

# **LINE Pay Taiwan Limited and Subsidiaries**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2025 and 2024 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
LINE Pay Taiwan Limited

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of LINE Pay Taiwan Limited and its subsidiaries (collectively referred to as the “Group”) as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). 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 Standard 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**

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

### **Conclusion**

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 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 Chiang Hsun Chen and Cheng Chuan Yu.

Chiang Hsun Chen Cheng-Chuan Yu

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 13, 2025

Notice to Readers

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

*For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.*

# LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 10,092,074	55	\$ 9,887,873	59	\$ 3,936,810	31
Financial assets at amortized cost - current (Notes 8 and 29)	473,758	3	470,848	3	250,000	2
Trade receivables, net (Notes 9 and 20)	391,364	2	307,567	2	311,139	2
Trade receivables from related parties (Notes 20 and 28)	25,295	-	22,826	-	14,890	-
Other receivables (Note 9)	1,703,883	10	1,481,656	9	2,422,834	19
Other receivables from related parties (Note 28)	235,675	1	399,109	2	512,229	4
Current tax assets (Note 4)	-	-	-	-	1,178	-
Prepayments (Notes 15 and 28)	25,534	-	22,366	-	15,288	-
Other financial assets - current (Notes 10 and 29)	4,542,497	25	3,454,021	21	4,739,998	37
Other current assets	11,947	-	12,170	-	9,085	-
Total current assets	<u>17,502,027</u>	<u>96</u>	<u>16,058,436</u>	<u>96</u>	<u>12,213,451</u>	<u>95</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current (Note 7)	204	-	201	-	213	-
Financial assets at amortized cost - non-current (Notes 8 and 29)	19,651	-	19,651	-	27,000	-
Property, plant and equipment (Notes 12 and 28)	337,104	2	270,739	2	169,858	1
Right-of-use assets (Note 13)	255,906	1	167,550	1	195,467	2
Intangible assets (Note 14)	48,765	-	48,480	-	57,090	1
Deferred tax assets (Note 4)	115,486	1	105,359	1	123,707	1
Other non-current assets (Notes 15 and 28)	32,423	-	35,129	-	31,875	-
Total non-current assets	<u>809,539</u>	<u>4</u>	<u>647,109</u>	<u>4</u>	<u>605,210</u>	<u>5</u>
<b>TOTAL</b>	<u>\$ 18,311,566</u>	<u>100</u>	<u>\$ 16,705,545</u>	<u>100</u>	<u>\$ 12,818,661</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Contract liabilities (Note 20)	\$ 360,889	2	\$ 372,722	2	\$ 261,225	2
Trade payables	2,671	-	2,681	-	6,901	-
Trade payables to related parties (Note 28)	38,781	-	37,843	-	60,169	1
Other payables (Notes 16 and 24)	289,779	2	423,493	3	221,812	2
Other payables to related parties (Note 28)	39,608	-	10,775	-	29,424	-
Current tax liabilities (Note 4)	214,495	1	168,016	1	128,499	1
Provisions - current (Notes 4 and 17)	18,489	-	17,920	-	17,973	-
Lease liabilities - current (Notes 13 and 28)	78,593	-	65,355	-	55,049	-
Other current liabilities (Notes 16 and 28)	6,134,613	34	4,758,887	29	5,848,789	46
Total current liabilities	<u>7,177,918</u>	<u>39</u>	<u>5,857,692</u>	<u>35</u>	<u>6,629,841</u>	<u>52</u>
<b>NON-CURRENT LIABILITIES</b>						
Provisions - non-current (Notes 4 and 17)	12,277	-	12,007	-	11,052	-
Deferred tax liabilities (Note 4)	21,702	-	25,059	-	44,403	-
Lease liabilities - non-current (Notes 13 and 28)	178,871	1	102,552	1	136,947	1
Net defined benefit liabilities - non-current (Notes 4 and 18)	422,639	3	395,313	2	365,100	3
Other non-current liabilities (Notes 16 and 24)	24,780	-	16,855	-	18,269	-
Total non-current liabilities	<u>660,269</u>	<u>4</u>	<u>551,786</u>	<u>3</u>	<u>575,771</u>	<u>4</u>
Total liabilities	<u>7,838,187</u>	<u>43</u>	<u>6,409,478</u>	<u>38</u>	<u>7,205,612</u>	<u>56</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)</b>						
Share capital						
Ordinary shares	680,000	4	680,000	4	600,000	5
Capital surplus	8,489,695	46	8,475,661	51	4,323,370	34
Retained earnings						
Legal reserve	48,161	-	48,161	-	-	-
Unappropriated earnings	1,258,636	7	1,096,438	7	689,470	5
Total retained earnings	1,306,797	7	1,144,599	7	689,470	5
Other equity	(3,113)	-	(4,193)	-	209	-
Total equity	<u>10,473,379</u>	<u>57</u>	<u>10,296,067</u>	<u>62</u>	<u>5,613,049</u>	<u>44</u>
<b>TOTAL</b>	<u>\$ 18,311,566</u>	<u>100</u>	<u>\$ 16,705,545</u>	<u>100</u>	<u>\$ 12,818,661</u>	<u>100</u>

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

# LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 28)	\$ 1,815,808	100	\$ 1,459,634	100
OPERATING COSTS (Notes 21 and 28)	<u>(1,194,913)</u>	<u>(66)</u>	<u>(988,061)</u>	<u>(67)</u>
GROSS PROFIT	<u>620,895</u>	<u>34</u>	<u>471,573</u>	<u>33</u>
OPERATING EXPENSES (Notes 21 and 28)				
Selling and marketing expenses	(145,291)	(8)	(78,889)	(6)
General and administrative expenses	(159,259)	(9)	(122,344)	(8)
Research and development expenses	(149,854)	(8)	(28,462)	(2)
Expected credit loss (Note 9)	<u>(1,510)</u>	<u>-</u>	<u>(40)</u>	<u>-</u>
Total operating expenses	<u>(455,914)</u>	<u>(25)</u>	<u>(229,735)</u>	<u>(16)</u>
PROFIT FROM OPERATIONS	<u>164,981</u>	<u>9</u>	<u>241,838</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 28)				
Interest income	44,838	3	16,598	1
Other income	888	-	184	-
Other gains and losses	218	-	6,577	-
Finance costs	<u>(2,432)</u>	<u>-</u>	<u>(2,159)</u>	<u>-</u>
Total non-operating income and expenses	<u>43,512</u>	<u>3</u>	<u>21,200</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	208,493	12	263,038	18
INCOME TAX EXPENSE (Notes 4 and 22)	<u>(46,295)</u>	<u>(3)</u>	<u>(55,176)</u>	<u>(4)</u>
NET PROFIT FOR THE PERIOD	<u>162,198</u>	<u>9</u>	<u>207,862</u>	<u>14</u>

(Continued)

# LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (Notes 19 and 22)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ 1,350	-	\$ (5)	-
Income tax related to items that may be reclassified subsequently to profit or loss	<u>(270)</u>	<u>-</u>	<u>1</u>	<u>-</u>
Other comprehensive income for the period, net of income tax	<u>1,080</u>	<u>-</u>	<u>(4)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 163,278</u>	<u>9</u>	<u>\$ 207,858</u>	<u>14</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 2.39</u>		<u>\$ 3.46</u>	
Diluted	<u>\$ 2.30</u>		<u>\$ 3.32</u>	

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

(Concluded)

## LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company					Total Equity
	Ordinary Share Capital	Capital Surplus	Retained Earnings		Other Equity Exchange Differences on Translation of the Financial Statements of Foreign Operations	
			Legal Reserve	Unappropriated Earnings		
BALANCE AT JANUARY 1, 2024	\$ 600,000	\$ 4,305,972	\$ -	\$ 481,608	\$ 213	\$ 5,387,793
Net profit for the three months ended March 31, 2024	-	-	-	207,862	-	207,862
Other comprehensive loss for the three months ended March 31, 2024	-	-	-	-	(4)	(4)
Total comprehensive income/(loss) for the three months ended March 31, 2024	-	-	-	207,862	(4)	207,858
Issuance of employee share options (Notes 19 and 24)	-	17,398	-	-	-	17,398
BALANCE AT MARCH 31, 2024	\$ 600,000	\$ 4,323,370	\$ -	\$ 689,470	\$ 209	\$ 5,613,049
BALANCE AT JANUARY 1, 2025	\$ 680,000	\$ 8,475,661	\$ 48,161	\$ 1,096,438	\$ (4,193)	\$ 10,296,067
Net profit for the three months ended March 31, 2025	-	-	-	162,198	-	162,198
Other comprehensive income for the three months ended March 31, 2025	-	-	-	-	1,080	1,080
Total comprehensive income for the three months ended March 31, 2025	-	-	-	162,198	1,080	163,278
Issuance of employee share options (Notes 19 and 24)	-	14,034	-	-	-	14,034
BALANCE AT MARCH 31, 2025	\$ 680,000	\$ 8,489,695	\$ 48,161	\$ 1,258,636	\$ (3,113)	\$ 10,473,379

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

# LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 208,493	\$ 263,038
Adjustments for:		
Depreciation expenses	39,155	29,413
Amortization expenses	3,925	3,642
Expected credit loss	1,510	40
Finance costs	2,432	2,159
Interest income	(44,838)	(16,598)
Compensation cost arising from employee share options	14,034	17,398
Loss/(gain) on disposal of property, plant and equipment	1,989	(57)
Property, plant and equipment transferred to expenses	67	12
Gain on foreign currency exchange	(1,568)	(4,259)
Changes in operating assets and liabilities		
Trade receivables	(83,524)	(75,810)
Trade receivables from related parties	(5,247)	5,369
Other receivables	(215,262)	99,269
Other receivables from related parties	163,434	134,385
Prepayments	(2,896)	(1,154)
Other current assets	223	(366)
Other financial assets	(1,088,476)	301,761
Other non-current assets	614	79
Contract liabilities	(11,842)	50,396
Trade payables	(10)	3,511
Trade payables to related parties	389	11,228
Other payables	(14,615)	(35,795)
Other payables to related parties	(2,700)	7,325
Provisions	432	164
Other current liabilities	1,375,599	(249,837)
Net defined benefit liabilities	21,613	23,005
Other non-current liabilities	<u>7,780</u>	<u>4,535</u>
Cash generated from operations	370,711	572,853
Interest received	37,257	7,140
Interest paid	(2,336)	(2,045)
Income tax paid	<u>(13,191)</u>	<u>(16,040)</u>
Net cash generated from operating activities	<u>392,441</u>	<u>561,908</u>

(Continued)

# LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	\$ (177,165)	\$ (2,971)
Proceeds from disposal of property, plant and equipment	867	370
Increase in refundable deposits	(2,540)	(500)
Decrease in refundable deposits	4,900	-
Payments for intangible assets	<u>(1,000)</u>	<u>(7)</u>
Net cash used in investing activities	<u>(174,938)</u>	<u>(3,108)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	<u>(22,890)</u>	<u>(16,897)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>9,588</u>	<u>4,367</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	204,201	546,270
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>9,887,873</u>	<u>3,390,540</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 10,092,074</u>	<u>\$ 3,936,810</u>

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

(Concluded)

# LINE PAY TAIWAN LIMITED AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

LINE Pay Taiwan Limited (the “Company”; the Company and the entities controlled by the Company are referred to as the “Group”) was incorporated in Taipei as a company limited by shares in March 2015. The Company is primarily engaged in data processing services, electronic information supply services and the third-party payment services.

On November 17, 2023, the Company’s shares were approved for public offering by the Financial Supervisory Commission Securities and Futures Bureau, and the Company’s shares have been listed on the Taipei Exchange (TPEX) Emerging Stock Board (ESB) since January 26, 2024. The shares of the Company have been listed on the Taiwan Stock Exchange (TWSE) since December 5, 2024.

The consolidated financial statements are presented in the Company’s functional currency, New Taiwan dollars.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 13, 2025.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

#### Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group's financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<b><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date Announced by IASB (Note)</u></b>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

#### **IFRS 18 "Presentation and Disclosures in Financial Statements"**

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- 1) Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- 2) The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- 3) Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into companies based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.
- 4) Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the company as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

##### **a. Statement of compliance**

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

##### **b. Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments, payables for cash-settled share-based payment transactions, provision from long-term employee benefits, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

##### **c. Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company.

See Note 11 and Table 4 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

1) Retirement benefits

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

2) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that rereasurement is recognized in profit or loss.

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

## 5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of volatility in financial markets on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Group's management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgments, estimates and assumptions uncertainty.

## 6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Checking accounts and demand deposits	\$ 4,023,646	\$ 4,320,924	\$ 3,435,810
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	<u>6,068,428</u>	<u>5,566,949</u>	<u>501,000</u>
	<u>\$ 10,092,074</u>	<u>\$ 9,887,873</u>	<u>\$ 3,936,810</u>

The market rate intervals of cash in the bank at the end of the period were as follows:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Bank balance	0.01%-4.31%	0.01%-4.38%	0.01%-5.12%

#### 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivatives financial assets			
Oversea unlisted shares	<u>\$ 204</u>	<u>\$ 201</u>	<u>\$ 213</u>

#### 8. FINANCIAL ASSETS AT AMORTIZED COST

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 453,758	\$ 450,848	\$ 250,000
Restricted time deposits (b)	<u>20,000</u>	<u>20,000</u>	<u>-</u>
	<u>\$ 473,758</u>	<u>\$ 470,848</u>	<u>\$ 250,000</u>
<u>Non-current</u>			
Restricted time deposits (b)	<u>\$ 19,651</u>	<u>\$ 19,651</u>	<u>\$ 27,000</u>

- a. The interest rates of time deposits with original maturities of more than 3 months were 1.70%-3.55%, 1.70%-3.55% and 1.35% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.
- b. According to the cooperation agreement with merchants, the Group is required to pledge a certificate of deposits as a performance guarantee and collateral for current and future obligations. Besides, the Group pledge a deposit as the performance guarantee for the commercial property lease. The interest rate of restricted time deposits were 0.16%, 0.16% and 0.15% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively. Refer to Note 29 for information on assets pledged as collateral or for security.

- c. The Group has tasked its credit management committee to develop and maintain a credit risk grading framework to assess whether there has been a significant increase in credit risk since the last period to the reporting date and measure the expected credit losses. The credit rating information may be obtained from independent rating agencies where available, and if such information is not available, the credit management committee uses other publicly available financial information to rate. In determining the expected credit losses on financial assets measured at amortized cost, the Group considers the current financial condition of counterparties and the future prospects of the industries. The Group assesses that the expected credit loss rate of financial assets measured at amortized cost were 0% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024.

## 9. TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 392,023	\$ 307,567	\$ 311,139
Less: Allowance for impairment loss	<u>(659)</u>	<u>-</u>	<u>-</u>
	<u>\$ 391,364</u>	<u>\$ 307,567</u>	<u>\$ 311,139</u>
<u>Other receivables</u>			
Other receivables - third-party payment (unappropriated)	\$ 1,388,994	\$ 1,236,068	\$ 2,249,753
Other receivables - points issued	280,928	221,904	163,234
Tax refund receivables	16,410	16,175	-
Interest receivables	14,612	7,031	9,807
Others	3,182	478	40
Less: Allowance for impairment loss	<u>(243)</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,703,883</u>	<u>\$ 1,481,656</u>	<u>\$ 2,422,834</u>

### a. Trade receivables

The Group's trade receivables mainly come from financial promotion services and marketing products. The average credit period is 30 to 90 days, and no interest is charged on overdue trade receivables.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, as well as forward-looking information. As the Group's historical credit loss experience shows different loss patterns for different customer segments, the Group uses different provision matrixes based on customer segments by industry region.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following tables detail the loss allowance of trade receivables based on the Group's provision matrix:

March 31, 2025

	<b>Not Past Due</b>	<b>1 to 90 Days Past Due</b>	<b>91 to 180 Days Past Due</b>	<b>Over 181 Days Past Due</b>	<b>Total</b>
Expected credit loss rate	0%-0.24%	0%-2.22%	-	-	
Gross carrying amount	\$ 373,657	\$ 18,366	\$ -	\$ -	\$ 392,023
Loss allowance (Lifetime ECLs)	<u>(256)</u>	<u>(403)</u>	<u>-</u>	<u>-</u>	<u>(659)</u>
Amortized cost	<u>\$ 373,401</u>	<u>\$ 17,963</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 391,364</u>

December 31, 2024

	<b>Not Past Due</b>	<b>1 to 90 Days Past Due</b>	<b>91 to 180 Days Past Due</b>	<b>Over 181 Days Past Due</b>	<b>Total</b>
Expected credit loss rate	0%	0%	-	-	
Gross carrying amount	\$ 276,637	\$ 30,930	\$ -	\$ -	\$ 307,567
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 276,637</u>	<u>\$ 30,930</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 307,567</u>

March 31, 2024

	<b>Not Past Due</b>	<b>1 to 90 Days Past Due</b>	<b>91 to 180 Days Past Due</b>	<b>Over 181 Days Past Due</b>	<b>Total</b>
Expected credit loss rate	0%	0%	-	-	
Gross carrying amount	\$ 285,139	\$ 26,000	\$ -	\$ -	\$ 311,139
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 285,139</u>	<u>\$ 26,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311,139</u>

The movements of the loss allowance of trade receivables were as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ -	\$ -
Add: Net remeasurement of loss allowance	<u>659</u>	<u>-</u>
Balance at March 31	<u>\$ 659</u>	<u>\$ -</u>

b. Other receivables

Other receivables are payments of credit card transactions collected on behalf of the Group but that have not yet been disbursed by the acquiring banks to the Group's account, and receivables of points issued by the Group for banks and contracted merchants. Other receivables are usually received within 1 to 30 days.

The Group measures the loss allowance for other receivables at an amount equal to lifetime ECLs. The expected credit losses on other receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, as well as forward-looking information. As the Group's historical credit loss experience shows different loss patterns for different customer segments, the Group uses different provision matrixes based on customer segments by industry region.

The Group writes off other receivables when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For other receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following tables detail the loss allowance of other receivables based on the Group's provision matrix:

March 31, 2025

	<b>Not Past Due</b>	<b>1 to 90 Days Past Due</b>	<b>91 to 180 Days Past Due</b>	<b>Over 181 Days Past Due</b>	<b>Total</b>
Expected credit loss rate	0%-0.09%	0%-19.17%	-	-	
Gross carrying amount	\$ 1,692,494	\$ 11,632	\$ -	\$ -	\$ 1,704,126
Loss allowance (Lifetime ECLs)	<u>(31)</u>	<u>(212)</u>	<u>-</u>	<u>-</u>	<u>(243)</u>
Amortized cost	<u>\$ 1,692,463</u>	<u>\$ 11,420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,703,883</u>

December 31, 2024

	<b>Not Past Due</b>	<b>1 to 90 Days Past Due</b>	<b>91 to 180 Days Past Due</b>	<b>Over 181 Days Past Due</b>	<b>Total</b>
Expected credit loss rate	0%	0%	-	-	
Gross carrying amount	\$ 1,476,058	\$ 5,598	\$ -	\$ -	\$ 1,481,656
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 1,476,058</u>	<u>\$ 5,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,481,656</u>

March 31, 2024

	<b>Not Past Due</b>	<b>1 to 90 Days Past Due</b>	<b>91 to 180 Days Past Due</b>	<b>Over 181 Days Past Due</b>	<b>Total</b>
Expected credit loss rate	0%	0%	0%	0%	
Gross carrying amount	\$ 2,414,718	\$ 7,567	\$ 546	\$ 3	\$ 2,422,834
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 2,414,718</u>	<u>\$ 7,567</u>	<u>\$ 546</u>	<u>\$ 3</u>	<u>\$ 2,422,834</u>

The movements of the loss allowance of other receivables were as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ -	\$ -
Add: Net remeasurement of loss allowance	851	40
Less: Amounts written off	<u>(608)</u>	<u>(40)</u>
Balance at March 31	<u>\$ 243</u>	<u>\$ -</u>

## 10. OTHER FINANCIAL ASSETS

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
<u>Current</u>			
Escrow account deposit	<u>\$ 4,542,497</u>	<u>\$ 3,454,021</u>	<u>\$ 4,739,998</u>

The Group provides a third-party payment service where the transaction amounts are deposited in the Group's escrow account as performance guarantee, ensuring the disbursement to merchant. The customers' transaction amounts with contracted merchants via the Group's platform will be directly remitted to the Group's escrow account in the escrow bank, which will disburse the transaction amounts to contracted merchants based on the Group's instructions.

The interest rates of escrow account deposit were all 0.64% per annum as of March 31 2025, December 31, 2024 and March 31, 2024. Refer to Note 29 for information on assets pledged as collateral or for security.

## 11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Nature of Activities	<b>Proportion of Ownership (%)</b>			Remark
			<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>	
The Company	LINE Pay Plus Corporation	System platform development and maintenance	100	100	100	Foreign exchange risk is the major operational risk

## 12. PROPERTY, PLANT AND EQUIPMENT

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Assets used by the Group	\$ 326,676	\$ 260,444	\$ 160,250
Assets leased under operating leases	<u>10,428</u>	<u>10,295</u>	<u>9,608</u>
	<u>\$ 337,104</u>	<u>\$ 270,739</u>	<u>\$ 169,858</u>

a. Assets used by the Group

	<b>Machinery and Equipment</b>	<b>Office Equipment</b>	<b>Leasehold Improvement</b>	<b>Equipment Pending Acceptance</b>	<b>Total</b>
<u>Cost</u>					
Balance at January 1, 2025	\$ 31,895	\$ 68,553	\$ 99,745	\$ 217,023	\$ 417,216
Additions (Note 28)	50,641	3,633	33,084	-	87,358
Transfers from assets leased under operating lease	993	-	-	-	993
Transfers to assets leased under operating lease	-	-	-	(2,023)	(2,023)
Transfers to operating expenses	-	-	-	(67)	(67)
Reclassification	117,771	-	978	(121,921)	(3,172)
Disposals	(2,119)	(9)	-	(735)	(2,863)
Effect of foreign currency exchange differences	<u>-</u>	<u>239</u>	<u>100</u>	<u>-</u>	<u>339</u>
Balance at March 31, 2025	<u>\$ 199,181</u>	<u>\$ 72,416</u>	<u>\$ 133,907</u>	<u>\$ 92,277</u>	<u>\$ 497,781</u>
<u>Accumulated depreciation</u>					
Balance at January 1, 2025	\$ 26,623	\$ 48,519	\$ 81,630	\$ -	\$ 156,772
Depreciation expenses	6,383	3,251	4,108	-	13,742
Transfers from assets leased under operating lease	428	-	-	-	428
Disposals	-	(7)	-	-	(7)
Effect of foreign currency exchange differences	<u>-</u>	<u>136</u>	<u>34</u>	<u>-</u>	<u>170</u>
Balance at March 31, 2025	<u>\$ 33,434</u>	<u>\$ 51,899</u>	<u>\$ 85,772</u>	<u>\$ -</u>	<u>\$ 171,105</u>
Carrying amount at March 31, 2025	<u>\$ 165,747</u>	<u>\$ 20,517</u>	<u>\$ 48,135</u>	<u>\$ 92,277</u>	<u>\$ 326,676</u>
Carrying amount at December 31, 2024 and January 1, 2025	<u>\$ 5,272</u>	<u>\$ 20,034</u>	<u>\$ 18,115</u>	<u>\$ 217,023</u>	<u>\$ 260,444</u>
<u>Cost</u>					
Balance at January 1, 2024	\$ 25,204	\$ 57,369	\$ 100,212	\$ 109,351	\$ 292,136
Additions (Note 28)	-	2,498	-	-	2,498
Transfers from assets leased under operating lease	1,553	-	-	-	1,553
Transfers to assets leased under operating lease	-	-	-	(2,279)	(2,279)
Transfers to operating expenses	-	-	-	(12)	(12)
Disposals	-	-	-	(313)	(313)
Effect of foreign currency exchange differences	<u>-</u>	<u>(40)</u>	<u>(26)</u>	<u>-</u>	<u>(66)</u>
Balance at March 31, 2024	<u>\$ 26,757</u>	<u>\$ 59,827</u>	<u>\$ 100,186</u>	<u>\$ 106,747</u>	<u>\$ 293,517</u>

(Continued)

	<b>Machinery and Equipment</b>	<b>Office Equipment</b>	<b>Leasehold Improvement</b>	<b>Equipment Pending Acceptance</b>	<b>Total</b>
<u>Accumulated depreciation</u>					
Balance at January 1, 2024	\$ 19,755	\$ 36,148	\$ 66,985	\$ -	\$ 122,888
Depreciation expenses	1,130	3,823	5,008	-	9,961
Transfers from assets leased under operating lease	432	-	-	-	432
Effect of foreign currency exchange differences	<u>-</u>	<u>(11)</u>	<u>(3)</u>	<u>-</u>	<u>(14)</u>
Balance at March 31, 2024	<u>\$ 21,317</u>	<u>\$ 39,960</u>	<u>\$ 71,990</u>	<u>\$ -</u>	<u>\$ 133,267</u>
Carrying amount at March 31, 2024	<u>\$ 5,440</u>	<u>\$ 19,867</u>	<u>\$ 28,196</u>	<u>\$ 106,747</u>	<u>\$ 160,250</u> (Concluded)

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Machinery and equipment	3-5 years
Office equipment	3-5 years
Leasehold improvement	3-5 years

b. Assets leased under operating leases

	<b>Machinery and Equipment For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Cost</u>		
Balance at January 1	\$ 13,791	\$ 10,957
Transfers from equipment pending acceptance used by the Group	2,023	2,279
Transfers to machinery and equipment used by the Group	<u>(993)</u>	<u>(1,553)</u>
Balance at March 31	<u>\$ 14,821</u>	<u>\$ 11,683</u>
<u>Accumulated depreciation</u>		
Balance at January 1	\$ 3,496	\$ 1,452
Depreciation expenses	1,325	1,055
Transfers to machinery and equipment used by the Group	<u>(428)</u>	<u>(432)</u>
Balance at March 31	<u>\$ 4,393</u>	<u>\$ 2,075</u>
Carrying amount at January 1	<u>\$ 10,295</u>	<u>\$ 9,505</u>
Carrying amount at March 31	<u>\$ 10,428</u>	<u>\$ 9,608</u>

Operating leases relate to lease of machinery and equipment. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The above items of property, plant and equipment leased under operating lease are depreciated on a straight-line basis over their estimated useful lives as follows:

Machinery and equipment 3 years

### 13. LEASE ARRANGEMENTS

a. Right-of-use assets

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
<u>Carrying amount</u>			
Buildings	<u>\$ 255,906</u>	<u>\$ 167,550</u>	<u>\$ 195,467</u>
		<b>For the Three Months Ended March 31</b>	
		<b>2025</b>	<b>2024</b>
Additions to right-of-use assets		<u>\$ 110,456</u>	<u>\$ 188</u>
Depreciation charge for right-of-use assets			
Buildings		<u>\$ 24,088</u>	<u>\$ 18,397</u>

b. Lease liabilities

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
<u>Carrying amount</u>			
Current	<u>\$ 78,593</u>	<u>\$ 65,355</u>	<u>\$ 55,049</u>
Non-current	<u>\$ 178,871</u>	<u>\$ 102,552</u>	<u>\$ 136,947</u>

Range of discount rates for lease liabilities were as follows:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Buildings	2.32%-4.46%	0.72%-4.46%	0.72%-4.46%

c. Material lease activities and terms

The Group leases buildings for the use of offices and data centre with lease terms of 3 to 5 years. The Group does not have bargain purchase options to acquire the buildings at the end of the lease terms. In addition, the Group is prohibited from lending, subleasing, or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Expenses relating to short-term leases	<u>\$ 1,044</u>	<u>\$ 1,164</u>
Expenses relating to low-value asset leases	<u>\$ 158</u>	<u>\$ 168</u>
Total cash outflow for leases	<u>\$ (26,428)</u>	<u>\$ (20,274)</u>

The Group's leases of certain office equipment and buildings qualify as short-term or low-value asset leases. The Group has elected to apply the recognition exemption, and thus, did not recognize right-of-use assets and lease liabilities for these leases.

#### 14. INTANGIBLE ASSETS

	<b>Computer Software</b>	<b>Patents</b>	<b>Copyright</b>	<b>Total</b>
<u>Cost</u>				
Balance at January 1, 2025	\$ 4,724	\$ 57,100	\$ 8,248	\$ 70,072
Additions	1,000	-	-	1,000
Reclassification (Note)	3,172	-	-	3,172
Effect of foreign currency exchange differences	<u>44</u>	<u>-</u>	<u>-</u>	<u>44</u>
Balance at March 31, 2025	<u>\$ 8,940</u>	<u>\$ 57,100</u>	<u>\$ 8,248</u>	<u>\$ 74,288</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2025	\$ 1,748	\$ 16,178	\$ 3,666	\$ 21,592
Amortization expenses	383	2,855	687	3,925
Effect of foreign currency exchange differences	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>
Balance at March 31, 2025	<u>\$ 2,137</u>	<u>\$ 19,033</u>	<u>\$ 4,353</u>	<u>\$ 25,523</u>
Carrying amount at March 31, 2025	<u>\$ 6,803</u>	<u>\$ 38,067</u>	<u>\$ 3,895</u>	<u>\$ 48,765</u>
Carrying amount at December 31, 2024 and January 1, 2025	<u>\$ 2,976</u>	<u>\$ 40,922</u>	<u>\$ 4,582</u>	<u>\$ 48,480</u>
<u>Cost</u>				
Balance at January 1, 2024	\$ 2,221	\$ 57,100	\$ 8,248	\$ 67,569
Additions	7	-	-	7
Effect of foreign currency exchange differences	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>(3)</u>
Balance at March 31, 2024	<u>\$ 2,225</u>	<u>\$ 57,100</u>	<u>\$ 8,248</u>	<u>\$ 67,573</u>

(Continued)

	<b>Computer Software</b>	<b>Patents</b>	<b>Copyright</b>	<b>Total</b>
<u>Accumulated amortization</u>				
Balance at January 1, 2024	\$ 1,167	\$ 4,758	\$ 917	\$ 6,842
Amortization expenses	100	2,855	687	3,642
Effect of foreign currency exchange differences	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(1)</u>
Balance at March 31, 2024	<u>\$ 1,266</u>	<u>\$ 7,613</u>	<u>\$ 1,604</u>	<u>\$ 10,483</u>
Carrying amount at March 31, 2024	<u>\$ 959</u>	<u>\$ 49,487</u>	<u>\$ 6,644</u>	<u>\$ 57,090</u> (Concluded)

Note: Transferred from property, plant and equipment - equipment pending acceptance.

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	5 years
Patents	5 years
Copyright	3 years

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
An analysis of amortization by function		
Operating costs	\$ 3,542	\$ 3,542
General and administrative expenses	191	88
Research and development expenses	<u>192</u>	<u>-</u>
	<u>\$ 3,925</u>	<u>\$ 3,630</u>

## 15. OTHER ASSETS

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
<u>Current</u>			
Prepayments			
Prepayments for software usage fee (Note 28)	\$ 9,136	\$ 7,443	\$ 1,582
Prepayments for insurance	6,546	8,831	6,597
Prepayments for taxes	3,391	2,665	-
Prepayments for transaction platform management fees for network security	3,085	-	2,974
Prepayments for royalty (Note 28)	820	820	1,520
Others (Note 28)	<u>2,556</u>	<u>2,607</u>	<u>2,615</u>
	<u>\$ 25,534</u>	<u>\$ 22,366</u>	<u>\$ 15,288</u> (Continued)

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
<u>Non-current</u>			
Refundable deposits (Note 28)	\$ 32,243	\$ 34,338	\$ 31,047
Others	<u>180</u>	<u>791</u>	<u>828</u>
	<u>\$ 32,423</u>	<u>\$ 35,129</u>	<u>\$ 31,875</u>
			(Concluded)

## 16. OTHER LIABILITIES

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
<u>Current</u>			
Other payables			
Payables for salaries or bonuses (including compensation of employees and remuneration of directors)	\$ 138,581	\$ 153,096	\$ 118,976
Payables for VAT	45,956	51,757	42,514
Payables for marketing expenses	31,548	27,154	17,502
Payables for professional fees	22,245	21,362	23,167
Payables for cash-settled share-based payment transactions (Note 24)	21,366	14,621	9,303
Payables for insurance	6,897	6,691	-
Payables for purchase of equipment	6,111	126,720	312
Others	<u>17,075</u>	<u>22,092</u>	<u>10,038</u>
	<u>\$ 289,779</u>	<u>\$ 423,493</u>	<u>\$ 221,812</u>
Other liabilities			
Points issuance	\$ 2,345,452	\$ 2,251,234	\$ 2,292,557
Payables for receipts on behalf of others - third-party payment (settled) (Note 28)	3,621,835	1,569,698	3,452,933
Payables for receipts on behalf of others - third-party payment (not yet settled)	133,788	910,918	65,629
Refund liabilities	14,621	14,929	12,191
Receipts under custody	12,111	7,664	13,896
Advanced receipts	<u>6,806</u>	<u>4,444</u>	<u>11,583</u>
	<u>\$ 6,134,613</u>	<u>\$ 4,758,887</u>	<u>\$ 5,848,789</u>
<u>Non-current</u>			
Payables for cash-settled share-based payment transactions (Note 24)	<u>\$ 24,780</u>	<u>\$ 16,855</u>	<u>\$ 18,269</u>

## 17. PROVISIONS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Restoration obligation (a)	\$ 8,399	\$ 8,399	\$ 8,345
Employee benefits (b)	<u>10,090</u>	<u>9,521</u>	<u>9,628</u>
	<u>\$ 18,489</u>	<u>\$ 17,920</u>	<u>\$ 17,973</u>
<u>Non-current</u>			
Restoration obligation (a)	\$ 8,632	\$ 8,415	\$ 8,425
Employee benefits (b)	<u>3,645</u>	<u>3,592</u>	<u>2,627</u>
	<u>\$ 12,277</u>	<u>\$ 12,007</u>	<u>\$ 11,052</u>
	<b>Restoration Obligation</b>	<b>Employee Benefits</b>	<b>Total</b>
Balance at January 1, 2025	\$ 16,814	\$ 13,113	\$ 29,927
Additional provisions recognized	-	432	432
Interest expenses	96	-	96
Effect of foreign currency exchange differences	<u>121</u>	<u>190</u>	<u>311</u>
Balance at March 31, 2025	<u>\$ 17,031</u>	<u>\$ 13,735</u>	<u>\$ 30,766</u>
Balance at January 1, 2024	\$ 16,496	\$ 12,134	\$ 28,630
Additional provisions recognized	-	164	164
Lease modification	188	-	188
Interest expenses	114	-	114
Effect of foreign currency exchange differences	<u>(28)</u>	<u>(43)</u>	<u>(71)</u>
Balance at March 31, 2024	<u>\$ 16,770</u>	<u>\$ 12,255</u>	<u>\$ 29,025</u>

- a. Pursuant to the lease agreements, the Group shall, at the end of the respective lease terms, restore the leased plant assets to their original condition at the time of the lease. Provisions are recognized based on the present value of the best estimate of future outflow of economic benefits that will be required by the fulfillment of the restoration obligation stated on the lease contracts. The estimate will be reviewed regularly and adjusted according to the use of the plant.
- b. The provision for employee benefits represents accrual of annual leave and vested long service leave entitlements.

## 18. RETIREMENT BENEFIT PLANS

- a. Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the subsidiary in South Korea are participants in a retirement benefit plan operated by the South Korean government. The subsidiary is required to allocate a specific proportion of its payroll costs to the retirement benefit plan to provide funding for the plan. The obligation regarding this government-operated retirement benefit plan is limited to making the specified contributions.

b. Defined benefit plans

For the three months ended March 31, 2025 and 2024, the pension expenses of defined benefit plans were \$21,576 thousand and \$21,980 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

## 19. EQUITY

a. Share capital

Ordinary shares

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Shares authorized (in thousands of shares)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Shares authorized	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>68,000</u>	<u>68,000</u>	<u>60,000</u>
Shares issued and fully paid	<u>\$ 680,000</u>	<u>\$ 680,000</u>	<u>\$ 600,000</u>

Ordinary shares issued, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

To address the initial public offering, the Company's board of directors resolved on August 6, 2024 to issue 8,000 thousand ordinary shares with a par value of \$10. This capital increase raised a total of \$4,181,799 thousand and increased the share capital issued and fully paid to \$680,000 thousand. On November 5, 2024, the above transaction was approved by the FSC. Pursuant to the authorization of the board of directors, the Chairman designated December 3, 2024 as the subscription base date, and the registration process was completed on December 24, 2024.

b. Capital surplus

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Issuance of ordinary shares premium	\$ 8,353,340	\$ 8,353,340	\$ 4,246,862
Forfeited employee share options	10,260	689	689
<u>May only be used to offset a deficit</u>			
Share of changes in capital surplus of subsidiaries	22,958	21,123	13,541

(Continued)

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
<u>May not be used for any purpose</u>			
Employee share options	\$ 103,137	\$ 100,509	\$ 62,278
	<u>\$ 8,489,695</u>	<u>\$ 8,475,661</u>	<u>\$ 4,323,370</u>
			(Concluded)

Note: Such capital surplus may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

A reconciliation of the balance of each class of capital surplus for the three months ended March 31, 2025 and 2024 was as follows:

	<b>Issuance of Ordinary Shares</b>	<b>Forfeited Employee Share Options</b>	<b>Employee Share Options</b>	<b>Share of Changes in Capital Surplus of Subsidiaries</b>	<b>Total</b>
Balance at January 1, 2025	\$ 8,353,340	\$ 689	\$ 100,509	\$ 21,123	\$ 8,475,661
Share-based payment	-	-	12,199	1,835	14,034
Forfeited employee share options	-	9,571	(9,571)	-	-
Balance at March 31, 2025	<u>\$ 8,353,340</u>	<u>\$ 10,260</u>	<u>\$ 103,137</u>	<u>\$ 22,958</u>	<u>\$ 8,489,695</u>
Balance at January 1, 2024	\$ 4,246,862	\$ 689	\$ 48,602	\$ 9,819	\$ 4,305,972
Share-based payment	-	-	13,676	3,722	17,398
Balance at March 31, 2024	<u>\$ 4,246,862</u>	<u>\$ 689</u>	<u>\$ 62,278</u>	<u>\$ 13,541</u>	<u>\$ 4,323,370</u>

c. Retained earnings and dividends policy

The board of directors of the Company proposed to amend the Company's Articles of Incorporation (the "Articles") on March 11, 2025, and the amendments are subject to the resolution of the shareholders in the shareholders' meeting to be held on May 29, 2025. The amendments explicitly stipulate that the board of directors is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting.

Under the dividends policy as set forth in the Articles before the amendments, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors distribution refer to compensation of employees and remuneration of directors in Note 21(g).

According to the Company's Articles, the dividend policy is aligned with the Company's current and future development plans, taking into account the investment environment, capital requirements, domestic and international competitiveness, and the interests of shareholders. At least 10% of the distributable earnings for the year shall be distributed as dividends to shareholders. However, under special circumstances or when the accumulated distributable earnings are less than 10% of the paid-in capital, the shareholders' meeting may resolve not to distribute dividends. Dividends may be distributed

in the form of shares or cash, provided that cash dividends shall not be less than 5% of the total amount of dividends distributed.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriation of earnings for 2023, which had been resolved by the shareholders in their meetings on June 28, 2024, was as follows:

	<b>For the Year Ended December 31, 2023</b>
Legal reserve	<u>\$ 48,161</u>

The appropriation of earnings for 2024, which was proposed by the Company's board of directors on March 11, 2025, was as follows:

	<b>For the Year Ended December 31, 2024</b>
Legal reserve	<u>\$ 66,299</u>
Special reserve	<u>\$ 4,193</u>
Cash dividends	<u>\$ 102,000</u>
Cash dividends per share (NT\$)	\$ 1.5

The appropriation of earnings for 2024 will be resolved by the shareholders in their meeting to be held on May 29, 2025.

d. Other equity items

Exchange differences on the translation of the financial statements of foreign operations

	<b>For the Three Months Ended March 31</b>	
	<u>2025</u>	<u>2024</u>
Balance at January 1	\$ (4,193)	\$ 213
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	1,350	(5)
Income tax related exchange differences on the translation of the financial statements of foreign operations	<u>(270)</u>	<u>1</u>
Other comprehensive income/(loss) recognized for the period	<u>1,080</u>	<u>(4)</u>
Balance at March 31	<u>\$ (3,113)</u>	<u>\$ 209</u>

## 20. REVENUE

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Revenue from contracts with customers		
Service fee revenue - third-party payment	\$ 1,455,892	\$ 1,217,498
Financial marketing cooperation revenue	269,607	199,910
System management services revenue	48,065	-
Others	<u>42,244</u>	<u>42,226</u>
	<u>\$ 1,815,808</u>	<u>\$ 1,459,634</u>

### a. Contract information

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

#### 1) Service fee revenue

The Group provides third-party payment services. The service fee is directly related to the individual distinguishable payment processing services rendered and thus is recognized when the transaction is processed.

#### 2) Financial marketing cooperation revenue

The Group provides financial marketing services. Revenue is recognized when services are provided.

#### 3) System management service revenue

The Group provides platform development and maintenance related to third-party payment services. Revenue from the rendering of services is recognized upon satisfaction of the service conditions.

### b. Contract balances

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>	<b>January 1, 2024</b>
Trade receivables (Note 9)	<u>\$ 391,364</u>	<u>\$ 307,567</u>	<u>\$ 311,139</u>	<u>\$ 234,511</u>
Trade receivables from related parties	<u>\$ 25,295</u>	<u>\$ 22,826</u>	<u>\$ 14,890</u>	<u>\$ 20,259</u>
Contract liabilities - current	<u>\$ 360,889</u>	<u>\$ 372,722</u>	<u>\$ 261,225</u>	<u>\$ 210,829</u>

## 21. NET PROFIT

### a. Interest income

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Bank deposits	\$ 44,837	\$ 16,544
Others	<u>1</u>	<u>54</u>
	<u>\$ 44,838</u>	<u>\$ 16,598</u>

### b. Other income

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Rental income	\$ 137	\$ 137
Others	<u>751</u>	<u>47</u>
	<u>\$ 888</u>	<u>\$ 184</u>

### c. Other gains and losses

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Net foreign exchange gains	\$ 2,209	\$ 6,520
(Loss)/gain on disposal of property, plant and equipment	(1,989)	57
Others	<u>(2)</u>	<u>-</u>
	<u>\$ 218</u>	<u>\$ 6,577</u>

### Net foreign exchange gains:

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Foreign exchange gains	\$ 7,290	\$ 10,165
Foreign exchange losses	<u>(5,081)</u>	<u>(3,645)</u>
Net foreign exchange gains	<u>\$ 2,209</u>	<u>\$ 6,520</u>

d. Finance costs

**For the Three Months Ended  
March 31**

	<b>2025</b>	<b>2024</b>
Interest on lease liabilities	\$ 2,336	\$ 2,045
Other finance costs	<u>96</u>	<u>114</u>
	<u>\$ 2,432</u>	<u>\$ 2,159</u>

e. Depreciation and amortization

**For the Three Months Ended  
March 31**

	<b>2025</b>	<b>2024</b>
Depreciation expenses	\$ 39,155	\$ 29,413
Less: Expense allocation (Note 28)	<u>-</u>	<u>(4,570)</u>
	<u>\$ 39,155</u>	<u>\$ 24,843</u>
 An analysis of depreciation by function		
Operating expenses	<u>\$ 39,155</u>	<u>\$ 24,843</u>
 Amortization expenses	\$ 3,925	\$ 3,642
Less: Expense allocation (Note 28)	<u>-</u>	<u>(12)</u>
	<u>\$ 3,925</u>	<u>\$ 3,630</u>
 An analysis of amortization by function		
Operating costs	\$ 3,542	\$ 3,542
Operating expenses	<u>383</u>	<u>88</u>
	<u>\$ 3,925</u>	<u>\$ 3,630</u>

f. Employee benefits expense

**For the Three Months Ended  
March 31**

	<b>2025</b>	<b>2024</b>
Short-term employee benefits	\$ 279,976	\$ 197,733
Post-employment benefits		
Defined contribution plan	6,941	5,552
Defined benefit plans	21,576	21,980
Share-based payments (Note 24)		
Equity-settled	14,034	17,398
Cash-settled	14,140	(1,521)
Other employee benefits	<u>25,102</u>	<u>14,840</u>
Total employee benefits expenses	361,769	255,982
Less: Expense allocation (Note 28)	<u>-</u>	<u>(83,722)</u>
	<u>\$ 361,769</u>	<u>\$ 172,260</u>

(Continued)

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
An analysis of employee benefits expense by function		
Operating costs	\$ 105,684	\$ 76,475
Operating expenses	<u>256,085</u>	<u>95,785</u>
	<u>\$ 361,769</u>	<u>\$ 172,260</u>
		(Concluded)

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. But if the Company still has accumulated deficits, it shall first set aside an amount to offset of the deficits. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company expect to resolve the amendments to the Company's Articles at the 2025 shareholders' meeting. The amendments explicitly stipulate the allocation of 1% of net profit before income tax, compensation of employees, and remuneration of directors as employee compensation and at least 20% of the compensation of employees shall be designated as compensation distributions for non-executive employees.

The compensation of employees (including non-executive employees) and the remuneration of directors for the three months ended March 31, 2025 and 2024 is as follows:

Accrual rate

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Compensation of employees	1.02%	1.00%
Remuneration of directors	-	-

Amount

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Compensation of employees	<u>\$ 2,106</u>	<u>\$ 2,638</u>
Remuneration of directors	<u>\$ -</u>	<u>\$ -</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recognized as a change in the accounting estimate and recorded in the following year.

The compensation of employees and the remuneration of directors and supervisors for the year ended December 31, 2024 and 2023, which was approved by the Company's board of directors on March 11, 2025 and March 28, 2024, respectively, is as follows:

Accrual rate

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Compensation of employees	1.02%	1.01%
Remuneration of directors and supervisors	-	-

Amount

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
	<b>Cash</b>	<b>Cash</b>
Compensation of employees	<u>\$ 8,606</u>	<u>\$ 6,142</u>
Remuneration of directors and supervisors	<u>\$ -</u>	<u>\$ -</u>

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 22. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<b>For the Three Months Ended</b>	
	<b>2025</b>	<b>2024</b>
Current income tax		
In respect of the current period	\$ 59,361	\$ 98,010
Deferred income tax		
In respect of the current period	<u>(13,066)</u>	<u>(42,834)</u>
Income tax expense recognized in profit or loss	<u>\$ 46,295</u>	<u>\$ 55,176</u>

b. Income tax recognized in other comprehensive income

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Deferred tax</u>		
In respect of the current year		
Exchange differences on translation of the financial statements of foreign operations	<u>\$ 270</u>	<u>\$ (1)</u>

c. Income tax assessments

As of March 31, 2025, the Group had no pending tax litigation cases. The income tax returns of the Company through 2023 have been assessed by the tax authorities.

### 23. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Basic earnings per share	<u>\$ 2.39</u>	<u>\$ 3.46</u>
Diluted earnings per share	<u>\$ 2.30</u>	<u>\$ 3.32</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

#### Net Profit for the Period

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Profit for the period attributable to owners of the Company	<u>\$ 162,198</u>	<u>\$ 207,862</u>
Earnings used in the computation of basic earnings per share and diluted earnings per share	<u>\$ 162,198</u>	<u>\$ 207,862</u>

#### Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	68,000	60,000
Effect of potentially dilutive ordinary shares		
Employee share options	2,540	2,531
Compensation of employees	<u>12</u>	<u>14</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>70,552</u>	<u>62,545</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 24. SHARE-BASED PAYMENT ARRANGEMENTS

### a. Employee share option plan of the parent company

In order to attract and retain professional personnel for the Group and incentivize employee morale to create profits for both the Company and its shareholders, the intermediate parent company, Z Holdings Corporation, which was renamed LY Corporation from October 2023 onward, through resolutions of the board of directors, enacted terms and conditions for the issuance of employee share option plans. The following employee share options were issued to employees of the Group:

Grant Date	Granted Units	Exercise Prices (In JPY)
March 31, 2021	1,259,600	¥ 481
April 28, 2020	1,043,400	298
July 29, 2019	370,125	298

Qualified employees of the parent company and its subsidiaries were granted options in the intermediate parent company, Z Holdings Corporation, which was renamed LY Corporation from October 2023 onward. Each option entitles the holder to subscribe for 1,175 ordinary shares of the intermediate parent company. The options granted are valid for 9 to 10 years and exercisable at certain percentages after the second to fifth anniversary of the grant date. The performance of the share option is delivered by the intermediate parent company by issuing new shares. For any subsequent changes in the intermediate parent company's share capital, the exercise price is adjusted accordingly.

Due to organizational restructuring, the intermediate parent company, Z Holdings Corporation, was merged with LINE Corporation and other companies within the Group in October 2023. Following the merger, LINE Corporation and other companies within the Group were dissolved, and Z Holdings Corporation was the surviving company, which was renamed LY Corporation.

Information on employee share options was as follows:

	For the Three Months Ended March 31, 2025					
	Granted on March 31, 2021		Granted on April 28, 2020		Granted on July 29, 2019	
	Number of Options	Weighted- average Exercise Price (In JPY)	Number of Options	Weighted- average Exercise Price (In JPY)	Number of Options	Weighted- average Exercise Price (In JPY)
<b>Employee Share Options</b>						
Balance at January 1	1,292,500	¥ 481	961,150	¥ 298	307,850	¥ 298
Options granted	-	-	-	-	-	-
Options transferred-in	15,275	481	47,000	298	28,200	298
Options forfeited	(17,625)	481	(1,175)	298	-	-
Options exercised	(4,700)	481	(165,675)	298	(11,750)	298
Balance at March 31	<u>1,285,450</u>	481	<u>841,300</u>	298	<u>324,300</u>	298
Options exercisable, end of the period	<u>653,300</u>	481	<u>841,300</u>	298	<u>324,300</u>	298

For the Three Months Ended March 31, 2024						
	Granted on March 31, 2021		Granted on April 28, 2020		Granted on July 29, 2019	
	Number of Options	Weighted-average Exercise Price (In JPY)	Number of Options	Weighted-average Exercise Price (In JPY)	Number of Options	Weighted-average Exercise Price (In JPY)
<b>Employee Share Options</b>						
Balance at January 1	1,310,125	¥ 481	1,053,975	¥ 298	437,100	¥ 298
Options granted	-	-	-	-	-	-
Options transferred-in	14,100	481	18,800	298	-	-
Options forfeited	-	-	(12,925)	298	-	-
Options exercised	-	-	(2,350)	298	-	-
Balance at March 31	<u>1,324,225</u>	481	<u>1,057,500</u>	298	<u>437,100</u>	298
Options exercisable, end of the period	<u>276,125</u>	481	<u>520,525</u>	298	<u>200,925</u>	298

Information on outstanding options was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Range of exercise price (in JPY)	¥298-¥481	¥298-¥481	¥298-¥481
Weighted-average remaining contractual life (in years)	5.12 years	5.26 years	5.91 years

Options granted as above are priced using the binomial option pricing model, and the inputs to the model are as follows:

	Grant Date		
	March 31, 2021	April 28, 2020 (Note)	July 29, 2019 (Note)
Grant-date share price (in JPY)	¥550.6	¥550.6	¥550.6
Exercise price (in JPY)	¥481	¥298	¥298
Expected volatility	35.33%	36.48%	36.48%
Expected life (in years)	9.62	8.28	8.28
Expected dividend yield	1.010%	1.010%	1.010%
Risk-free interest rate	0.075%	0.017%	0.017%

Note: Since the original ultimate parent company, NAVER Corporation, was merged with SoftBank Group Corp. in March 2021, the fair value of related employee share options was re-measured on March 31, 2021, and compensation costs were recognized based on the re-measured fair value of employee share options since that date.

Compensation costs recognized were \$2,719 thousand and \$5,443 thousand for the three months ended March 31, 2025 and 2024, respectively.

b. Employee share option plan of the Company

On March 28, 2023, the Company's board of directors resolved to approve the second and third employee stock option issuance and subscription plan for fiscal year 2023, which approved the issuance of the following employee stock options to the employees of the Company and its subsidiaries who meet certain criteria, respectively:

Terms	Authorized Units	Exercise Prices (NT\$)
Second of 2023	1,827,750	\$ 112
Third of 2023	1,914,500	112

The above employee stock options may be issued in one or several installments within one year after the resolutions of the board of directors, with the actual grant dates determined by the chairman. Each option entitles the holder to the right to subscribe for one ordinary share of the Company.

In accordance with the second employee share option plan of 2023, the stock options are valid for 10 years. The stock option holders may exercise the stock option in accordance with the plan after the third anniversary of the grant date.

In accordance with the third employee share option plan of 2023, the stock options are valid for 10 years. The stock option holders may exercise the stock option in accordance with the plan after the third to fifth anniversary of the grant date at certain percentages.

The performance of the share option is delivered by the Company by issuing new shares. For any subsequent changes in the Company's share capital, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

Employee Share Options	For the Three Months Ended March 31, 2025					
	Second of 2023			Third of 2023		
	Number of Options	Weighted- average Exercise Price (NT\$)	Note	Number of Options	Weighted- average Exercise Price (NT\$)	Note
Balance at January 1	1,718,750	\$ 104.60	Note	1,394,000	\$ 104.60	Note
Options granted	-	-		-	-	
Options forfeited	(18,000)	104.60	Note	-	-	
Options exercised	-	-		-	-	
Options expired	-	-		-	-	
Balance at March 31	<u>1,700,750</u>	104.60	Note	<u>1,394,000</u>	104.60	Note
Options exercisable, end of the period	<u>5,000</u>	104.60	Note	<u>-</u>	-	

For the Three Months Ended March 31, 2024						
Employee Share Options	Second of 2023			Third of 2023		
	Number of Options	Weighted-average Exercise Price (NT\$)		Number of Options	Weighted-average Exercise Price (NT\$)	
Balance at January 1	1,798,250	\$ 104.60	Note	1,394,000	\$ 104.60	Note
Options granted	-	-		-	-	
Options forfeited	(9,000)	104.60	Note	-	-	
Options exercised	-	-		-	-	
Options expired	-	-		-	-	
Balance at March 31	<u>1,789,250</u>	104.60	Note	<u>1,394,000</u>	104.60	Note
Options exercisable, end of the period	<u>-</u>	-		<u>-</u>	-	

Note: The exercise prices have been adjusted to reflect the issuance of shares for cash and the distribution of share and cash dividend in accordance with the plan.

Information on outstanding options was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Range of exercise price (NT\$)	\$104.60	\$104.60	\$104.60
Weighted-average remaining contractual life (in years)	8.28 years	8.53 years	9.28 years

Options granted as above are priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

Employee Share Option Plan of the Company			
Granted on March 28, 2023			
	Second of 2023	Third of 2023	
Grant-date share price (NT\$)		\$104.84	\$104.84
Exercise price (NT\$)		\$112	\$112
Expected volatility		48.45%	47.64%-48.45%
Expected life (in years)		6.50	6.50-7.50
Expected dividend yield		0.00%	0.00%
Risk-free interest rate		1.15%	1.15%-1.16%

Employee Share Option Plan of the Company			
	Granted on July 3, 2023		Granted on October 31, 2023
	Second of 2023	Third of 2023	Third of 2023
Grant-date share price (NT\$)	\$107.32	\$107.32	\$106.97
Exercise price (NT\$)	\$112	\$112	\$104.6
Expected volatility	48.63%	47.33%-48.63%	46.39%-47.65%
Expected life (in years)	6.50	6.50-7.50	6.50-7.50
Expected dividend yield	0.00%	0.00%	0.00%
Risk-free interest rate	1.11%	1.11%-1.14%	1.26%-1.27%

Compensation cost recognized were \$11,315 thousand and \$11,955 thousand for the three months ended March 31, 2025 and 2024, respectively.

c. Cash-settled share-based payments of the parent company

In August 2022, Z Holdings Corporation, which was renamed LY Corporation from October 2023 onward, issued a plan for share-based payments with employee reward points. The cash-settled share-based payments of the plan apply to employees of the Group. This plan aims to reward all employees of Z Holdings Corporation, which was renamed LY Corporation from October 2023 onward, and its controlled subsidiaries who meet certain conditions. Employees are awarded reward points based on their achievements, and the share-based payments will be settled in cash when the vesting conditions are fulfilled.

The Group recorded compensation costs in respect of cash-settled share-based payments of \$14,140 thousand and \$(1,521) thousand for the three months ended March 31, 2025 and 2024, respectively. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group recorded liabilities of \$46,146 thousand, \$31,476 thousand and \$27,572 thousand, respectively, under other payables and other non-current liabilities. Refer to Note 16 for the information aforementioned.

## 25. CASH FLOW INFORMATION

a. Non-cash transactions

For the three months ended March 31, 2025 and 2024, the Group entered into the following non-cash investing activities which were not reflected in the statements of cash flows:

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group had not yet paid for the acquisition of property, plant and equipment at amounts of \$36,913 thousand, \$126,720 thousand and \$312 thousand, respectively, which were recorded under other payables and other payables to related parties.

b. Changes in liabilities arising from financing activities

For the three months ended March 31, 2025

	Opening Balance	Cash Flows	Non-cash Changes			Others	Closing Balance
			New Leases	Interest Expenses	Change in Exchange Rates		
Lease liabilities	<u>\$ 167,907</u>	<u>\$ (22,890)</u>	<u>\$ 110,456</u>	<u>\$ 2,336</u>	<u>\$ 1,991</u>	<u>\$ (2,336)</u>	<u>\$ 257,464</u>

For the three months ended March 31, 2024

	Opening Balance	Cash Flows	Non-cash Changes			Others	Closing Balance
			Lease Modification	Interest Expenses	Change in Exchange Rates		
Lease liabilities	<u>\$ 209,561</u>	<u>\$ (16,897)</u>	<u>\$ -</u>	<u>\$ 2,045</u>	<u>\$ (668)</u>	<u>\$ (2,045)</u>	<u>\$ 191,996</u>

## 26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of equity of the Company (comprising issued capital, reserves, retained earnings and other equity).

Key management personnel of the Group review the capital structure on a regular basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders or the number of new shares issued.

## 27. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments not measured at fair value

The carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements which are not measured at fair value, approximate their fair value, or the fair value of such assets and liabilities cannot be reliably measured.

### b. Fair value of financial instruments measured at fair value on a recurring basis

#### 1) Fair value hierarchy

March 31, 2025

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Oversea unlisted shares	\$ -	\$ -	\$ 204	\$ 204

December 31, 2024

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Oversea unlisted shares	\$ -	\$ -	\$ 201	\$ 201

March 31, 2024

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Oversea unlisted shares	\$ -	\$ -	\$ 213	\$ 213

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2025 and 2024.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the three months ended March 31, 2025

<b>Financial Assets</b>	<b>Financial Assets at FVTPL Equity Instruments</b>
Balance at January 1, 2025	\$ 201
Effect of foreign currency exchange differences	<u>3</u>
Balance at March 31, 2025	<u>\$ 204</u>

For the three months ended March 31, 2024

<b>Financial Assets</b>	<b>Financial Assets at FVTPL Equity Instruments</b>
Balance at January 1, 2024	\$ 214
Effect of foreign currency exchange differences	<u>(1)</u>
Balance at March 31, 2024	<u>\$ 213</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair value of unlisted equity securities held by the Group is determined using the asset-based approach. In this approach, the value of net asset measured at fair value in the most recent financial statements of the investee and a liquidity discount parameter are considered in order to derive the fair value of the shares.

c. Categories of financial instruments

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 204	\$ 201	\$ 213
Financial assets at amortized cost (1)	17,500,030	16,061,714	12,245,947
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	6,259,114	4,980,477	5,958,632

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, trade receivables, trade receivables from related parties, other receivables (excluding tax refund receivables), other receivables from related parties, other financial assets and refundable deposits.

- 2) The balances include financial liabilities at amortized cost, which comprise trade payables, trade payables to related parties, other payables (excluding payables for salaries or bonus, payables for VAT, payable for cash-settled share-based payments transactions and payables for insurance), other payables to related parties, and other current liabilities (excluding refund liabilities, receipts under custody and advanced receipts).

d. Financial risk management objectives and policies

The Group's major financial instruments include receivables, other financial assets, payables and other current liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, and liquidity risk.

The corporate treasury function reports regularly to the Group's management, which monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price (see (c) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the year are set out in Note 31.

Sensitivity analysis

The Group is mainly exposed to the USD and JPY.

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency of each entity in the group against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. A positive number below indicates an increase in pre-tax profit associated with the functional currency of each entity in the group strengthening 1% against the relevant currency. For a 1% weakening of the functional currency of each entity in the group against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	<b>USD Impact</b>		<b>JPY Impact</b>	
	<b>For the Three Months Ended March 31</b>		<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Profit or loss	\$ (4,159)	\$ (534)	\$ 931	\$ 436

The above result was mainly attributable to the exposure on outstanding bank deposits, receivables and payables in USD and JPY that were not hedged at the end of the period.

The Group's sensitivity to USD increased during the current period mainly due to the increase in net assets in USD.

The Group's sensitivity to JPY increased during the current period mainly due to the increase in net liabilities in JPY.

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the period were as follows:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Fair value interest rate risk			
Financial assets	\$ 6,561,837	\$ 6,057,448	\$ 778,000
Financial liabilities	257,464	167,907	191,966
Cash flow interest rate risk			
Financial assets	8,566,143	7,774,945	8,175,808

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the period was outstanding for the whole year. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2025 and 2024 would have increased/decreased by \$21,415 thousand and \$20,440 thousand, respectively, which was mainly a result of the Group's exposure to interest rates of bank deposits and other financial assets.

The Group's sensitivity to interest rates increased during the current period mainly due to the increase in floating rate financial assets.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than for trading purposes, the Group does not actively trade these investments.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the period.

If equity prices had been 1% higher/lower, pre-tax profit for the three months ended March 31, 2025 and 2024 would have both increased/decreased by \$2 thousand as a result of the changes in fair value of financial assets at FVTPL.

The Group's sensitivity to investments in equity securities has not changed significantly from the prior period.

## 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligations, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, the management of the Group is responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group reviews the recoverable amount of each individual debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts.

## 3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

### Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the period.

#### March 31, 2025

	<b>On Demand or Less than 1 Month</b>	<b>1 Month to 3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>
Non-interest bearing liabilities	\$ 3,913,662	\$ -	\$ -	\$ -
Lease liabilities	<u>8,407</u>	<u>16,814</u>	<u>60,890</u>	<u>187,916</u>
	<u>\$ 3,922,069</u>	<u>\$ 16,814</u>	<u>\$ 60,890</u>	<u>\$ 187,916</u>

#### December 31, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1 Month to 3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>
Non-interest bearing liabilities	\$ 2,729,243	\$ -	\$ -	\$ -
Lease liabilities	<u>6,408</u>	<u>12,815</u>	<u>51,933</u>	<u>108,842</u>
	<u>\$ 2,735,651</u>	<u>\$ 12,815</u>	<u>\$ 51,933</u>	<u>\$ 108,842</u>

March 31, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1 Month to 3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>
Non-interest bearing liabilities	\$ 3,666,075	\$ -	\$ -	\$ -
Lease liabilities	<u>6,324</u>	<u>12,648</u>	<u>43,115</u>	<u>147,813</u>
	<u>\$ 3,672,399</u>	<u>\$ 12,648</u>	<u>\$ 43,115</u>	<u>\$ 147,813</u>

## 28. TRANSACTIONS WITH RELATED PARTIES

The parent company of the Company is LINE Financial Corporation, which held 58.10%, 58.10% and 65.84% of the ordinary shares of the Company as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively. The Company's ultimate parent company is SoftBank Group Corp.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows:

### a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
SoftBank Group Corp.	Ultimate parent company
LY Corporation	Intermediate parent company
LINE Financial Corporation	Parent company
LINE Pay Corporation	Fellow subsidiary
LINE Plus Corporation	Fellow subsidiary
LINE Biz Plus Corporation (Note 1)	Fellow subsidiary
LINE Taiwan Limited	Fellow subsidiary
Softbank Robotics Corp.	Fellow subsidiary
Taipei Fubon Commercial Bank Co., Ltd.	The Company's shareholder
Union Bank of Taiwan Co., Ltd. (Note 2)	The Company's shareholder
NAVER Corporation	The Company acts as its associate
NAVER Cloud Corporation	Related party in substance
Commpartners Corporation	Related party in substance
JDW Co., Ltd.	Related party in substance
Choco Media Co., Limited	Related party in substance
LINE Bank Taiwan Limited	Related party in substance
IPX Corporation (Note 3)	Related party in substance
LINE Friends Taiwan Limited (Note 3)	Related party in substance
N Tech Service Corporation	Related party in substance
NAVER I&S Corporation	Related party in substance
NAVER Financial Corporation	Related party in substance
NAVER Connect Foundation	Related party in substance
inComms Corporation	Related party in substance
LINE Friends Japan Corporation	Related party in substance

Note 1: The fellow subsidiary, LINE Biz Plus Corporation, resolved to dissolve and liquidate during its shareholders' meeting in June 2024. The liquidation process was completed in September 2024.

Note 2: Following changes in the board composition, the company is no longer considered as a related party starting from 2025, and transactions with it will not be subject to disclosure accordingly.

Note 3: Starting in May 2024, the related party category of former fellow subsidiaries, IPX Corporation and LINE Friends Taiwan Limited, changed from that of fellow subsidiaries to that of related parties in substance.

b. Operating revenue

Related Party Category/Name	Nature	For the Three Months Ended March 31	
		2025	2024
Parent company	System management services revenue (1)	\$ 8,061	\$ -
Intermediate parent company			
LY Corporation	Service fee revenue (2)	67,981	64,285
Fellow subsidiaries			
LINE Pay Corporation	System management services revenue (3)	40,004	-
Others	Service fee revenue (4)	7,990	6,896
	Others	1,151	1,142
The Company's shareholders	Service fee revenue (4)	210	4,658
	Financial marketing cooperation (5)	15,365	26,978
	Others	567	1,623
Related parties in substance	Service fee revenue (4)	6,651	5,897
	Others	<u>212</u>	<u>213</u>
		<u>\$ 148,192</u>	<u>\$ 111,692</u>

1) The subsidiary, LINE Pay Plus Corporation, entered into a system software development and maintenance service agreement with LINE Financial Corporation on June 1, 2024. The service fee is charged monthly based on the agreed-upon rates per hour worked.

2) The Company entered into a LINE Points business agreement with LINE Corporation (it was renamed LY Corporation from October 2023 onward) on September 4, 2017. The service fee revenue is charged based on the usage ratio of LINE Points according to the contract.

3) The subsidiary, LINE Pay Plus Corporation, entered into a system software development and maintenance service agreement with LINE Pay Corporation on June 1, 2024. The service fee is charged monthly based on the agreed-upon rates per hour worked.

4) The Company entered into platform operator service agreements with related parties. Based on the agreements, the Company shall recognize service fee revenue for providing third-party payment services. The service fee revenue is charged based on a fixed rate of the transaction amount of third-party payments.

5) The Company entered into business collaboration agreements with related parties. Based on the agreements, the Company shall recognize financial marketing cooperation revenue for providing promotion services for point rewards cards.

The transaction prices and credit terms with related parties are in accordance with the agreements.

c. Operating costs

Related Party Category/Name	Nature	For the Three Months Ended March 31	
		2025	2024
Fellow subsidiaries			
LINE Pay Corporation	System management service costs (1)	\$ 7,718	\$ 11,358
The Company's shareholders			
Taipei Fubon Commercial Bank Co., Ltd.	Service fee costs (2)	21,543	1,479
Union Bank of Taiwan Co., Ltd.	Service fee costs (2)	-	64,652
Related party in substance	System management service costs	<u>10,652</u>	<u>5,288</u>
		<u>\$ 39,913</u>	<u>\$ 82,777</u>

1) In 2019, the Company entered into a system management service agreement with LINE Pay Corporation. Under the agreement, LINE Pay Corporation will provide services related to the development, maintenance and operation of the payment system, hardware and software. The agreement is in effect from January 1, 2019 until September 21, 2023, and will be extended automatically upon expiration of the contract if there are no objections. Because the Company acquired patents of the payment system from LINE Pay Corporation, the Company entered into a supplementary agreement with LINE Pay Corporation in August 2023, under which the calculation of fees is 5.5% markup on the cost of services rendered. The fee is recognized as operating costs or operating expenses based on its nature.

2) Service fee costs were computed based on transaction amounts and agreed-upon service fee rates.

The transaction prices and credit terms with related parties conform to regular business practice and are not different from those with unrelated parties.

d. Receivables from related parties

Line Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Trade receivables	Parent company	\$ 448	\$ -	\$ -
	Fellow subsidiaries			
	LINE Pay Corporation	13,284	13,808	-
	Others	759	1,021	748
	The Company's shareholders			
	Taipei Fubon Commercial Bank Co., Ltd.	10,804	5,596	10,965
	Others	<u>-</u>	<u>2,401</u>	<u>3,177</u>
		<u>\$ 25,295</u>	<u>\$ 22,826</u>	<u>\$ 14,890</u>

(Continued)

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Other receivables - third-party payment (unappropriated)	The Company's shareholders			
	Taipei Fubon Commercial Bank Co., Ltd.	\$ 85,131	\$ 39,952	\$ 19,187
	Union Bank of Taiwan Co., Ltd.	<u>-</u>	<u>105,210</u>	<u>206,088</u>
		<u>\$ 85,131</u>	<u>\$ 145,162</u>	<u>\$ 225,275</u>
Other receivables - points issued	Fellow subsidiary			
	LINE Taiwan Limited	\$ 116,385	\$ 154,166	\$ 120,749
	The Company's shareholders			
	Taipei Fubon Commercial Bank Co., Ltd.	33,870	80,399	56,550
	Others	-	19,382	43,512
Related party in substance	<u>-</u>	<u>-</u>	<u>441</u>	
	<u>\$ 150,255</u>	<u>\$ 253,947</u>	<u>\$ 221,252</u>	
Other receivables - others	Parent company	\$ 71	\$ -	\$ -
	Fellow subsidiary	<u>218</u>	<u>-</u>	<u>65,702</u>
		<u>\$ 289</u>	<u>\$ -</u>	<u>\$ 65,702</u>

(Concluded)

The outstanding trade and other receivables from related parties are unsecured. For the three months ended March 31, 2025 and 2024, no impairment loss was recognized on trade and other receivables from related parties.

e. Payables to related parties (excluding loans from related parties)

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Trade payables	Fellow subsidiaries			
	LINE Pay Corporation	\$ 2,773	\$ 2,074	\$ 36,009
	LINE Taiwan Limited	32,105	31,814	21,470
	Related party in substance			
	N Tech Service Corporation	<u>3,903</u>	<u>3,955</u>	<u>2,690</u>
	<u>\$ 38,781</u>	<u>\$ 37,843</u>	<u>\$ 60,169</u>	

(Continued)

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Other payables	Parent company			
	LINE Financial Corporation	\$ 2,000	\$ 2,309	\$ -
	Intermediate parent company			
	LY Corporation	30,938	116	124
	Fellow subsidiaries			
	LINE Pay Corporation	3,542	3,937	27,233
	Others	1,981	535	401
	The Company acts as its associate	5	2,294	39
	Related party in substance	<u>1,142</u>	<u>1,584</u>	<u>1,627</u>
		<u>\$ 39,608</u>	<u>\$ 10,775</u>	<u>\$ 29,424</u>
Payables for receipts on behalf of others - third-party payment (settled) (classified as other current liabilities)	Intermediate parent company	\$ 16,193	\$ 16,758	\$ 16,014
	Fellow subsidiaries	30,843	37,353	42,314
	Related party in substance	<u>4,701</u>	<u>5,126</u>	<u>14,155</u>
		<u>\$ 51,737</u>	<u>\$ 59,237</u>	<u>\$ 72,483</u>

(Concluded)

The outstanding trade and other payables to related parties are unsecured.

f. Prepayments

<b>Related Party Category/Name</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Intermediate parent company			
LY Corporation	\$ -	\$ 933	\$ 983
Fellow subsidiary			
Softbank Robotics Corp.	1,772	2,496	-
The Company acts as its associate	1	5	-
Related party in substance			
IPX Corporation	820	820	1,520
Others	<u>19</u>	<u>30</u>	<u>35</u>
	<u>\$ 2,612</u>	<u>\$ 4,284</u>	<u>\$ 2,538</u>

g. Acquisition of property, plant and equipment

<b>Related Party Category/Name</b>	<b>Purchase Price</b>	
	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2025</b>	<b>2024</b>
Intermediate parent company		
LY Corporation	\$ 30,802	\$ -
Fellow subsidiary	<u>9</u>	<u>169</u>
	<u>\$ 30,811</u>	<u>\$ 169</u>

h. Lease arrangements

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Lease liabilities	Parent company LINE Financial Corporation	<u>\$ 130,623</u>	<u>\$ 137,137</u>	<u>\$ 171,608</u>

<b>Related Party Category/Name</b>	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Interest expense</u>		
Parent company		
LINE Financial Corporation	<u>\$ 1,521</u>	<u>\$ 1,969</u>

The subsidiary leased the right-of-use assets of office buildings from its parent company in August 2023. The lease terms was 5 years; the rental is based on similar assets' market rental rates and fixed lease payments are paid monthly.

i. Others

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Refundable deposits	Parent company LINE Financial Corporation	<u>\$ 18,555</u>	<u>\$ 18,290</u>	<u>\$ 19,454</u>

Line Item	Related Party Category/Name	For the Three Months Ended	
		March 31	
		2025	2024
Marketing expenses	Fellow subsidiaries	\$ <u>45</u>	\$ <u>100</u>
Management service expenses	Parent company (1)	\$ 4,726	\$ -
	Intermediate parent company (2)	1,152	878
	Fellow subsidiaries		
	LINE Pay Corporation (c)	8,109	9,142
	Others	431	386
	Related party in substance	<u>2,995</u>	<u>1,858</u>
		<u>\$ 17,413</u>	<u>\$ 12,264</u>
Other management expenses	Parent company	\$ 157	\$ 122
	Intermediate parent company	1,468	1,440
	Fellow subsidiaries	2,325	149
	The Company acts as its associate	68	264
	Related party in substance	<u>1,644</u>	<u>1,028</u>
			<u>\$ 5,662</u>
Research and development expenses	Intermediate parent company	\$ 15	\$ -
	Related party in substance	<u>-</u>	<u>921</u>
		<u>\$ 15</u>	<u>\$ 921</u>

- 1) The subsidiary entered into a management service agreement with LINE Financial Corporation on June 1, 2024. The service fee is calculated monthly based on the actual hours worked by LINE Financial Corporation.
- 2) On September 29, 2023, the Company entered into a management service agreement with LINE Corporation (it was renamed LY Corporation from October 2023 onward). Under the agreement, LY Corporation shall provide services related to the use and maintenance of LINE POINTS system for a period of one year, which will be automatically extended upon expiration of the agreement if there are no objections. The fee is calculated on a basis of ¥40 thousand and ₩6,145 thousand per month, and the Company shall pay the US dollar equivalents.
- 3) The Company paid \$4,495 thousand and \$7,018 thousand to LY Corporation for the three months ended March 31, 2025 and 2024, respectively, for transactions conducted by consumers to purchase products from LINE STORE using LINE Points whose costs are borne by the Company.
- 4) The subsidiary shared manpower with its fellow subsidiary, LINE Biz Plus Corporation, and received \$90,070 thousand for the three months ended March 31, 2024, which was recognized as reductions in the Group's operating costs or operating expenses based on its nature. The service was terminated in May 2024.

j. Remuneration of key management personnel

	<b>For the Three Months Ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Short-term employee benefits	\$ 18,222	\$ 10,387
Post-employment benefits	284	247
Share-based payments		
Equity-settled	3,185	4,120
Cash-settled	2,471	(114)
Other employee benefits	<u>725</u>	<u>725</u>
	<u>\$ 24,887</u>	<u>\$ 15,365</u>

The remuneration of directors and key management personnel is determined by the remuneration committee based on individual performance and market trends.

## 29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Financial assets at amortized cost - current			
Restricted time deposits	\$ 20,000	\$ 20,000	\$ -
Financial assets at amortized cost - non-current			
Restricted time deposits	19,651	19,651	27,000
Other financial assets - current			
Escrow account deposit	<u>2,895,152</u>	<u>1,652,456</u>	<u>2,824,555</u>
	<u>\$ 2,934,803</u>	<u>\$ 1,692,107</u>	<u>\$ 2,851,555</u>

## 30. SIGNIFICANT UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant unrecognized commitments of the Group as of March 31, 2025, December 31, 2024 and March 31, 2024, were as follows:

- a. In April 2024, the Group entered into an office lease for a land use rights investment and development project located at Plot 15, Jingmao Section, Nangang District, Taipei City. The lease term is 10 years. Starting from November 1, 2025, the monthly rent is \$6,190 thousand.
- b. Unrecognized commitments were as follows:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Acquisition of property, plant and equipment	<u>\$ 106,990</u>	<u>\$ 55,792</u>	<u>\$ -</u>

### 31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than the functional currency of the entities in the Group and the related exchange rates between foreign currencies and the respective functional currencies were as follows:

March 31, 2025

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 12,354	33.201 (USD:NTD)	\$ 410,161
USD	6,917	1,466.5 (USD:KRW)	229,663
<u>Financial liabilities</u>			
Monetary items			
USD	6,745	33.201 (USD:NTD)	223,931
JPY	293,354	0.222 (JPY:NTD)	65,203
JPY	125,692	9.818 (JPY:KRW)	27,937

December 31, 2024

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 11,625	32.805 (USD:NTD)	\$ 369,556
USD	2,519	1,470.0 (USD:KRW)	82,635
<u>Financial liabilities</u>			
Monetary items			
USD	2,350	32.805 (USD:NTD)	77,085
JPY	139,780	0.209 (JPY:NTD)	29,212
JPY	91,020	9.365 (JPY:KRW)	19,022

March 31, 2024

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 3,225	31.967 (USD:NTD)	\$ 103,095
USD	5,128	1,346.8 (USD:KRW)	163,931
<u>Financial liabilities</u>			
Monetary items			
USD	6,683	31.967 (USD:NTD)	213,635
JPY	128,785	0.211 (JPY:NTD)	27,190
JPY	77,656	8.895 (JPY:KRW)	16,395

The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currency	For the Three Months Ended March 31			
	2025		2024	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	32.869 (USD:NTD)	\$ 1,567	31.448 (USD:NTD)	\$ (274)
USD	1,450.9 (USD:KRW)	1,597	1,318.0 (USD:KRW)	6,329
JPY	0.216 (JPY:NTD)	(939)	0.212 (JPY:NTD)	452
JPY	9.517 (JPY:KRW)	(16)	8.922 (JPY:KRW)	13

### 32. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (None)
- 3) Significant marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (None)
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 1)
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 2)
- 6) Intercompany relationships and significant intercompany transactions (Table 3)

b. Information on investees (Table 4)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (None)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (None):
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.
  - c) The amount of property transactions and the amount of the resultant gains or losses.

- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.
- e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.
- f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

### **33. SEGMENT INFORMATION**

The Group determines operating segments based on management reports presented to management (the chief operation decision maker) for the purpose of decision making, assessment of performance and resource allocation. The Group only has a single operating segment, which engages in third-party payment business.

**LINE PAY TAIWAN LIMITED AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE THREE MONTHS ENDED MARCH 31, 2025**  
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			(Purchase)/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	LINE Pay Plus Corporation	Subsidiary	System management service costs	\$ 92,707	8	30 days of an invoice issued	In accordance with the agreement	-	\$ (89,169)	(70)	Note 3
LINE Pay Plus Corporation	The Company	Parent company	System management service revenue	(215,683) (Note 1)	(82)	30 days of an invoice issued	In accordance with the agreement	-	209,094 (Note 2)	94	Note 3

Note 1: Operating costs of \$92,707 thousand and research and development expenses of \$122,976 thousand were recognized by the Company.

Note 2: Trade payables to related parties of \$89,169 thousand and other payables to related parties of \$119,925 thousand were recognized by the Company.

Note 3: The transaction has been eliminated through consolidation.

**LINE PAY TAIWAN LIMITED AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**MARCH 31, 2025**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 1)	Allowance for Impairment Loss	
					Amount	Action Taken			
The Company	Taipei Fubon Commercial Bank Co., Ltd.	The Company's shareholder	Other receivables	\$ 119,001	-	\$ -	-	\$ 119,001	\$ -
			Trade receivables	10,804	7.87	-	-	10,804	-
	LINE Taiwan Limited	Fellow subsidiary	Other receivables	116,385	-	-	-	54,986	-
			Trade receivables	759	41.08	-	-	382	-
LINE Pay Plus Corporation	The Company	Parent company	Trade receivables	209,094 (Note 2)	6.24	-	-	209,094	-

Note 1: It refers to the post-period collection status as of May 13, 2025.

Note 2: The transaction has been eliminated through consolidation.

**LINE PAY TAIWAN LIMITED AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE THREE MONTHS ENDED MARCH 31, 2025  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount (Note 5)	Payment Terms	% of Total Sales or Assets (Note 2)
1	LINE Pay Plus Corporation	The Company	The subsidiary to the parent company	System management service revenue	\$ 215,683 (Note 3)	Monthly settlements of an invoice issued, and the payment is based on actual hours worked	12
				Trade receivables	209,094 (Note 4)		1

Note 1: The Company and the subsidiaries listed on the table are coded according to the following rules:

- a. The Company is coded "0".
- b. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: In calculating the ratio of transaction amounts to total consolidated revenue or total assets, if they pertain to balance sheet items, they are calculated as the year-end balance divided by the total consolidated assets. If they pertain to income statement items, they are calculated as the accumulated amount for the period divided by the total consolidated revenue.

Note 3: Operating costs of \$92,707 thousand and research and development expenses of \$122,976 thousand were recognized by the Company.

Note 4: Trade payables to related parties of \$89,169 thousand and other payables to related parties of \$119,925 thousand were recognized by the Company.

Note 5: The transaction has been eliminated through consolidation.

Note 6: The table above includes significant intercompany transactions with amounts exceeding \$10,000 thousand.

**LINE PAY TAIWAN LIMITED AND SUBSIDIARIES**

**INFORMATION ON INVESTEEES  
FOR THE THREE MONTHS ENDED MARCH 31, 2025  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
The Company	LINE Pay Plus Corporation	Korea	System platform development and maintenance	\$ 207,792	\$ 207,792	200,000 (Note 1)	100.00	\$ 161,815 (Note 2)	\$ (13,107)	\$ (13,107) (Note 2)	Subsidiary

Note 1: The highest ownership percentage indicated in the above table is equal to the ownership percentage as of March 31, 2025. In addition, such investments are not collateralized or secured.

Note 2: The transaction has been eliminated through consolidation.