	<u>251,318</u>
	<u>\$ 528,718</u>	<u>528,718</u>	<u>725,525</u>

The borrowings from related parties bear interest at rates ranging from 2.75% to 3.00%, all of which are unsecured, and the carry amount was recognized under long-term borrowings and long-term liabilities, current portion.

For the three months ended March 31, 2024 and 2023, interest cost and interest expense were \$0 thousand, \$3,625 thousand, \$2,930 thousand and \$3,534 thousand, respectively.

6. Leases

The Group rented an office building from other related party to be used as its office during 2021 to 2024. An one to three years lease contract was signed with the contract price amounting to \$9,802 thousand, in which the rental fee is determined based on the nearby office rental rates. The details were as follow:

<u>Item</u>	<u>Related party categories</u>	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Lease liabilities	Other related parties	\$ 1,701	2,993	4,904
Refundable deposits	Other related parties	376	376	336
			For the three months ended March 31,	
<u>Item</u>	<u>Related party categories</u>		<u>2024</u>	<u>2023</u>
Interest expenses	Other related parties	\$	16	22

7. As of March 31, 2024, December 31, 2023, and March 31, 2023, the short-term borrowings, short-term notes payable and long-term borrowings of the Group are guaranteed by credit and real estate from other related parties, with a total amount of \$2,480,000 thousand, \$2,597,875 thousand and \$2,240,000 thousand, respectively.

(d) Transactions with key management personnel

Key management personnel compensation comprised:

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 25,151	25,434
Share-based payment	<u>5,087</u>	<u>-</u>
	<u>\$ 30,238</u>	<u>25,434</u>

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(8) Restricted Assets:

The following assets were restricted in use:

<u>Assets</u>	<u>Purpose of Pledge</u>	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Bank deposit-current (recognized under other current financial assets)	Security for performance, purchase guarantee, loans with certificate of deposits and corporate bonds guarantee	\$ 812,287	831,586	1,201,549
Refundable deposit (recognized under other non- current financial assets)	Security for provisional seizure, etc. deposits for warehouse and office rental and bank loans	526,890	509,679	249,110
		<u>\$ 1,339,177</u>	<u>1,341,265</u>	<u>1,450,659</u>

(9) Significant Contingencies and Commitments:

- (a) The agreement with a non-related party for internet phone services entered into in July 2004 was renewed on April 1, 2009. Pursuant to the newly revised agreement, the net revenue from these services is allocated each month between the parties by a set ratio. As the Company sold its internet phone services to Linktel Inc. (with 100% shareholding) on March 1, 2011, Linktel Inc. and the Company signed a contract with the non-related party in which the Company acts as the guarantor of the non-related party at all times and during the term of the agreement.
- (b) Notes payable deposited as guarantee for commercial vehicle and office and building leases were as follows:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Notes payable deposited as guarantee	\$ <u>178,338</u>	<u>245,304</u>	<u>197,655</u>

- (c) According to the “Standardized contract for telecom product or service”, the payment guarantee for Skype stored-value service should be fully provided by financial institutions. Therefore, the Group entered into an agreement with a financial institution, with having a guarantee limit were as follows:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Guarantee limit	\$ <u>2,000</u>	<u>8,500</u>	<u>8,500</u>

- (d) The Group has entered into performance guarantee contracts with financial institutions for the purchase of goods from vendors, tariff guarantee, stored value in advance and payment on behalf of vendors, with guarantee amounts as follows:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Guarantee limit	\$ <u>2,541,317</u>	<u>2,951,317</u>	<u>3,209,289</u>

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(e) As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group has paid \$531,233 thousand, \$753,219 thousand and \$114,622 thousand, for acquiring property, plant and equipment, and unrecognized relevant contractual commitments of the acquisition of property, plant and equipment amounting were 51,554 thousand, \$582,355 thousand and \$1,129,798, respectively.

(f) The Group has entered into an agreement with a financial institution for providing trust account for the Group on the balance amount received through the Group's online payment processing services to online sellers; the amount of the trust account agreed therein were as follows:

	2024.3.31	2023.12.31	2023.3.31
The trust account	\$ 436,274	426,613	228,514

(g) Due to the issuance of secured convertible bonds, the Group has entered into an agreement with a bank for providing guarantee; the amount of guarantee agreed therein were as follows:

	2024.3.31	2023.12.31	2023.3.31
Guarantee limit	\$ -	-	1,379,000

(h) Due to the performance of the contract, the guaranteed notes payable made by the Group were as follows:

	2024.3.31	2023.12.31	2023.3.31
Notes payable deposited as guarantee	\$ 3,730,000	3,960,000	2,240,000

(10) Significant Catastrophic Losses:None

(11) Significant Subsequent Events:None

(12) Others:

(a) Employee benefits, depreciation, and amortization expenses, categorized as operating cost or expense, were as follows:

Categorized as	For the three months ended March 31, 2024			For the three months ended March 31, 2023		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	74,669	362,787	437,456	77,626	400,509	478,135
Labor and health insurance	8,012	37,741	45,753	9,178	41,883	51,061
Pension	4,009	18,242	22,251	4,102	20,532	24,634
Others employee benefits	3,433	21,203	24,636	5,038	24,538	29,576
Depreciation	13,276	197,117	210,393	17,417	211,888	229,305
Amortization	1	34,151	34,152	19	31,452	31,471

(b) Seasonality of operations:

The factors of season or cycle have no impact on the operations of the Group.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(13) Additional Disclosures:

(a) 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 for the three months ended March 31, 2024:

1. Fund financing to other parties:

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other party during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limitation on fund financing
													Name	Value		
0	The Company	21st Century Financial Technology Co., Ltd.	Other receivables	Yes	350,000	350,000	-	2.75 %	2	-	Business turnover	-		-	2,564,314	2,564,314
1	21st Century Digital Technology Co., Ltd.	21st Century Financial Technology Co., Ltd.	Other receivables	Yes	670,000	670,000	559,320	2.75 %	2	-	Business turnover	-	Repayment of promissory note	450,000	742,610	742,610
1	"	Cherri Tech, Inc.	Other receivables	Yes	17,744	17,744	17,744	2.75 %	2	-	Business turnover	-		-	742,610	742,610
2	Cherri Tech, Inc.	Japan Cherri KK	Other receivables	Yes	21,140	16,912	16,912	2.75 %	2	-	Business turnover	-		-	17,696	17,696

Note 1: For those companies with business contact, please fill in 1. For those companies with short-term financing needs, please fill in 2.

Note 2: The Company's total fund financing amount for individual party cannot exceed 40% of its net asset value.

Note 3: The Company's total fund financing amount cannot exceed 40% of its net asset value.

2. Guarantees and endorsements for other parties:

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

No. (Note 1)	Name of company	Counter-party		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 2)	Parent Company endorsement/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsement/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 3)										
0	The Company	Linktel Inc.	2	3,205,393	10,000	10,000	4,991	-	0.16 %	9,616,179	Y	N	N
0	"	PChome Express Co., Ltd.	2	3,205,393	50,000	50,000	-	-	0.78 %	9,616,179	Y	N	N
0	"	PChome Store Inc.	2	3,205,393	125,000	-	-	-	- %	9,616,179	Y	N	N
0	"	PChome Bibian Inc.	2	3,205,393	265,560	265,560	170,401	-	4.14 %	9,616,179	Y	N	N
0	"	Pi Mobile Technology Inc.	1	961,618	300,000	300,000	-	-	4.68 %	9,616,179	Y	N	N

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

No. (Note 1)	Name of company	Counter-party		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 2)	Parent Company endorsement/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsement/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 3)										
0	The Company	21st Century Digital Technology Co., Ltd.	1	1,856,526	350,000	350,000	250,000	350,000	5.46 %	9,616,179	Y	N	N
1	21st Financial Technology Co., Ltd.	21st Century Digital Technology Co., Ltd.	2	7,180,123	2,100,000	2,100,000	1,222,196	-	87.74 %	11,966,872	Y	N	N
1	"	Pi Mobile Technology Inc.	2	7,180,123	100,000	100,000	-	-	4.18 %	11,966,872	Y	N	N

Note 1: 0 is issuer. Subsidiaries labeled in number sequence from 1.

Note 2: 0. The total amount of guarantee and/or endorsements for any single entity shall not exceed 50% of the current net value. The shareholders' meeting on June 28, 2023 approved that the total amount of endorsement and/or guarantees by the Company and its subsidiaries was increased from 100% of the net value in their latest financial statements to 150%.

1. Investee subsidiaries - the limit of endorsement and/or guarantees for individual entity by 21st Financial Technology Co., Ltd. shall not exceed 300% of the entity's net worth as stated in its latest financial report. The total amount of guarantees and endorsements for others shall not exceed 500% of the Company's net worth in the latest financial statements.

Note 3: Relationship with the Company

1. The companies with which it has business relations.
2. Subsidiaries in which the company directly or indirectly holds more than 50% of its total outstanding common stocks.
3. The parent company which directly or indirectly holds more than 50% of its voting rights.
4. Subsidiaries in which the company directly or indirectly holds more than 90% of its voting rights.
5. Companies in same type of business and providing mutual endorsements/ guarantees in favor of each other in accordance with the contractual obligations in order to fulfill the needs of the construction project.
6. Shareholders making endorsements and/or guarantees for their mutually invested company in proportion to their shareholding percentage.
7. Companies in same type of business providing guarantees of pre-sale contracts according to the regulation.

Note 4: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

3. Information regarding securities held at balance sheet date:

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

Name of holder	Category and name of security	Category and name of security	Account title	Ending balance				Note
				Number	Book value	Percentage	Market value	
PChome Online Inc.	Common Stock:							
	Openfind Information Technology, Inc.	-	FVOCI	800,000	49,905	6.22 %	49,905	
	Career Consulting Co., Ltd.	-	"	113,005	3,965	0.72 %	3,965	
	ECROWD MEDIA INC.	-	"	3,725,645	58,306	18.39 %	58,306	
	IPEVO Corp.	-	"	1,958,018	53,062	7.19 %	53,062	
	Famicloud Inc.	-	"	57,000	361	0.66 %	361	
	Taiwan Advance Intelligent Tech. Co., Ltd.	-	"	1,732,102	613	4.75 %	613	

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name of holder	Category and name of security	Category and name of security	Account title	Ending balance				Note
				Number	Book value	Percentage	Market value	
PChome Online Inc.	Miho International Cosmetic Co., Ltd.	-	"	6,941,550	110,232	8.09 %	110,232	
"	WS Fashion Group Co., Ltd.	-	"	226,617	5,585	8.09 %	5,585	
"	PayEasy Ltd.	-	"	1,376,668	38,795	12.52 %	38,795	
"	17Life Ltd.	-	"	1,126,049	14,312	6.26 %	14,312	
"	Influenxio Limited(BVI)	-	"	9,915	6,586	3.51 %	6,586	
"	Mdata Group Co., LTD.	-	"	126,011	14,992	2.86 %	14,992	
"	AccuHit Tech Holdings Limited	-	"	416,667	21,467	3.66 %	21,467	
"	Preferred stocks:			-	-	- %	-	
"	Pickupp Limited	-	"	650,644	81,885	3.17 %	81,885	
"	FunNow Ltd.	-	"	1,306,620	45,157	1.80 %	45,157	
"	AccuHit Tech Holdings Limited	-	"	1,400,000	146,496	12.28 %	146,496	
"	Our Agriculture Inc.	-	"	3,212,121	15,707	2.32 %	15,707	
"	Common Stock:							
Pi Mobile Technology Inc.	All Win Fintech Company Limited	-	"	11,400,000	172,140	11.40 %	172,140	
Linktel Inc.	Eastern Online Co., Ltd.	-	FVTPL	118,750	-	2.31 %	-	
"	Taiwan Mobile Co., Ltd.	-	"	128	-	- %	-	
"	Convertible bonds:							
Chunghwa PChome Fund 1 Co., Ltd.	Tresl Inc.	-	"	-	8,640	- %	8,640	
"	WORCA INC.	-	"	-	78,456	- %	78,456	
"	Preferred stocks:							
"	Instill Ai Ltd.	-	"	6,262	4,202	3.60 %	4,202	
"	FP International Limited	-	"	56,050	29,209	2.39 %	29,209	
"	Ecommerce Enablers Pte. Ltd.	-	"	142,813	19,773	0.15 %	19,773	
"	USPACE Tech Co., Ltd.	-	"	1,226,016	34,463	6.16 %	34,463	
"	Our Agriculture Inc.	-	"	11,682,828	33,205	8.92 %	33,205	
"	Green Future Tech Inc.	-	"	312,300	20,874	2.29 %	20,874	
"	Pickupp Limited	-	"	131,179	15,419	0.64 %	15,419	
"	Return Helper Limited	-	"	6,798	28,166	37.17 %	28,166	
"	Aiello Inc.	-	"	6,836,545	20,393	3.29 %	20,393	
"	Haulio Investment Holdings Pte. Ltd.	-	"	362,189	5,558	0.91 %	5,558	
"	GoFreight Inc.	-	"	165,020	116,924	5.02 %	116,924	
"	Traveler Co., Ltd.	-	"	10,000	14,717	0.61 %	14,717	

4. Accumulated buying/selling of the same marketable securities for which the dollar amount reaches \$300 million or 20% or more of paid-in capital: None.
5. Acquisition of real estate for which the dollar amount reaches \$300 million or 20% or more of paid-in capital: None.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. Disposition of real estate for which the dollar amount reaches \$300 million or 20% or more of paid-in capital: None.
7. Buying/selling products with the dollar amount reaches \$100 million or 20% or more of paid-in capital: None.
8. Accounts receivable from related parties for which the dollar amount reaches \$100 million or 20% or more of paid-in capital:

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss allowance
					Amount	Action taken		
PChome Online Inc.	Pi Mobile Technology Inc.	Subsidiary	217,104	- %	-		217,104	-
21st Century Digital Technology Co., Ltd.	21st Financial Technology Co., Ltd.	Parent company of sub-subsidiary	576,182	- %	-		-	-

9. Derivative transactions: Please refer to Note (6)(b).
10. Business relationships and significant inter-company transactions:

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

No. (Note 1)	Name of company	Name of counter-party	Existing relationship with the counter-party (Note 2)	Transaction			
				Account name	Amount	Terms of trading	Percentage of the total consolidated revenue or total assets
0	PChome Online Inc.	Pi Mobile Technology Inc.	1	Accounts receivable	217,104	Usual terms and conditions	0.81 %
1	21st Century Digital Technology Co., Ltd.	21st Financial Technology Co., Ltd.	2	Other receivables	576,182	Usual terms and conditions	2.15 %

Note 1: For the inter-company business relationship and transaction condition in the "No." column, the labeling method is as follows:

1. Parent company labeled 0.
2. Subsidiaries labeled in number sequence from 1.

Note 2: Relationship is classified into three types:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: The transaction amount is calculated as a proportion of the consolidated revenue or assets. If categorized as an asset or liability, the calculation is compared with the consolidated assets; if categorized as income or loss, the calculation is compared with the consolidated income or loss.

Note 4: The Group did not disclose other transactions for which the proportion did not reach one percentage of the consolidated revenue or assets.

Note 5: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

(b) Information on investees:

For the three months ended March 31, 2024, the following was the information on investees (excluding investees in Mainland China) :

(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

Name of investor	Name of investee	Location	Major operations	Initial investment (Amount)		Ending balance			Net income (loss) of the investee	Investment income (losses)	Note
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
PChome Online Inc.	Linktel Inc.	Taiwan	Type II Telecommunications Business	125,000	125,000	6,831,604	100.00 %	8,708	(254)	(254)	Note 1
"	PC HOME ONLINE INTERNATIONAL CO., LTD.	British Virgin Islands	International trade and investment activities	25,485	25,485	122,328	100.00 %	124	(135)	(135)	"

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name of investor	Name of investee	Location	Major operations	Initial investment (Amount)		Ending balance			Net income (loss) of the investee	Investment income (losses)	Note
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
PChome Online Inc.	Rakuya International Info. Co. Ltd.	Taiwan	Real estate business, and internet information rental service	47,439	47,439	3,035,115	26.47 %	68,238	17,184	4,549	
"	PCHOME US INC.	United States of America	E-commerce platform	134,065	134,065	45,800,000	91.97 %	6,417	(569)	(523)	Note 1
"	PChome (Thailand) Co., Ltd.	Thailand	E-commerce platform	131,875	131,875	13,249,999	66.25 %	7,698	(2,208)	(1,462)	"
"	PChome Travel Inc.	Taiwan	Travel agency business	36,000	36,000	3,600,000	100.00 %	9,200	(81)	(81)	"
"	PChome Financial Technology Inc.	Taiwan	Information service	10,000	10,000	1,000,000	100.00 %	3,706	-	-	"
"	PChome Holding Inc.	British Virgin Islands	Investment activities	1,043,763	1,043,763	313,951,718	100.00 %	21,258	(863)	(863)	"
"	PChome Express Co., Ltd.	Taiwan	Transportation and logistics	200,000	200,000	20,000,000	100.00 %	112,351	1,160	1,160	"
"	Chunghwa PChome Fund 1 Co., Ltd.	Taiwan	Investment activities	200,000	200,000	20,000,000	50.00 %	256,960	(3,136)	(1,568)	"
"	Cornerstone Ventures Co., Ltd.	Taiwan	Investment activities	5,100	5,100	510,000	51.00 %	7,905	248	126	"
"	PChome CB Co., Ltd.	Taiwan	E-commerce cross-border services	140,000	140,000	14,000,000	65.23 %	155,577	8,044	5,247	"
"	Mitch Co., Ltd.	Taiwan	Clothing sales	168,614	168,614	10,400,000	100.00 %	15,771	(18)	(18)	"
"	YunTan technology Inc.	Taiwan	Information processing and provision of electronic information	54,250	54,250	1,261,628	59.94 %	40,432	(4,687)	(3,311)	Notes 1&2
"	21st Century Technology Co., Ltd.	Taiwan	Financial Technology Services	-	5,192,546	-	- %	-	39,725	14,065	"
"	21st Financial Technology Co., Ltd	Cayman Islands	Investment activities	5,192,546	-	29,565,111	43.66 %	4,639,632	93,576	13,708	"
"	PChome Data Technology Co., Ltd.	Taiwan	Information processing and provision of electronic information	5,000	5,000	500,000	100.00 %	3,851	(98)	(98)	Note 1
"	PIN Technology Inc.	Taiwan	Information processing and provision of electronic information	10,000	10,000	1,000,000	100.00 %	9,727	15	15	"
"	UPN Information Co., Ltd.	Cayman Islands	Investment activities	224,262	224,262	400,001	40.00 %	207,641	(6,344)	(3,537)	Note 2
"	EC Global Limited	Hong Kong	Investment activities	358	6,338	7,494,642	100.00 %	88	(74)	(74)	Note 1
"	PChome eBay Co., Ltd.	Taiwan	Information processing and provision of electronic information	779,688	779,688	27,300,000	65.00 %	346,233	36,855	23,956	"
PChome eBay Co., Ltd.	PChome Store Inc.	Taiwan	Internet services	889,919	889,919	75,500,018	100.00 %	33,694	6,222	6,222	"
"	ECOSMOS PTE. LTD.	Singapore	Information processing and provision of electronic information	9,153	9,153	3,300,000	100.00 %	8,697	(86)	(86)	"
"	21st Century Technology Co., Ltd.	Taiwan	Financial Technology Services	-	224,592	-	- %	-	39,725	-	"
"	21st Financial Technology Co., Ltd	Cayman Islands	Investment activities	224,592	-	953,041	1.41 %	33,747	93,576	1,101	Notes 1&2

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Name of investor	Name of investee	Location	Major operations	Initial investment (Amount)		Ending balance			Net income (loss) of the investee	Investment income (losses)	Note
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
PC HOME ONLINE INTERNATIONAL CO., LTD.	PCHOME ONLINE INC.	Cayman Islands	International trade and investment activities	-	25,311	-	- %	-	(61)	(61)	Note 1
"	PC HOME ONLINE (HK) LTD.	Hong Kong	Information service and indirect investment activities	25,140	-	5,641,239	100.00 %	2,224	(81)	(81)	"
PCHOME ONLINE INC.	PC HOME ONLINE (HK) LTD.	Hong Kong	Information service and indirect investment activities	-	25,140	-	- %	-	-	-	"
PChome Holding Inc.	PChome Marketplace Inc.	Cayman Islands	Investment activities	-	1,043,763	-	- %	-	(830)	(830)	"
PChome CB Co., Ltd.	PChome CBS Co., Ltd.	Taiwan	Internet services	127,000	127,000	2,900,000	100.00 %	146,240	1,848	1,848	Note 1
"	PCHOME CB PTE. LTD.	Singapore	Internet services	59,698	59,698	190,000	100.00 %	71,988	8,032	8,032	"
"	Air Supply Logistics Co., Ltd.	Taiwan	Transportation and logistics	3,000	3,000	300,000	100.00 %	3,044	50	50	"
PCHOME CB PTE. LTD.	PChome Bibian Inc.	Japan	E-commerce cross-border services	51,069	51,069	18,000,000	100.00 %	65,418	8,082	8,082	"
YunTan technology Inc.	Einsure insurance broker Inc.	Taiwan	Insurance brokers	68,600	68,600	7,500,000	100.00 %	13,532	(4,720)	(4,720)	"
21st Century Technology Co., Ltd.	Pi Mobile Technology Inc.	Taiwan	Online payment processing services	-	133,206	-	- %	-	(2,258)	(79)	"
"	21st Financial Technology Co., Ltd	Cayman Islands	Investment activities	-	1,468,741	-	- %	-	93,576	54,614	"
"	Cherri Tech, Inc.	Taiwan	Financial technology services and indirect investment activities	-	2,155,114	-	- %	-	(13,320)	(11,515)	"
21st Financial Technology Co., Ltd	Pi Mobile Technology Inc.	Taiwan	Online payment processing services	10,687	6,438	46,260,866	99.49 %	5,791	(2,258)	(2,164)	"
"	21st Century Digital Technology Co., Ltd.	Taiwan	Financial Technology Services	39,161	39,161	120,100,000	100.00 %	58,016	106,683	106,683	"
"	Cherri Tech, Inc.	Taiwan	Financial technology services and indirect investment activities	68,744	-	2,136,310	100.00 %	53,686	(13,320)	(7,756)	Notes 1&2
21st Century Digital Technology Co., Ltd.	FAN7 TOUR CO., LTD.	Taiwan	Travel agency business	6,000	6,000	600,000	100.00 %	4,012	(58)	(58)	Note 1
"	Lianju Asset Management Co., Ltd.	Taiwan	Financial Institution Creditor's Right(Money) Purchase	3,000	3,000	300,000	100.00 %	3,209	165	165	"
Pi Mobile Technology Inc.	Pay and Link Inc.	Taiwan	Electronic payment business	349,388	349,388	10,000,000	100.00 %	69,482	(5,446)	(5,446)	"
"	Yun Tung Bao International Co., Ltd.	Taiwan	Online payment processing services	3,000	3,000	300,000	100.00 %	2,485	(5)	(5)	"
Cherri Tech, Inc.	Japan Cherri KK	Japan	Financial Technology Services	19,418	19,418	1,600	80.00 %	(346)	(3,152)	(2,522)	"

Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 2: Investment gains and losses recognized for the period include the amortization of investment premiums.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(c) Information on investment in Mainland China:

1. Information on investment in Mainland China: None.
2. Limitation on investment in Mainland China:

Aggregate investment amount remitted from Taiwan to Mainland China at the end of the period	Approved investment (amount) by Ministry of Economic Affairs Investment Commission	Limitation on investment in Mainland China in accordance with regulations of Ministry of Economic Affairs Investment Commission
-	61,760	5,104,568

Note 1: In the above table, all relevant amounts are disclosed in TWD, and the foreign currency was translated on the exchange rate 32.00 at the three months ended March 31, 2024.

Note 2: The upper limit on investment was the greater of 60% of the individual or consolidated total net worth.

Note 3: Shanghai Todo Inc. and PChome Trading (Shenzhen) Ltd. were dissolved in the fourth quarter of 2019. As of March 31, 2024, the accumulated investment amount of USD500 thousand remitted from Taiwan has not been repatriated.

3. Significant transactions: None.

(d) Major shareholders:

(Unit: Share)

Shareholder's Name	Shareholding	Shares	Percentage
SITE INC.		18,907,864	13.13 %

Note: (1) The information on major shareholders is based on the number of ordinary shares and special shares held by shareholders with ownership of 5% or more that have been issued without physical registration (including treasury shares) by the Company as of March 31, 2024. The share capital in consolidated financial report may differ from the actual number of shares that have been issued without physical registration due to different preparation basis.

- (2) Regarding the above matter, if the shareholders deliver the shares to the trust company, those shares will be disclosed by the trustee who opened the trust account separately. As for the shareholders conducting an insider equity declaration in accordance with the Securities Exchange Act, the number of shares held by shareholders include the number of shares held by themselves, plus, the number of shares delivered by the shareholders to the trust which has discretion over the use of the trust assets. The information of insider trading would be available at the Market Observation Post System website.

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

PCHOME ONLINE INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(14) Segment Information

The Group's regional financial information was as follows:

For the three months ended March 31, 2024	E-Commerce-Sales	Market Place	Fintech	Other segment	Adjustments and Eliminations	Others	Consolidated
Revenue:							
Non-inter-company revenue	\$ 8,809,456	201,861	489,313	149,588	-	-	9,650,218
Inter-company revenue	2,135	32,359	28,165	137,620	(200,279)	-	-
Total Revenue	\$ 8,811,591	234,220	517,478	287,208	(200,279)	-	9,650,218
Reportable Segment net operating (loss) income	\$ (104,557)	13,562	109,428	(11,300)	(3,765)	(15,194)	(11,826)
For the three months ended March 31, 2023							
Revenue:							
Non-inter-company revenue	\$ 9,109,692	249,656	365,695	430,857	-	-	10,155,900
Inter-company revenue	34,264	50,319	22,023	111,326	(217,932)	-	-
Total Revenue	\$ 9,143,956	299,975	387,718	542,183	(217,932)	-	10,155,900
Reportable Segment net operating (loss) income	\$ (151,993)	14,804	66,974	(28,308)	(5,081)	(14,477)	(118,081)