

**M-Power Information Co., Ltd.**  
Individual Financial Statements  
and Independent Auditors' Review Report  
For the Six Months Ended June 30, 2024 and 2023

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

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## **Independent Auditors' Review Report**

M-Power Information Co., Ltd. The Board of Directors and Shareholders:

### **Preface**

M-Power Information Co., Ltd. Balance Sheets as of June 30, 2023, and Statements of Comprehensive Income for the periods from April 1 to June 30, 2023, and from January 1 to June 30, 2023, and Statements of Changes in Equity and Cash Flows for the period from January 1 to June 30, 2023, and the Notes to the Financial Statements (including a summary of significant accounting policies), have been reviewed by our accountant. According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers. and the Financial Supervisory Commission approved and issued International Accounting Standards No. 34 "Interim Financial Reporting" preparation fair expressed financial reports are the responsibility of management, and our accountant's responsibility is to draw conclusions on the financial reports based on the review results.

### **Scope**

This accountant conducted the review in accordance with Review Standard No. 2410 "Review of Financial Statements." The procedures performed during the review of financial reports include inquiries (mainly to personnel responsible for financial and accounting matters), analytical procedures, and other review procedures. The scope of review work is significantly smaller than that of audit work, therefore this accountant may not be able to detect all significant matters that can be identified through audit work, and thus cannot express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that the above-mentioned financial statements are not prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards No. thirty-four "Interim Financial Reporting" approved and issued by the Financial Supervisory Commission in all material respects, resulting in a fair presentation of the financial position of M-Power Information Co., Ltd. as at June 30, 2024 and 2023, and its financial performance from April 1 to June 30, 2024 and 2023 and from January 1 to June 30, 2024 and 2023 and its cash flows from January 1 to June 30, 2024 and 2023.

The engagement partners on the audit resulting in this independent auditors' report are Chun-I, Chang and Chun-Hsiu Kuang.

KPMG Taiwans  
Taipei, Taiwan (The Republic of China)  
August 9, 2024

**Notes to Readers**

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

The independent auditors' audit report and the accompanying company only 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' audit report and the company only financial statements, the Chinese version shall prevail.

## (English Translation of Individual Financial Statements Originally Issued in Chinese)

## M-Power Information Co., Ltd.

## Balance Sheet

June 30, 2024, December 31, 2023 and June 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets		2024.6.30		2023.12.31		2023.6.30		Liabilities and Equity		2024.6.30		2023.12.31		2023.6.30	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
11xx	<b>Current Assets:</b>							21xx	<b>Current Liabilities:</b>						
1100	Cash and Cash Equivalents (Note 6(1))	\$130,549	9	209,790	17	252,989	20	2100	Short-term loans (Note 6(1), (6), 7, 8 and 9)	\$325,000	23	95,000	8	326,137	26
1136	Financial assets measured at amortized cost - current (Note 6(1), (6) and 8)	-	-	-	-	200	-	2130	Contract Liabilities - Current (Note (13) and 7)	60,307	4	91,288	7	58,096	5
1150	Net Receivables (Note 6(2) and (13))	126	-	126	-	565	-	2170	Accounts Payable	405,494	29	475,504	37	248,351	19
1170	Net Accounts Receivable (Note 6(2), (13) and 7)	978,323	69	555,256	44	825,227	65	2200	Other Payables (Note 6(14))	41,914	3	57,054	5	40,414	3
1200	Other Receivables	-	-	47	-	-	-	2216	Payable Dividends (Note 6(11))	83,600	6	-	-	83,600	7
130X	Inventories (Note 6(3))	118,294	8	353,871	28	82,893	6	2230	Current tax liabilities	14,099	1	11,391	1	13,687	1
1410	Prepayments	9,959	1	6,565	-	13,407	1	2280	Lease Liabilities - Current (Note 6(8))	6,494	-	6,735	1	6,461	-
1470	Other Current Assets	20	-	160	-	-	-	2322	Long-term loans due within one year or one business cycle (Note 6(7) and 7)	12,100	1	11,948	1	11,798	1
	<b>Current assets total</b>	<u>1,237,271</u>	<u>87</u>	<u>1,125,815</u>	<u>89</u>	<u>1,175,281</u>	<u>92</u>	2399	Other current liabilities	535	-	5,229	-	429	-
15xx	<b>Non-current assets:</b>								<b>Current Liabilities total</b>	<u>949,543</u>	<u>67</u>	<u>754,149</u>	<u>60</u>	<u>788,973</u>	<u>62</u>
1600	Property,, Plant and Equipment (Note 6(4))	544	-	1,148	-	1,689	-	25xx	<b>Non-current liabilities:</b>						
1755	Right-of-use assets (Note 6(5) and (8))	18,236	1	21,556	2	23,825	2	2540	Long-term loan (Note 6(7) and 7)	5,133	-	11,221	1	17,232	1
1780	Intangible Assets	570	-	784	-	916	-	2580	Lease Liabilities - Non-current (Note 6(8))	12,534	1	15,644	1	18,198	2
1840	Deferred tax assets	1,525	-	1,525	-	1,547	-	2640	Net Defined Benefit Liability - Non-current	3,427	-	3,427	-	3,534	-
1920	Guarantee deposits paid	27,842	2	23,376	2	20,825	2		<b>Non-current liabilities total</b>	<u>21,094</u>	<u>1</u>	<u>30,292</u>	<u>2</u>	<u>38,964</u>	<u>3</u>
1930	Long-term receivables (Note 6(2) and (13))	143,932	10	96,620	7	55,344	4	2xxx	<b>Total Liabilities</b>	<u>970,637</u>	<u>68</u>	<u>784,441</u>	<u>62</u>	<u>827,937</u>	<u>65</u>
	<b>Non-current assets total</b>	<u>192,649</u>	<u>13</u>	<u>145,009</u>	<u>11</u>	<u>104,146</u>	<u>8</u>	31xx	<b>Equity (Note(11)):</b>						
								3110	Share capital:	<u>220,000</u>	<u>15</u>	<u>220,000</u>	<u>17</u>	<u>220,000</u>	<u>17</u>
								3200	Capital surplus	<u>133,284</u>	<u>9</u>	<u>133,284</u>	<u>10</u>	<u>133,284</u>	<u>10</u>
								3300	Retained Earnings:						
								3310	Legal reserve	44,172	3	35,239	3	35,239	3
								3350	Unallocated Earnings	61,827	5	97,860	8	62,967	5
									Total retained earnings	<u>105,999</u>	<u>8</u>	<u>133,099</u>	<u>11</u>	<u>98,206</u>	<u>8</u>
								3xxx	<b>Total Equity</b>	<u>459,283</u>	<u>32</u>	<u>486,383</u>	<u>38</u>	<u>451,490</u>	<u>35</u>
1xxx	<b>Total Assets</b>	<u>\$ 1,429,920</u>	<u>100</u>	<u>1,270,824</u>	<u>100</u>	<u>1,279,427</u>	<u>100</u>	23xx	<b>Total Liabilities and Equity</b>	<u>\$ 1,429,920</u>	<u>100</u>	<u>1,270,824</u>	<u>100</u>	<u>1,279,427</u>	<u>100</u>

(Please refer to the attached financial report notes)

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

M-Power Information Co., Ltd.

Statements of Comprehensive Income

For the three months and six months ended June 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	April to June 2024		April to June 2023		January to June 2024		January to June 2023		
	Amount	%	Amount	%	Amount	%	Amount	%	
<b>Revenue (Note 6(13) and 7):</b>									
4110	Sales revenue	\$ 562,788	100	501,565	101	1,254,706	100	1,072,018	100
4190	Less: Sales allowances	-	-	63,000	1	-	-	3,000	-
	<b>Net revenue</b>	<u>562,788</u>	<u>100</u>	<u>498,565</u>	<u>100</u>	<u>1,254,706</u>	<u>100</u>	<u>1,069,018</u>	<u>100</u>
5000	<b>Operating costs (Note 6(3), (4), (5) and (9))</b>	<u>498,937</u>	<u>89</u>	<u>439,454</u>	<u>88</u>	<u>1,120,150</u>	<u>89</u>	<u>944,434</u>	<u>88</u>
5900	<b>Gross profit</b>	<u>63,851</u>	<u>11</u>	<u>59,111</u>	<u>12</u>	<u>134,556</u>	<u>11</u>	<u>124,584</u>	<u>12</u>
6000	<b>Operating expenses (Note 6(2), (4), (5), (8), (9), (14) and 7):</b>								
6100	Selling and Marketing expenses	14,286	3	14,524	3	30,123	2	26,901	3
6200	Administrative expenses	9,981	2	8,867	2	20,276	2	17,852	2
6300	Research and development expenses	6,229	-	4,939	1	12,339	1	9,839	1
6450	Expected credit loss (gain)	-	-	-	-	-	-	(25)	-
	<b>Total operating expenses</b>	<u>30,496</u>	<u>5</u>	<u>28,330</u>	<u>6</u>	<u>62,738</u>	<u>5</u>	<u>54,567</u>	<u>6</u>
6900	<b>Net operating profit</b>	<u>33,355</u>	<u>6</u>	<u>30,781</u>	<u>6</u>	<u>71,818</u>	<u>6</u>	<u>70,017</u>	<u>6</u>
7000	<b>Non-operating income and expenses (Note 6(8) and (15)):</b>								
7100	Interest income	619	-	431	-	675	-	447	-
7020	Other gains and losses	762	-	414	-	2,341	-	849	-
7050	Financial cost	(2,646)	-	(1,711)	-	(4,188)	-	(2,978)	-
	<b>Total Non-operating income and expenses</b>	<u>(1,265)</u>	<u>-</u>	<u>(866)</u>	<u>-</u>	<u>(1,172)</u>	<u>-</u>	<u>(1,682)</u>	<u>-</u>
7900	<b>Net income before tax</b>	<u>32,090</u>	<u>6</u>	<u>29,915</u>	<u>6</u>	<u>70,646</u>	<u>6</u>	<u>68,335</u>	<u>6</u>
7950	<b>Less: Income tax expenses (Note 6(10))</b>	<u>6,426</u>	<u>1</u>	<u>6,184</u>	<u>1</u>	<u>14,146</u>	<u>1</u>	<u>13,898</u>	<u>1</u>
8200	<b>Net income</b>	<u>25,664</u>	<u>5</u>	<u>23,731</u>	<u>5</u>	<u>56,500</u>	<u>5</u>	<u>54,437</u>	<u>5</u>
8300	<b>Other comprehensive income for the period</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8500	<b>Total comprehensive income for the year</b>	<u>\$ 25,664</u>	<u>5</u>	<u>23,731</u>	<u>5</u>	<u>56,500</u>	<u>5</u>	<u>54,437</u>	<u>5</u>
<b>Earnings per share (Unit: NT Dollar, Note (12))</b>									
9750	Basic earnings per share	<u>\$ 1.17</u>		<u>1.08</u>		<u>2.57</u>		<u>2.47</u>	
9850	Diluted earnings per share	<u>\$ 1.16</u>		<u>1.08</u>		<u>2.55</u>		<u>2.46</u>	

(Please refer to the attached financial report notes)

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

M-Power Information Co., Ltd.

Statements of Changes in Equity

For the six months ended June 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary share capital	Capital reserve	Retained earnings		Total	Total equity
			Statutory surplus reserve	Unallocated earnings		
<b>Balance at January 01, 2023</b>	\$ 220,000	133,284	25,963	101,406	127,369	480,653
Appropriation and distribution of earnings:						
Legal reserve	-	-	9,276	(9,276)	-	-
cash dividend	-	-	-	(83,600)	(83,600)	(83,600)
Net income	-	-	-	54,437	54,437	54,437
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	54,437	54,437	54,437
<b>Balance at June 30, 2023</b>	<b>\$ 220,000</b>	<b>133,284</b>	<b>35,239</b>	<b>62,967</b>	<b>98,206</b>	<b>451,490</b>
<b>Balance at January 01, 2024</b>	\$220,000	133,284	35,239	97,860	133,099	486,383
Appropriation and distribution of earnings:						
Legal reserve	-	-	8,933	(8,933)	-	-
cash dividend	-	-	-	(83,600)	(83,600)	(83,600)
Net income	-	-	-	56,500	56,500	56,500
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	56,500	56,500	56,500
<b>Balance at June 30, 2024</b>	<b>\$ 220,000</b>	<b>133,284</b>	<b>44,172</b>	<b>61,827</b>	<b>105,999</b>	<b>459,283</b>

(Please refer to the attached financial report notes)

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

M-Power Information Co., Ltd.

Statements of Cash Flows

For the six months ended June 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	January to June 2024	January to June 2023
<b>Cash flow from operating activities:</b>		
Profit before tax	\$ 70,646	68,335
<b>Adjustments:</b>		
Income and expense items		
Depreciation expense	3,924	3,756
Amortization expense	214	207
Expected credit impairment reversal benefit	-	(25)
Interest expense	4,188	2,978
Interest income	(675)	(447)
Total income and expense items	<u>7,651</u>	<u>6,469</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	-	(163)
Accounts receivable	(423,067)	(351,980)
Other receivables	47	220
Inventories	235,577	261,408
Prepayments	(3,394)	(7,346)
Other current assets	140	92
Long-term receivables	(47,312)	20,417
Total changes in operating assets	<u>(238,009)</u>	<u>(77,352)</u>
Changes in operating liabilities:		
Contract liabilities	(30,981)	23,037
Accounts payable	(70,010)	(176,431)
Other payables	(15,545)	(20,257)
Other current liabilities	(4,694)	(1,828)
Total changes in operating liabilities	<u>(121,230)</u>	<u>(175,479)</u>
Total changes in operating assets and liabilities	<u>(359,239)</u>	<u>(252,831)</u>
Total adjustments	<u>(351,588)</u>	<u>(246,362)</u>
Cash outflow from operations	(280,942)	(178,027)
Interest received	675	447
Interest paid	(3,783)	(2,978)
Income taxes paid	(11,438)	(11,960)
<b>Net cash outflow from operating activities</b>	<u>(295,488)</u>	<u>(192,518)</u>
<b>Cash flow from investing activities:</b>		
Acquisition of financial assets at amortized cost	-	3,380
Increase in refundable deposits	(4,466)	(1,895)
Acquisition of intangible assets	-	(282)
<b>Net cash inflow (outflow) from investing activities</b>	<u>(4,466)</u>	<u>1,203</u>
<b>Cash flow from fundraising activities:</b>		
Increase in short-term loans	230,000	175,572
Proceeds from long-term borrowings	-	30,000
Repayments of long-term borrowings	(5,936)	(970)
Repayment of lease principal	(3,351)	(3,186)
<b>Net cash inflow from fundraising activities</b>	<u>220,713</u>	<u>201,416</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(79,241)</u>	<u>10,101</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>209,790</u>	<u>242,888</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 130,549</u>	<u>252,989</u>

(Please refer to the attached financial report notes)



## M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

### M-Power Information Co., Ltd.

#### Financial Report Notes

June 30, 2024 and 2023

(Unless otherwise specified, all amounts are in NTD 1,000)

#### 1. Company history

M-Power Information Co., Ltd. (hereinafter referred to as "the Company") was approved for establishment by the Ministry of Economic Affairs on September 10, 1999. The company's stock started trading on the Taipei Exchange strategic new board on December 22, 2021, and began trading on the Taipei Exchange general board on May 03, 2022. Additionally, our company will be listed on TPEx at Taipei Exchange from December 14, 2022. Our company's main business item is the wholesale and retail of information software, as well as providing professional consulting, education and training, and technical services.

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

This financial report was approved and released by the Board of Directors on August 09, 2024.

#### 3. New release and revision of standards and interpretations

(1) The impact of adopting the newly issued and revised standards and interpretations approved by the Financial Supervisory Commission (hereinafter referred to as the Financial Supervisory Commission)

Our company has been applying the following newly revised International Financial Reporting Standards accounting standards since January 01, 2024, and it has not had a significant impact on the financial statements.

- International Accounting Standards Amendment No. 1 "Classification of Liabilities as Current or Non-current"
- International Accounting Standards Amendment No. 1 "Non-current Liabilities with Contractual Clauses"
- International Accounting Standards No. 7 and International Financial Reporting Standards No. 7 amendment "supplier financing arrangements"
- International Financial Reporting Standards Amendment No. 16 "Lease Liabilities in Sale and Leaseback Transactions"

(2) Has not yet adopted the Financial Supervisory Commission recognized International Financial Reporting Standards impact

Our company assesses that the application of the newly revised International Financial Reporting Standards effective from January 01, 2025, will not have a significant impact on the financial reports.

- International Accounting Standards Amendment No. 21 "Lack of Exchangeability"

## M-Power Information Co., Ltd. Notes to Individual Financial Statements (Continued)

- (3) The Financial Supervisory Commission has not yet recognized the newly issued and revised standards and interpretations

The International Accounting Standards Board has issued and amended standards and interpretations that have not yet been approved by the the Financial Supervisory Commission, which may be relevant to our company as follows:

<u>Newly Released or Revised Guidelines</u>	<u>Main Revisions</u>	<u>Effective Date of the Council's Announcement</u>
International Financial Reporting Standards No. 18 "Presentation and Disclosure of Financial Statements"	<p>The new guidelines introduce three types of revenue and expense losses, two subtotal items in the income statement, and a single note on management performance measurement. These three amendments and enhancements to the guidance on how information is segmented in financial statements lay the foundation for providing users with better and more consistent information, and will affect all companies.</p> <ul style="list-style-type: none"> <li>• More structured income statement: According to current standards, companies use different formats to present their operating results, making it difficult for investors to compare the financial performance of different companies. The new guidelines adopt a more structured income statement, introducing a new subtotal for "Operating Profit", and stipulate that all revenues and expenses will be classified into three new different categories according to the company's main business activities.</li> <li>• Management Performance Measures (MPM): The new standards introduce the definition of management performance measures and require companies to explain, in a single note to the financial statements, why each measure provides useful information, how it is calculated, and how the measure is reconciled with amounts recognized according to International Financial Reporting Standards accounting standards.</li> <li>• More detailed information: The new guidelines include how companies should enhance the guidance on information grouping in financial statements. This includes guidance on whether the information should be included in the main financial statements or further subdivided in the notes.</li> </ul>	January 01, 2027

## M-Power Information Co., Ltd. Financial Report Notes (Continued)

The company is currently continuously evaluating the impact of the above criteria and interpretations on the company's financial condition and operating results, and the relevant impact will be disclosed upon completion of the evaluation.

The company expects that the following newly issued and revised standards, which have not yet been recognized, will not have a significant impact on the financial statements.

- International Financial Reporting Standards No. 10 and International Accounting Standards No. 28 Amendments "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- International Financial Reporting Standards No. 17 "Insurance Contracts" and amendments to International Financial Reporting Standards No. 17
- International Financial Reporting Standards No. 19 "Subsidiaries Without Public Accountability: Disclosures"
- International Financial Reporting Standards No. 9 and International Financial Reporting Standards No. 7 amendments "Amendments to Classification and Measurement of Financial Instruments"
- Annual Improvements to International Financial Reporting Standards Accounting Standards

#### 4. Summary of significant accounting policies

Except as described below, the significant accounting policies adopted in this financial report are the same as those in the financial report for 2023. For relevant information, please refer to Note 4 of the financial report for 2023.

##### (1) Follow the statement

This financial report is prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers. (hereinafter referred to as "Preparation Standards") and the the Financial Supervisory Commission approved and issued International Accounting Standards No. 34 "Interim Financial Reporting". This financial report does not include all the necessary information that should be disclosed in a complete annual financial report prepared in accordance with the the Financial Supervisory Commission recognized International Financial Reporting Standards , International Accounting Standards , interpretations, and Statement on Internal Control (SIC) (hereinafter referred to as "the Financial Supervisory Commission recognized International Financial Reporting Standards accounting standards").

##### (2) Employee benefits

During the interim period, the defined benefit pension plan is calculated using the pension cost rate determined by actuarial valuation as of the reporting date of the

## M-Power Information Co., Ltd. Financial Report Notes (Continued)

previous year, based on the period from the beginning of the year to the end of the interim period, and adjusted for significant market fluctuations, major curtailments, settlements, or other significant one-time events after the reporting date.

### (3) Income tax

Our company measures and discloses interim period income tax expenses in accordance with paragraph B12 of International Accounting Standards Bulletin No. 34 "Interim Financial Reporting."

income tax expenses are measured by multiplying the pre-tax net profit for the interim reporting period by management's best estimate of the expected effective tax rate for the full year, and fully recognized as current period income tax expenses.

income tax expenses are directly recognized in equity Item or other total profit or loss Item, and are measured at the applicable tax rate expected to be realized or settled based on the temporary differences between the carrying amounts of the related assets and liabilities for financial reporting purposes and their tax bases.

## 5. Significant accounting judgements, estimates and key sources of assumption uncertainty

When the management prepares this financial report in accordance with the preparation standards and the Financial Supervisory Commission recognized International Accounting Standards No. 34 "Interim Financial Reporting", they must make judgments, estimates, and assumptions that will affect the adoption of accounting policies and the reporting amounts of assets, liabilities, income, and expenses. Actual results may vary from estimates.

When preparing the consolidated financial statements, the major sources of significant judgments and estimation uncertainties made by the management in applying the company's accounting policies are consistent with Note 5 of the financial statements for the 2023.

## 6. Explanation of significant accounts

Except as described below, the explanations of the important accounting items in this financial report are not significantly different from those in the financial report for 2023. For related information, please refer to Note 6 of the financial report for 2023.

### (1) Cash and cash equivalents

	<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
Demand deposits	\$ 129,512	209,100	252,299
Check deposits	1,037	690	690
	<u>\$ 130,549</u>	<u>209,790</u>	<u>252,989</u>

## M-Power Information Co., Ltd. Financial Report Notes (Continued)

Our company applied for a loan limit from the bank on June 30, 2023, using NTD 200,000 in current deposits as collateral. It is listed under financial assets measured at amortized cost - current. For details on the pledge of collateral, please refer to Note 8.

(2) Notes receivable and accounts receivable

	<b>2024.6.30</b>	<b>2023.12.31</b>	<b>2023.6.30</b>
Notes receivable	\$ 126	126	565
Accounts receivable	978,323	555,256	825,227
Long-term receivables	150,744	100,523	57,128
Less: Unrealized interest income - long-term receivables	(6,812)	(3,903)	(1,784)
	<b>\$ 1,122,381</b>	<b>652,002</b>	<b>881,136</b>

Our company adopts a simplified approach to estimate expected credit losses for all notes receivable and accounts receivable, that is, using the lifetime expected credit loss measurement. For this measurement purpose, these notes receivable and accounts receivable are grouped based on the common credit risk characteristics representing the customers' ability to pay all amounts due according to the contractual terms, and forward-looking information, including macroeconomic and relevant industry information, has been incorporated. According to the historical experience of credit loss of this company, there is no significant difference in the loss patterns of different customer groups, so the provision matrix does not further distinguish between customer groups.

The company's analysis of expected credit losses for notes receivable and accounts receivable as of June 30, 2024, December 31 and June 30, 2023, is as follows:

	<b>2024.6.30</b>		
	<b>Book value of notes receivable and accounts receivable</b>	<b>Weighted average expected credit loss rate (%)</b>	<b>Expected credit loss during the allowance period</b>
Current	\$ 1,119,009	-	-
1~30 days Past due	5,942	-	-
31~60 days Past due	3,629	-	-
61~90 days Past due	433	-	-
91~120 days Past due	180	-	-
	<b>\$ 1,129,193</b>		<b>-</b>
	<b>2023.12.31</b>		
	<b>Book value of notes receivable and accounts</b>	<b>Weighted average expected credit</b>	<b>Expected credit loss during the allowance</b>

## M-Power Information Co., Ltd. Financial Report Notes (Continued)

	Receivable	Loss rate (%)	Period
Current	\$ 648,623	-	-
31~60 days Past due	4,108	-	-
91~120 days Past due	<u>3,174</u>	-	-
	<u><b>\$ 655,905</b></u>		<u>-</u>
<b>2023.6.30</b>			
	Book value of notes receivable and accounts receivable	Weighted average expected credit loss rate (%)	Expected credit loss during the allowance period
Current	\$ 862,767	-	-
1~30 days Past due	19,775	-	-
121~180 days Past due	<u>378</u>	-	-
	<u><b>\$ 882,920</b></u>		<u>-</u>

The company's changes in the allowance for doubtful accounts for notes receivable and accounts receivable for the six months ended June 30, 2024 and 2023 were as follows:

	2024 January to June	2023 January to June
Beginning balance	\$ -	25
Reversal of impairment loss	<u>-</u>	<u>(25)</u>
Ending balance	<u><b>\$ -</b></u>	<u>-</u>

As of June 30, 2024, December 31 and June 30, 2023, the company's accounts receivable have not been discounted or pledged as collateral.

### (3) Inventory

	2024.6.30	d2023.12.31	2023.6.30
Merchandise inventory	\$ 123,284	358,070	87,092
Allowance for inventory valuation losses	<u>(4,990)</u>	<u>(4,199)</u>	<u>(4,199)</u>
	<u><b>\$ 118,294</b></u>	<u><b>353,871</b></u>	<u><b>82,893</b></u>

The details of the cost of goods sold recognized by the company for the period are as follows:

	2024 April to June	2023 April to June	2024 January to June	2023 January to June
Cost of inventories sold	\$ 484,813	427,656	1,093,119	921,162
Inventory write-down loss	791	-	791	-
Service and maintenance costs	<u>13,333</u>	<u>11,798</u>	<u>26,240</u>	<u>23,272</u>
	<u><b>\$ 498,937</b></u>	<u><b>439,454</b></u>	<u><b>1,120,150</b></u>	<u><b>944,434</b></u>

## M-Power Information Co., Ltd. Financial Report Notes (Continued)

As of June 30, 2024, December 31 and June 30, 2023, the company's inventory has not been pledged as collateral.

### (4) Property, plant, and equipment

The detailed changes in the cost and accumulated depreciation of real estate, plant, and equipment of the company from January 01 to June 30, 2024 and 2023 are as follows:

	<b>Office equipment</b>
Cost:	
Balance on January 01, 2024	\$ 4,997
Disposals	_____ (2,781)
June 30, 2024 balance	<b><u>\$ 2,216</u></b>
January 01, 2023 balance	\$5,355
Disposals	_____ (322)
Balance on June 30, 2023	<b><u>\$ 5,033</u></b>
Accumulated depreciation:	
Balance on January 01, 2024	\$ 3,849
Depreciation	604
Disposals	_____ (2,781)
June 30, 2024 balance	<b><u>\$ 1,672</u></b>
January 01, 2023 balance	\$ 3,119
Depreciation	547
Disposals	_____ (322)
Balance on June 30, 2023	<b><u>\$ 3,344</u></b>
Carrying amounts:	
Balance on January 01, 2024	<b><u>\$ 1,148</u></b>
June 30, 2024 balance	<b><u>\$ 544</u></b>
Balance on June 30, 2023	<b><u>\$ 1,689</u></b>

As of June 30, 2024, December 31 and June 30, 2023, the company's real estate, plant, and equipment have not been pledged as collateral.

### (5) Right-of-use asset

The cost and depreciation of the company's leased houses, buildings, and transportation equipment, with the detailed changes as follows:

## M-Power Information Co., Ltd. Financial Report Notes (Continued)

	<u>Housing and construction</u>	<u>Transportatio n equipment</u>	<u>Total</u>
Cost of right-of-use asset:			
Balance on June 30, 2024 (Balance on January 01, 2024)	\$ <u>44,381</u>	<u>2,659</u>	<u>47,040</u>
Balance on June 30, 2023 (Balance on January 01, 2023)	\$ <u>43,712</u>	<u>2,659</u>	<u>46,371</u>
Depreciation and impairment			
Loss of right-of-use assets:			
Balance on January 01, 2024	\$ 23,859	1,625	25,484
Depreciation for this period	<u>2,877</u>	<u>443</u>	<u>3,320</u>
Balance on June 30, 2024	\$ <u>26,736</u>	<u>2,068</u>	<u>28,804</u>
Balance on January 01, 2023	\$ 18,598	739	19,337
Depreciation for this period	<u>2,766</u>	<u>443</u>	<u>3,209</u>
Balance on June 30, 2023	\$ <u>21,364</u>	<u>1,182</u>	<u>22,546</u>
Book value:			
Balance on January 01, 2024	\$ <u>20,522</u>	<u>1,034</u>	<u>21,556</u>
Balance on June 30, 2024	\$ <u>17,645</u>	<u>591</u>	<u>18,236</u>
Balance on June 30, 2023	\$ <u>22,348</u>	<u>1,477</u>	<u>23,825</u>

### (6) Short-term Loan

The details of the company's short-term loans are as follows:

	<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
Unsecured bank loan	\$ <u>325,000</u>	<u>95,000</u>	<u>326,137</u>
Unused credit lines	\$ <u>395,000</u>	<u>499,000</u>	<u>245,000</u>
Interest rate (%)	<u>0.50~2.47</u>	<u>0.50~2.51</u>	<u>2.20~2.60</u>

On June 30, 2024, December 31 and June 30, 2024, the guarantee notes issued to obtain financing limits from financial institutions all amounted to NTD 12,000,000.

The company's asset mortgage for bank loan guarantee situation, please refer to Note 8.

### (7) Long-term loan

The details, conditions, and terms of the company's long-term loans are as follows:



## M-Power Information Co., Ltd. Financial Report Notes (Continued)

2024.6.30				
	Currency	Interest rate range%	Expiration date	Amount
Unsecured bank loan	TWD	2.53	2025.11.19	\$ 17,233
Less: current portion				(12,100)
				<b>\$ 5,133</b>
Unused credit lines				<b>\$ -</b>
2023.12.31				
	Currency	Interest rate range%	Expiration date	Amount
Unsecured bank loan	TWD	2.53	2025.11.19	\$ 23,169
Less: current portion				(11,948)
				<b>\$ 11,221</b>
Unused credit lines				<b>\$ -</b>
2023.6.30				
	Currency	Interest rate range%	Expiration date	Amount
Unsecured bank loan	TWD	2.53	2025.11.19	\$ 29,030
Less: current portion				(11,798)
				<b>\$ 17,232</b>
Unused credit lines				<b>\$ -</b>

### (8) Lease liability

The carrying amount of the company's lease liabilities is as follows:

	2024.6.30	2023.12.31	2023.6.30
Current	\$ 6,494	6,735	6,461
Non-current	12,534	15,644	18,198
Total	<b>\$ 19,028</b>	<b>22,379</b>	<b>24,659</b>

For the maturity analysis, please refer to note 6 (16).

The amounts recognized in profit or loss were as follows

	2024 April to June	2023 April to June	2024 January to June	2023 January to June
Interest on lease liabilities	\$ 94	120	196	247
Expenses relating to short-term leases	125	6	226	10
Expense of low-value lease assets (excluding low-value leases of short-term leases)	6	51	12	57

## M-Power Information Co., Ltd. Financial Report Notes (Continued)

The amounts recognized in the cash flow statement are as follows:

	2024 January to June	2023 January to June
Total Cash outflows from operating activities	\$ 434	314
Total Cash outflow of fundraising activities	<u>3,351</u>	<u>3,186</u>
Total Cash outflow of lease	<u>\$ 3,785</u>	<u>3,500</u>

The company leases houses and buildings as office premises and leases transportation equipment for operational use. The lease term for office premises is usually 5 years, while for transportation equipment, it is 3 years.

### (9) Employee benefits

#### A. Defined benefit plans

As there were no significant market fluctuations, major reductions, settlements, or other significant one-time events after the reporting date of the previous year, our company adopts the pension cost measurement and disclosure for the interim period based on the actuarial determination as of December 31, 2023 and 2022.

The pension expenses under the confirmed welfare plan from January 01 to June 30, 2024 and 2023 are all NTD 0.

#### B. Defined contribution plan

The company's defined contribution plan is in accordance with the provisions of the Labor Pension Act, and the contribution rate is 6% of the employee's monthly salary, which is allocated to the individual account of the Labor Insurance Bureau's labor pension. Under this plan, the company, after allocating a fixed amount to the Labor Insurance Bureau as required, has no legal or presumed obligation to pay any additional amount.

The company confirms the allocation of pension funds under the pension plan, with the detailed pension expenses reported as follows:

	2024 April to June	2023 April to June	2024 January to June	2023 January to June
Operating costs	\$ 613	430	1,093	840
Operating expenses	<u>1,085</u>	<u>830</u>	<u>1,996</u>	<u>1,618</u>
	<u>\$ 1,698</u>	<u>1,260</u>	<u>3,089</u>	<u>2,458</u>

### (10) Income tax

The components of income tax expense were as follows:

## M-Power Information Co., Ltd. Financial Report Notes (Continued)

	2024 April to June	2023 April to June	2024 January to June	2023 January to June
Current income tax expense	\$ 6,426	6,184	14,146	13,898

The company's profit-seeking enterprise income tax settlement declaration has been approved by the tax authority up to the Year 2022.

### (11) Capital and other equity

Except as described below, there were no significant changes in the capital and other equity of the company from January 01 to June 30, 2024 and 2023. For relevant information, please refer to Note 6 (11) of the financial report for the 2023.

The amount of dividends distributed to the owners is as follows:

	2023		2022	
	Dividend per share (Yuan)	Amount	Dividend per share (Yuan)	Amount
Dividends allocated to common Stockholders:				
Cash	\$ 3.80	83,600	3.80	83,600

The information related to the distribution of earnings from the company's shareholders' [Resolution] can be found on the [Market Observation Post System].

### (12) Earnings per share

	2024 April to June	2023 April to June	2024 January to June	2023 January to June
Basic earnings per share:				
Net income	\$ 25,664	23,731	56,500	54,437
Weighted-average number of ordinary shares outstanding (shares in thousands)	22,000	22,000	22,000	22,000
Basic earnings per share (NT dollars)	\$ 1.17	1.08	2.57	2.47
Diluted earnings per share:				
Net income	\$ 25,664	23,731	56,500	54,437
Weighted-average number of ordinary shares outstanding (shares in thousands)	22,000	22,000	22,000	22,000
Dilutive potential ordinary shares-employee remuneration (Unit: thousand shares)	93	66	137	106
Weighted-average number of shares outstanding used in	22,093	22,066	22,137	22,106

## M-Power Information Co., Ltd. Financial Report Notes (Continued)

the computation of diluted earnings per share (in thousands)

Diluted earnings per share (NT dollars)	\$	<u>1.16</u>	<u>1.08</u>	<u>2.55</u>	<u>2.46</u>
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### (13) Revenue from contracts with customers

#### A. Details of Revenue

	2024 April to June	2023 April to June	2024 January to June	2023 January to June
Primary geographical markets:				
Taiwan	\$ 559,563	497,177	1,201,419	1,066,920
Other countries	<u>3,225</u>	<u>1,388</u>	<u>53,287</u>	<u>2,098</u>
	<u>\$ 562,788</u>	<u>498,565</u>	<u>1,254,706</u>	<u>1,069,018</u>
Major products/Services line:				
Sale of computer software	\$ 533,555	472,231	1,203,453	1,014,986
Service and maintenance income	28,791	29,164	50,476	56,690
Other	442	170	777	342
Less: Sales returns and allowances	<u>-</u>	<u>(3,000)</u>	<u>-</u>	<u>(3,000)</u>
	<u>\$ 562,788</u>	<u>498,565</u>	<u>1,254,706</u>	<u>1,069,018</u>

#### B. Contract balance

	2024.6.30	2023.12.31	2023.6.30
Notes receivable and accounts receivable (Including long-term receivables)	\$ 1,129,193	655,905	882,920
Less: Unrealized interest income	<u>(6,812)</u>	<u>(3,903)</u>	<u>(1,784)</u>
Total	<u>\$ 1,122,381</u>	<u>652,002</u>	<u>881,136</u>
Contract liabilities	<u>\$ 60,307</u>	<u>91,288</u>	<u>58,096</u>

Please refer to Note 6(2) for the disclosure of notes and accounts receivable and their impairment.

The initial balance of contract liabilities as of January 01, 2024 and 2023 was recognized as revenue for the periods from April 01 to June 30 and from January 01 to June 30, 2024, with amounts of NTD 11,821,000, NTD 23,307,000, NTD 91,288,000, and NTD 35,059,000 respectively.

The changes in contract liabilities mainly arise from the difference between the

## M-Power Information Co., Ltd. Financial Report Notes (Continued)

point in time when our company transfers goods or services to customers to fulfill performance obligations and the point in time when customers make payments.

### (14) Employee and director remuneration

According to the provisions of the Articles of Incorporation, if there is a profit in the annual financial statements, 10%-15% should be allocated as employee compensation and no more than 3% as director compensation. However, if the company still has accumulated losses, the amount should be reserved in advance to cover the losses. The remuneration of the preceding directors shall be in cash only.

The estimated amounts of employee remuneration for the Company from January 01 to June 30, 2023, and from April 01 to June 30, 2023, and 2024 are NTD 4,426,000, NTD 4,892,000, NTD 9,732,000, and NTD 9,392,000 respectively. The remuneration for directors and supervisors are NTD 360,000, NTD 360,000, NTD 720,000, and NTD 720,000 respectively. These estimates are based on the pre-tax net profit of the Company for each period before deducting employee and director remuneration, multiplied by the distribution percentages of employee and director remuneration as stipulated in the Articles of Incorporation, and reported as operating expenses for the respective periods. If there is a difference between the actual allocation amount and the estimated number in the next year, it will be handled according to the changes in accounting estimates, and the difference will be listed as the profit or loss for the next year. If the board of directors Resolution adopts stock issuance for employee compensation, the basis for calculating the number of shares for stock compensation is based on the closing price on the day before the board of directors Resolution.

In the 2023 and 2022, the amounts accrued for employee compensation by the company were NTD 16,816,000 and NTD 15,795,000 respectively, and the amounts accrued for director compensation were NTD 1,440,000 and NTD 1,403,000 respectively. There is no difference with the distribution by the board of directors' Resolution. Relevant information can be found at the Market Observation Post System.

### (15) Non-operating income and expenses

#### A. Interest income

	2024 April to June	2023 April to June	2024 January to June	2023 January to June
Interest on bank deposits	\$ 615	428	667	440
Interest income from deposit	4	3	8	7
	<b>\$ 619</b>	<b>431</b>	<b>675</b>	<b>447</b>

## M-Power Information Co., Ltd. Financial Report Notes (Continued)

### B. Other gains and losses

	2024 April to June	2023 April to June	2024 January to June	2023 January to June
Foreign exchange gains (losses), net	\$ 503	(205)	687	(17)
Other benefits	259	619	1,654	866
	<b>\$ 762</b>	<b>414</b>	<b>2,341</b>	<b>849</b>

### C. Financial costs

	2024 April to June	2023 April to June	2024 January to June	2023 January to June
Interest expense:				
Bank loan	\$ 2,552	1,591	3,992	2,731
Lease liability	94	120	196	247
	<b>\$ 2,646</b>	<b>1,711</b>	<b>4,188</b>	<b>2,978</b>

### (16) Financial instruments

Except as described below, there have been no significant changes in the types of financial instruments, fair values, and exposure to credit risk, liquidity risk, and market risk of the Company's financial instruments. For related information, please refer to Note 6(17) of the financial report for the 2023.

#### A. Credit risk

##### (A) The maximum exposure amount of credit risk

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

##### (B) Credit risk concentration situation

Our company's customer base is large and unrelated, so the concentration of credit risk is limited.

##### (C) Credit risk of receivables

For information on the credit risk exposure of notes receivable and accounts receivable, please refer to Note 6(2).

#### B. Liquidity risk

The following table shows the maturity dates of the company's financial liabilities, excluding the impact of estimated interest.

	Book value	Contract cash flow	Within 1 Year	1-2 Years	2-5 Years	More than 5 years
<b>June 30, 2024</b>						
Non-derivative financial liabilities						

## M-Power Information Co., Ltd. Financial Report Notes (Continued)

Short-term loan	\$ 325,000	325,000	325,000	-	-	-
Accounts payable	405,494	405,494	405,494	-	-	-
Other accounts payable	41,914	41,914	41,914	-	-	-
Lease liabilities	19,028	19,028	6,494	6,001	6,533	-
Dividends payable	83,600	83,600	83,600	-	-	-
Long-term loan	17,233	17,233	12,100	5,133	-	-
	<u>\$ 892,269</u>	<u>892,269</u>	<u>874,602</u>	<u>11,134</u>	<u>6,533</u>	<u>-</u>

	Book value	Contract cash flow	Within 1 Year	1-2 Years	2-5 Years	More than 5 years
<b>December 31, 2023</b>						
Non-derivative financial liabilities						
Short-term loan	\$ 95,000	95,000	95,000	-	-	-
Accounts payable	475,504	475,504	475,504	-	-	-
Other accounts payable	57,054	57,054	57,054	-	-	-
Lease liabilities	22,379	22,379	6,735	6,097	9,547	-
Long-term loan	23,169	23,169	11,948	11,221	-	-
	<u>\$ 673,106</u>	<u>673,106</u>	<u>646,241</u>	<u>17,318</u>	<u>9,547</u>	<u>-</u>
<b>June 30, 2023</b>						
Non-derivative financial liabilities						
Short-term loan	\$ 326,137	326,137	326,137	-	-	-
Accounts payable	248,351	248,351	248,351	-	-	-
Other accounts payable	40,414	40,414	40,414	-	-	-
Lease liabilities	24,659	24,659	6,461	6,278	11,920	-
Dividends payable	83,600	83,600	83,600	-	-	-
Long-term loan	29,030	29,030	11,798	12,100	5,132	-
	<u>\$ 752,191</u>	<u>752,191</u>	<u>716,761</u>	<u>18,378</u>	<u>17,052</u>	<u>-</u>

The company does not expect the timing of cash flows analyzed by the maturity date to be significantly earlier, or the actual amount to be significantly different.

### C. Exchange rate risk

#### (A) Exchange rate risk exposure

The financial assets and liabilities of our company exposed to foreign currency exchange rate risk are as follows:

	2024.6.30			2023.12.31			2023.6.30			
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	
<b>Financial assets</b>										
<b>Monetary item</b>										
USD	\$	1,055	32.40	34,178	2	30.65	73	16	31.69	507

## M-Power Information Co., Ltd. Financial Report Notes (Continued)

### Financial liabilities

#### Monetary item

USD	98	32.50	3,190	74	30.76	2,261	67	31.03	2,079
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#### (B) Sensitivity analysis

The company's exchange rate risk mainly comes from cash and cash equivalents, accounts receivable (payable), etc., denominated in non-functional currencies, resulting in foreign exchange gains and losses during conversion. On June 30, 2024 and 2023, when the NTD appreciates by 1% against the USD, with all other factors remaining unchanged, the pre-tax net profit from January 01 to June 30, 2024 and 2023 will decrease by NTD 310,000 and increase by NTD 16,000, respectively. The analysis of the two periods is based on the same foundation.

#### (C) Currency exchange gains and losses of item

The exchange gain or loss amount of the company's monetary Item is detailed in Note 6(15).

#### D. Interest rate analysis

Our company's short-term and long-term loans are at fixed interest rates, so there is no significant interest rate risk.

#### E. Fair value information

##### (A) Types and fair value of financial instruments

The carrying amounts and fair values of various financial assets and financial liabilities of the company (including fair value level information, but excluding those whose carrying amounts of financial instruments are not reasonable approximations of fair value and lease liabilities, for which fair value information is not required to be disclosed) are listed as follows:

	2024.6.30				
	Book value	Fair value			
		First level	Second level	3rd Level	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 130,549	-	-	-	-
Notes receivable and accounts receivable	978,449	-	-	-	-
Guarantee deposits	27,842	-	-	-	-
Long-term receivables	143,932	-	-	-	-
Total	<b>\$ 1,280,772</b>	-	-	-	-
Financial liabilities measured at amortized cost					



## M-Power Information Co., Ltd. Financial Report Notes (Continued)

Short-term loan	\$ 325,000	-	-	-	-
Accounts payable	405,494	-	-	-	-
Other accounts payable	41,914	-	-	-	-
Lease liabilities	19,028	-	-	-	-
Dividends payable	83,600	-	-	-	-
Long-term loan	17,233	-	-	-	-
<b>Total</b>	<b>\$ 892,269</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2023.12.31</b>					
<b>Fair value</b>					
			<b>Second</b>		
	<b>Book value</b>	<b>First level</b>	<b>level</b>	<b>3rd Level</b>	<b>Total</b>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 209,790	-	-	-	-
Notes receivable and accounts receivable	555,382	-	-	-	-
Other receivables	47	-	-	-	-
Guarantee deposits	23,376	-	-	-	-
Long-term receivables	96,620	-	-	-	-
<b>Total</b>	<b>\$ 885,215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2023.12.31</b>					
<b>Fair value</b>					
			<b>Second</b>		
	<b>Book value</b>	<b>First level</b>	<b>level</b>	<b>3rd Level</b>	<b>Total</b>
Financial liabilities measured at amortized cost					
Short-term loan	\$ 95,000	-	-	-	-
Accounts payable	475,504	-	-	-	-
Other payables	57,054	-	-	-	-
Lease liabilities	22,379	-	-	-	-
Long-term loan	23,169	-	-	-	-
<b>Total</b>	<b>\$ 673,106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2023.6.30</b>					
<b>Fair value</b>					
			<b>Second</b>		
	<b>Book value</b>	<b>First level</b>	<b>level</b>	<b>3rd Level</b>	<b>Total</b>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$252,989	-	-	-	-
Financial assets measured at amortized cost -	200	-	-	-	-

## M-Power Information Co., Ltd. Financial Report Notes (Continued)

current					
Notes receivable and accounts receivable	825,792	-	-	-	-
Guarantee deposits	20,825	-	-	-	-
Long-term receivables	55,344	-	-	-	-
Total	<b>\$ 1,155,150</b>	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term loan	\$ 326,137	-	-	-	-
Accounts payable	248,351	-	-	-	-
Other payables	40,414	-	-	-	-
Lease liabilities	24,659	-	-	-	-
Dividends payable	83,600	-	-	-	-
Long-term loan	29,030	-	-	-	-
Total	<b>\$ 752,191</b>	-	-	-	-

There were no transfers of financial assets and liabilities at fair value levels from January 1 and June 30, 2024 and 2023.

### (17) Financial risk management

The company's financial risk management objectives and policies have not undergone significant changes from those disclosed in Note 6(18) of the company's financial report for 2023.

### (18) Capital management

The company's capital management objectives, policies, and procedures are consistent with those disclosed in Note 6(19) of the company's financial report for the 2023.

The gearing ratios as June 30, 2024, December 31 and June 30, 2023 were as follows:

	<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
Total liabilities	\$ 970,637	784,441	827,937
Less: Cash and cash equivalents	<u>(130,549)</u>	<u>(209,790)</u>	<u>(252,989)</u>
Net debt	<b><u>\$ 840,088</u></b>	<b><u>574,651</u></b>	<b><u>574,948</u></b>
Total capital	<b><u>\$ 459,283</u></b>	<b><u>486,383</u></b>	<b><u>451,490</u></b>
Debt to capital ratio	<b><u>182.91%</u></b>	<b><u>118.15%</u></b>	<b><u>127.34%</u></b>

The increase in the debt-to-equity ratio as of June 30, 2024 and 2023 is mainly due to the increase in liabilities generated from operating activities.

### (19) Non-cash fundraising activities

Our company acquired right-of-use assets through leasing from January 01 to June 30, 2024 and 2023. Please refer to Note 6 (5) and (8) for details.

## M-Power Information Co., Ltd. Financial Report Notes (Continued)

	<u>2024.1.1</u>	<u>Cash flow</u>	<u>Repay the loan</u>	<u>Non-cash changes</u>		<u>2024.6.30</u>
				<u>Increase</u>	<u>Cancel</u>	
Short-term loan	\$ 95,000	230,000	-	-	-	325,000
Long-term loan	23,169	(5,936)	-	-	-	17,233
Lease liabilities	<u>22,379</u>	<u>(3,351)</u>	-	-	-	<u>19,028</u>
Total liabilities from financing activities	<u>\$ 140,548</u>	<u>220,713</u>	-	-	-	<u>361,261</u>

	<u>2023.1.1</u>	<u>Cash flow</u>	<u>Non-cash changes</u>		<u>2023.6.30</u>
			<u>Increase</u>	<u>Cancel</u>	
Short-term loan	\$ 150,565	175,572	-	-	326,137
Long-term loan	-	29,030	-	-	29,030
Lease liabilities	<u>27,845</u>	<u>(3,186)</u>	-	-	<u>24,659</u>
Total liabilities from financing activities	<u>\$ 178,410</u>	<u>201,416</u>	-	-	<u>379,826</u>

### 7. Related party transactions

#### (1) Name and relationship of related person

During the period covered by this financial report, the related parties that had transactions with the company are as follows:

<u>Name of related party</u>	<u>Relationship with the company</u>
Ares International Corp.	The entity with significant influence over the Company
Chin-Lung, Hsu	Key management personnel of the Corporation
Han-Lin, Li	Key management personnel of the Corporation

#### (2) Significant transactions with related parties

##### A. Revenue

The significant sales amount to related parties of the company is as follows:

	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>April to</u>	<u>April to</u>	<u>January to</u>	<u>January</u>
	<u>June</u>	<u>June</u>	<u>June</u>	<u>to June</u>
The entity with significant influence over the Company	<u>\$ 66</u>	<u>-</u>	<u>66</u>	<u>-</u>

The company's selling prices to the aforementioned related parties are not significantly different from the selling prices to general customers. The payment terms for general customers are mainly 30-60 days, while for related parties, it is 30

## M-Power Information Co., Ltd. Financial Report Notes (Continued)

days. There is no significant difference between the two. Our company has not received any collateral for accounts receivable from related parties, and after evaluation, there is no need to set aside bad debt expenses.

### B. Contract liabilities

The contract liability amount to related parties of the company is as follows:

	<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
The entity with significant influence over the Company	\$ <u>23</u>	<u>-</u>	<u>-</u>

### C. Accounts receivable from related parties

The details of the company's receivables from related parties are as follows:

<u>Item item</u>	<u>Relationship category</u>	<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
Accounts receivable	The standard-alone has a significant impact on our company	\$ <u>93</u>	<u>-</u>	<u>-</u>

As of June 30, 2024, the aforementioned related party funds do not require any provision for loss.

### D. Written guarantee

The main manager of the company, Chin-Lung, Hsu, acts as a joint guarantor for the company's loans from financial institutions from January 01 to June 30, 2024 and 2023 with credit guarantee.

The main manager of the company, Han-Lin, Li, acts as a joint guarantor for the company's loans from financial institutions from January 01 to June 30, 2023 with credit guarantee.

### (3) Main management personnel remuneration

	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>April to June</u>	<u>April to June</u>	<u>January to June</u>	<u>January to June</u>
Short-term employee benefits	\$ 5,392	5,444	10,794	10,390
Post-employment benefits	121	200	231	298
	<u>\$ 5,513</u>	<u>5,644</u>	<u>11,025</u>	<u>10,688</u>

## 8. Pledged assets

The company provides the detailed book value of pledged assets as follows:

<u>Asset name</u>	<u>Pledged collateral</u>	<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
Financial assets measured at amortized cost - current:				
Restricted bank deposits	Short-term	\$ <u>-</u>	<u>-</u>	<u>200</u>

## M-Power Information Co., Ltd. Financial Report Notes (Continued)

9. Significant contingent liabilities and unrecognized commitments: None.

10. Major disaster loss: None.

11. Major subsequent events:

The company passed the Resolution by the board of directors on August 09, 2024, and plans to issue the first domestic unsecured convertible bonds. The maximum number of bonds to be issued is 3,000, with each bond having a face value of NTD 100,000. The issuance period is 3 years, with a coupon rate of 0%. The expected maximum total face value to be issued is NTD 300,000,000, issued at 100%~101% of the face value. The expected maximum fundraising amount is NTD 303,000,000. After the issuance of this unsecured convertible corporate bond is reported to and approved by the competent authority, it is proposed to authorize the chairman to set the issuance date.

12. Other

(1) Employee benefits, depreciation, depletion, and amortization expenses summarized by function as follows:

Functionality Nature	April to June , 2024			April to June , 2023		
	Belongs to operating costs	Belonging to operating expenses	Total	Belongs to operating costs	Belonging to operating expenses	Total
Employee benefits Expenses						
Salary expenses	9,699	21,992	31,691	9,005	20,037	29,042
Labor and health Insurance fees	1,177	1,292	2,469	723	1,385	2,108
Pension expenses	613	1,085	1,698	430	830	1,260
Other employee Benefits expenses	542	871	1,413	383	694	1,077
Depreciation Expense	583	1,219	1,802	513	1,365	1,878
Amortization expense	37	70	107	37	70	107

Functionality Nature	January to June, 2024			January to June, 2023		
	Belongs to operating costs	Belonging to operating expenses	Total	Belongs to operating costs	Belonging to operating expenses	Total
Employee benefits Expenses						
Salary expenses	19,493	44,641	64,134	17,832	39,076	56,908
Labor and health Insurance fees	2,072	3,207	5,279	1,566	3,127	4,693
Pension expenses	1,093	1,996	3,089	840	1,618	2,458
Other employee Benefits expenses	990	1,930	2,920	782	1,522	2,304
Depreciation expense	1,289	2,635	3,924	1,021	2,735	3,756
Amortization expense	71	143	214	72	135	207

## M-Power Information Co., Ltd. Financial Report Notes (Continued)

(2) Seasonality of operations:

The operations of our company are not affected by seasonal or cyclical factors.

### 13. Note disclosures

- (1) Major transaction information: No.
- (2) Information related to investment business: No.
- (3) Mainland investment information: None.
- (4) Major shareholder information:

Unit: Stock

Name of major shareholder	Shares	Number of shares held	Shareholding ratio
Ares International Corp.		3,843,015	17.46%
Wei Gu Co., Ltd.		2,682,381	12.19%

Note: (1) This table's major shareholder information is calculated by Taiwan Depository & Clearing Corporation as of the last business day of each quarter, including ordinary shares and special shares that have completed dematerialized registration and delivery (including treasury shares) with total reaching 5% or more. As for the share capital recorded in the company's financial report and the actual number of shares delivered through dematerialized registration, there may be differences due to different preparation and calculation bases.

(2) If the aforementioned information pertains to shareholders entrusting their shares to a trust, it is disclosed in individual sub-accounts of the trust account opened by the trustee. As for shareholders who report their shareholding exceeding ten percent according to the Securities and Exchange Act, their shareholding includes their own shares plus shares entrusted and having the decision-making power over the trust property. For information on insider shareholding reports, please refer to the Market Observation Post System.

(3) The shareholding ratio is calculated by rounding down to two decimal places.

### 14. Department Information

The company's departmental profit and loss, departmental assets, and departmental liabilities information are consistent with the financial report. Please refer to the balance sheet and Statements of Comprehensive Income.