

ZERO ONE TECHNOLOGY CO., LTD.  
AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE  
SIX MONTHS ENDED JUNE 30, 2024 AND 2023 AND  
INDEPENDENT AUDITORS' REVIEW REPORT

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## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Zero One Technology Co., Ltd.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Zero One Technology Co., Ltd and its subsidiaries (the "Group") as of June 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the six months then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting 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 June 30, 2024 and 2023, its consolidated financial performance for the three months ended June 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2024 and 2023, 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 Cheng-Hsiu Chang and Pei-De Chen.

Deloitte & Touche

Taipei, Taiwan  
Republic of China

July 30, 2024

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.*

# ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

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

(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 1,177,750	12	\$ 492,357	6	\$ 739,585	10
Financial assets at fair value through profit or loss (Note 7)	208,641	2	826,856	10	606,603	8
Financial assets at fair value through other comprehensive income (Note 8)	-	-	3,920	-	3,230	-
Financial assets at amortized cost (Notes 9, 10 and 31)	373,935	4	765,877	10	659,972	8
Notes receivable (Notes 11 and 22)	84,784	1	169,521	2	117,631	2
Trade receivables (Notes 11, 22 and 30)	4,192,536	44	3,107,546	39	2,806,990	36
Inventories (Note 12)	1,157,494	12	1,273,074	16	1,581,077	20
Other current assets	66,586	1	38,349	1	17,560	-
Total current assets	<u>7,261,726</u>	<u>76</u>	<u>6,677,500</u>	<u>84</u>	<u>6,532,648</u>	<u>84</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss (Note 7)	68,207	1	63,639	1	37,093	1
Financial assets at fair value through other comprehensive income (Note 8)	568,328	6	463,080	6	373,666	5
Financial assets at amortized cost (Notes 9, 10 and 31)	141,958	1	136,446	2	135,291	2
Investment accounted for using equity method (Note 14)	3,061	-	2,089	-	25,674	-
Property, plant and equipment (Notes 15 and 31)	727,285	8	560,222	7	566,243	7
Right-of-use assets (Note 16)	60,877	1	21,727	-	18,101	-
Other intangible assets	2,598	-	2,733	-	3,302	-
Goodwill (Notes 17 and 27)	631,382	7	-	-	-	-
Deferred tax assets	41,991	-	40,557	-	53,484	1
Prepayments for equipment	12,951	-	300	-	-	-
Refundable deposits	22,581	-	10,983	-	10,763	-
Total non-current assets	<u>2,282,219</u>	<u>24</u>	<u>1,301,776</u>	<u>16</u>	<u>1,223,617</u>	<u>16</u>
<b>TOTAL</b>	<u>\$ 9,543,945</u>	<u>100</u>	<u>\$ 7,979,276</u>	<u>100</u>	<u>\$ 7,756,265</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 18 and 31)	\$ 87,703	1	\$ -	-	\$ -	-
Trade payables (Note 30)	3,189,578	33	3,001,768	38	3,261,962	42
Other payables (Note 19)	401,196	4	274,533	3	204,544	3
Current tax liabilities	138,804	2	82,154	1	90,180	1
Lease liabilities (Note 16)	30,091	-	13,535	-	11,342	-
Other current liabilities (Note 22)	367,313	4	290,320	4	322,452	4
Total current liabilities	<u>4,214,685</u>	<u>44</u>	<u>3,662,310</u>	<u>46</u>	<u>3,890,480</u>	<u>50</u>
<b>NON-CURRENT LIABILITIES</b>						
Deferred tax liabilities	3,375	-	7,395	-	878	-
Lease liabilities (Note 16)	30,008	1	8,362	-	6,929	-
Net defined benefit liabilities	9,766	-	11,126	-	12,274	-
Other non-current liabilities	2,800	-	3,486	-	20,800	1
Total non-current liabilities	<u>45,949</u>	<u>1</u>	<u>30,369</u>	<u>-</u>	<u>40,881</u>	<u>1</u>
Total liabilities	<u>4,260,634</u>	<u>45</u>	<u>3,692,679</u>	<u>46</u>	<u>3,931,361</u>	<u>51</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)</b>						
Ordinary shares	1,548,492	16	1,543,687	19	1,535,797	20
Capital surplus	1,250,570	13	1,248,647	16	1,242,716	16
Retained earnings						
Legal reserve	451,802	5	382,868	5	382,868	5
Unappropriated earnings	619,058	6	906,406	11	544,908	7
Total retained earnings	<u>1,070,860</u>	<u>11</u>	<u>1,289,274</u>	<u>16</u>	<u>927,776</u>	<u>12</u>
Other equity	160,780	2	54,029	1	77,743	1
Total equity attributable to owners of the Company	<u>4,030,702</u>	<u>42</u>	<u>4,135,637</u>	<u>52</u>	<u>3,784,032</u>	<u>49</u>
<b>NON-CONTROLLING INTERESTS</b>	<u>1,252,609</u>	<u>13</u>	<u>150,960</u>	<u>2</u>	<u>40,872</u>	<u>-</u>
Total equity	<u>5,283,311</u>	<u>55</u>	<u>4,286,597</u>	<u>54</u>	<u>3,824,904</u>	<u>49</u>
<b>TOTAL</b>	<u>\$ 9,543,945</u>	<u>100</u>	<u>\$ 7,979,276</u>	<u>100</u>	<u>\$ 7,756,265</u>	<u>100</u>

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

**ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUES (Notes 22 and 30)	\$ 4,328,599	100	\$ 3,171,231	100	\$ 8,333,804	100	\$ 6,891,389	100
OPERATING COSTS (Notes 12, 23 and 30)	<u>3,765,973</u>	<u>87</u>	<u>2,788,481</u>	<u>88</u>	<u>7,252,321</u>	<u>87</u>	<u>6,097,535</u>	<u>88</u>
GROSS PROFIT	<u>562,626</u>	<u>13</u>	<u>382,750</u>	<u>12</u>	<u>1,081,483</u>	<u>13</u>	<u>793,854</u>	<u>12</u>
OPERATING EXPENSES (Note 23)								
Selling and marketing expenses	218,970	5	162,344	5	409,323	5	325,235	5
General and administrative expenses	69,333	1	37,115	1	137,706	1	73,966	1
Research and development expenses	5,517	-	5,806	-	11,411	-	10,514	-
Expected credit (gain) loss (Note 11)	( <u>13,331</u> )	-	<u>15,782</u>	<u>1</u>	( <u>16,619</u> )	-	<u>13,140</u>	-
Total operating expenses	<u>280,489</u>	<u>6</u>	<u>221,047</u>	<u>7</u>	<u>541,821</u>	<u>6</u>	<u>422,855</u>	<u>6</u>
PROFIT FROM OPERATIONS	<u>282,137</u>	<u>7</u>	<u>161,703</u>	<u>5</u>	<u>539,662</u>	<u>7</u>	<u>370,999</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	14,028	-	8,923	1	25,495	-	13,731	-
Other income	449	-	2,838	-	3,122	-	2,912	-
Other gains and losses (Note 23)	6,803	-	2,505	-	12,211	-	15,168	-
Finance costs	( <u>205</u> )	-	( <u>58</u> )	-	( <u>1,414</u> )	-	( <u>135</u> )	-
Expected credit loss (Note 10)	( <u>77</u> )	-	-	-	( <u>77</u> )	-	( <u>681</u> )	-
Share of loss of associates accounted for using equity method	( <u>659</u> )	-	( <u>1,819</u> )	-	( <u>1,588</u> )	-	( <u>5,751</u> )	-
Total non-operating income and expenses	<u>20,339</u>	-	<u>12,389</u>	<u>1</u>	<u>37,749</u>	-	<u>25,244</u>	-
PROFIT BEFORE INCOME TAX	302,476	7	174,092	6	577,411	7	396,243	6
INCOME TAX EXPENSE (Note 24)	<u>62,930</u>	<u>1</u>	<u>20,895</u>	<u>1</u>	<u>115,229</u>	<u>1</u>	<u>65,062</u>	<u>1</u>
NET PROFIT	<u>239,546</u>	<u>6</u>	<u>153,197</u>	<u>5</u>	<u>462,182</u>	<u>6</u>	<u>331,181</u>	<u>5</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	62,456	1	37,289	1	111,146	1	52,358	1
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	( <u>43</u> )	-	( <u>663</u> )	-	<u>637</u>	-	( <u>565</u> )	-
Other comprehensive income (loss) for the period, net of income tax	<u>62,413</u>	<u>1</u>	<u>36,626</u>	<u>1</u>	<u>111,783</u>	<u>7</u>	<u>51,793</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 301,959</u>	<u>7</u>	<u>\$ 189,823</u>	<u>6</u>	<u>\$ 573,965</u>	<u>6</u>	<u>\$ 382,974</u>	<u>6</u>
NET PROFIT ATTRIBUTED TO:								
Owners of the Company	\$ 195,447	5	\$ 150,688	5	\$ 395,180	5	\$ 329,346	5
Non-controlling interests	<u>44,099</u>	<u>1</u>	<u>2,509</u>	-	<u>67,002</u>	<u>1</u>	<u>1,835</u>	-
	<u>\$ 239,546</u>	<u>6</u>	<u>\$ 153,197</u>	<u>5</u>	<u>\$ 462,182</u>	<u>6</u>	<u>\$ 331,181</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTED TO:								
Owners of the Company	\$ 257,853	6	\$ 187,528	6	\$ 506,766	6	\$ 381,331	6
Non-controlling interests	<u>44,106</u>	<u>1</u>	<u>2,295</u>	-	<u>67,199</u>	<u>1</u>	<u>1,643</u>	-
	<u>\$ 301,959</u>	<u>7</u>	<u>\$ 189,823</u>	<u>6</u>	<u>\$ 573,965</u>	<u>7</u>	<u>\$ 382,974</u>	<u>6</u>
EARNINGS PER SHARE (Note 25)								
Basic	<u>\$ 1.26</u>		<u>\$ 0.98</u>		<u>\$ 2.56</u>		<u>\$ 2.15</u>	
Diluted	<u>\$ 1.26</u>		<u>\$ 0.97</u>		<u>\$ 2.55</u>		<u>\$ 2.13</u>	

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

## ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	Equity Attributable to Owners of the Company						Other Equity						
	Share Capital			Retained Earnings			Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on Financial Assets at FVTOCI	Unearned Employee benefits	Total	Total	Non-controlling Interests	Total Equity
	Shares (In Thousand)	Ordinary shares	Capital Surplus	Legal Reserve	Unappropriated Earnings	Total							
BALANCE, JANUARY 1, 2023	153,032	\$ 1,530,317	\$ 1,240,628	\$ 322,518	\$ 828,494	\$ 1,151,012	\$ 167	\$ 26,665	( \$ 494 )	\$ 26,338	\$ 3,948,295	\$ 35,083	\$ 3,983,378
Appropriation of the 2022 earnings :													
Legal Reserve	-	-	-	60,350	( 60,350 )	-	-	-	-	-	-	-	-
Cash dividends - \$3.6 per share	-	-	-	-	( 551,080 )	( 551,080 )	-	-	-	-	( 551,080 )	-	( 551,080 )
Net profit for the six months ended June 30, 2023	-	-	-	-	329,346	329,346	-	-	-	-	329,346	1,835	331,181
Other comprehensive income (loss) for the six months ended June 30, 2023, net of income tax	-	-	-	-	-	-	( 395 )	52,380	-	51,985	51,985	( 192 )	51,793
Total comprehensive income (loss) for the six months ended June 30, 2023, net of income tax	-	-	-	-	329,346	329,346	( 395 )	52,380	-	51,985	381,331	1,643	382,974
Changes in equity of associates accounted for using equity method	-	-	( 1,027 )	-	( 2,576 )	( 2,576 )	-	-	-	-	( 3,603 )	-	( 3,603 )
Changes in percentage of ownership interests in subsidiaries	-	-	454	-	-	-	-	-	-	-	454	4,146	4,600
Share based payment transaction - employee restricted shares	-	-	-	-	-	-	-	-	494	494	494	-	494
Issuance of ordinary shares under employee stock options	548	5,480	2,661	-	-	-	-	-	-	-	8,141	-	8,141
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	1,074	1,074	-	( 1,074 )	-	( 1,074 )	-	-	-
BALANCE, JUNE 30, 2023	153,580	\$ 1,535,797	\$ 1,242,716	\$ 382,868	\$ 544,908	\$ 927,776	( \$ 228 )	\$ 77,971	\$ -	\$ 77,743	\$ 3,784,032	\$ 40,872	\$ 3,824,904
BALANCE, JANUARY 1, 2024	154,369	\$ 1,543,687	\$ 1,248,647	\$ 382,868	\$ 906,406	\$ 1,289,274	( \$ 135 )	\$ 54,164	\$ -	\$ 54,029	\$ 4,135,637	\$ 150,960	\$ 4,286,597
Appropriation of the 2023 earnings :													
Legal Reserve	-	-	-	68,934	( 68,934 )	-	-	-	-	-	-	-	-
Cash dividends - \$4.0 per share	-	-	-	-	( 618,429 )	( 618,429 )	-	-	-	-	( 618,429 )	-	( 618,429 )
Net profit (loss) for the six months ended June 30, 2024	-	-	-	-	395,180	395,180	-	-	-	-	395,180	67,002	462,182
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	486	111,100	-	111,586	111,586	197	111,783
Total comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	395,180	395,180	486	111,100	-	111,586	506,766	67,199	573,965
Issuance of ordinary shares under employee stock options	480	4,805	1,841	-	-	-	-	-	-	-	6,646	-	6,646
Exercise of right of disgorgement	-	-	82	-	-	-	-	-	-	-	82	-	82
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	4,835	4,835	-	( 4,835 )	-	( 4,835 )	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,034,450	1,034,450
BALANCE, JUNE 30, 2024	154,849	\$ 1,548,492	\$ 1,250,570	\$ 451,802	\$ 619,058	\$ 1,070,860	\$ 351	\$ 160,429	\$ -	\$ 160,780	\$ 4,030,702	\$ 1,252,609	\$ 5,283,311

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

# ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 577,411	\$ 396,243
Adjustments for:		
Depreciation expenses	27,509	16,771
Amortization expenses	887	1,055
(Reversal of) expected credit loss	( 16,542)	13,821
Net gain on fair value changes of financial assets at fair value through profit or loss	( 11,168)	( 11,283)
Finance costs	1,414	135
Interest income	( 25,495)	( 13,731)
Dividend income	( 2,679)	( 2,656)
Compensation costs of employee stock options	-	494
Share of loss of associates accounted for using equity method	1,588	5,751
Write-down of inventories	8,852	19,272
Net (gain) loss on foreign currency exchange	( 11,684)	9,864
Gain on lease modification	-	( 25)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	624,815	406,051
Notes receivable	95,097	211,107
Trade receivables	( 545,637)	( 249,682)
Inventories	243,092	357,548
Other current assets	( 14,968)	25,959
Trade payables	( 5,050)	( 85,409)
Other payables	( 68,405)	( 53,121)
Other current liabilities	62,898	23,333
Net defined benefit liabilities	( 1,360)	( 1,014)
Cash generated from operations	940,575	1,070,483
Income tax paid	( 97,532)	( 80,844)
Net cash generated from operating activities	<u>843,043</u>	<u>989,639</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	-	( 15,000)
Proceeds from sale of financial assets at fair value through other comprehensive income	9,818	11,473

(Continued)

# ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2024	2023
Purchase of financial assets at amortized cost	(\$ 709,363)	(\$ 672,940)
Proceeds from sale of financial assets at amortized cost	1,178,470	161,402
Acquisition of investments accounted for using equity method	( 2,560)	( 7,400)
Net cash inflow on acquisition of subsidiary	243,021	-
Payments for property, plant and equipment	( 13,182)	( 260,599)
Increase in refundable deposits	( 3,490)	( 2,633)
Payments for intangible assets	( 752)	-
Increase in prepayments for equipment	( 12,651)	-
Interest received	33,953	8,848
Dividend received	<u>1,220</u>	<u>358</u>
Net cash generated from (used in) investing activities	<u>724,484</u>	<u>( 776,491)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	87,703	-
Repayments of short-term borrowings	( 284,766)	-
Repayments of long-term borrowings	( 68,148)	-
Proceeds from guarantee deposits received	-	20,000
Refund of guarantee deposits received	( 686)	-
Repayment of the principal portion of lease liabilities	( 15,075)	( 7,466)
Dividends paid to owners of the Company	( 618,429)	( 551,080)
Exercise of employee share options	6,646	8,141
Interest paid	( 1,414)	( 135)
Changes in non-controlling interests	3,078	4,600
Exercise of right of disgorgement	<u>82</u>	<u>-</u>
Net cash generated from financing activities	<u>( 891,009)</u>	<u>( 525,940)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>		
	<u>8,875</u>	<u>( 1,782)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	685,393	( 314,574)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>492,357</u>	<u>1,054,159</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 1,177,750</u>	<u>\$ 739,585</u>
		(Concluded)

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

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2024 and 2023  
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

**1. GENERAL**

Zero One Technology Co., Ltd. (the “Company” or “ZOTC”) was incorporated as a company limited by shares under the Company Act of the Republic of China on June 27, 1980. On January 21, 2000, ZOTC’s shares were listed on the Taipei Exchange (TPEX). On August 26, 2002, ZOTC’s shares were listed on the Taiwan Stock Exchange (TWSE). ZOTC is a dedicated foundry in the technology industry which engages mainly in the design, manufacturing, packaging, selling, consulting and services of electronic information, computer software, hardware, accessories, components and Chinese data processing, etc.

The consolidated financial statements are expressed by the functional currency (New Taiwan Dollars) of ZOTC.

**2. THE DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS**

The consolidated financial statements were approved by the Board of Directors on July 30, 2024.

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

(1) 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).

The initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a significant effect on the Group’s accounting policies.

(2) The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New / Revised / Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

As of the date the consolidated financial statements were authorized for issue, the Group assesses the application of above standards and interpretations will not have a significant effect on the Group’s financial position and financial performance.

(3) The IFRS Accounting Standards in issue by the IASB but not yet endorsed and issued into effect by the FSC

New / Revised / Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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”	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 Disclosures in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note 1: Unless stated otherwise, the above new, revised or amended standards and interpretations 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:

- 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.
- 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.
- 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 groups 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.
- 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 Group 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 possible impact of the application of other 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 SIGNIFICANT ACCOUNTING POLICIES

##### (1) 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” endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRSs endorsed and issued into effect by the FSC.

##### (2) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and present value of defined benefits plans deducts net defined benefit liabilities measured at fair value.

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:

- A. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities, which can be acquired during measurement date;
- B. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- C. Level 3 inputs are unobservable inputs for the asset or liability.

##### (3) 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). When necessary, adjustments are made to the financial statements of subsidiaries to ensure their accounting policies are in line with those used by 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 Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 13, Table 6 and Table 7 for the detailed information of subsidiaries, the percentage of ownership and main business.

(4) Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended 2023.

A. Classification of current and non-current assets and liabilities

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

Current assets include:

- a. Assets held primarily for the purpose of trading;
- b. Assets expected to be realized within 12 months after the reporting period; and
- c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- a. Liabilities held primarily for the purpose of trading;
- b. Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance or to reschedule payments on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- c. Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

B. 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.

C. Taxation

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 AND UNCERTAINTY

In the application of the Group's accounting policies, the Group is required to make judgments, estimates and assumptions about 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 significant accounting estimates, the Group will take into account various possible impacts on cash flow estimates, growth rates, discount rates, profitability and other related major estimates. Management will continue to review estimates and basic assumptions.

Material Accounting Judgments

Control over Subsidiaries

As discussed in Note 13, although the Group has obtained less than half of equity of UNICOMP INFORMATION CO., LTD., the management of the Group has obtained more than half of the director seats of UNICOMP INFORMATION CO., LTD., as well as written agreements of other major shareholders, and is capable of exercising more than half of the voting rights; therefore, the management of the Group assesses that it has the substantial capacity of control over related activities of UNICOMP INFORMATION CO., LTD., and thus, has control over the company.

6. CASH AND CASH EQUIVALENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand and revolving funds	\$ 871	\$ 188	\$ 299
Checking accounts and demand deposits	988,790	443,655	739,286
Cash equivalents			
Time deposits	188,089	48,514	-
	<u>\$ 1,177,750</u>	<u>\$ 492,357</u>	<u>\$ 739,585</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets – current</u>			
Mandatorily measured at FVTPL			
Domestic convertible bond	\$ 33,417	\$ 56,809	\$ 37,663
Domestic listed ordinary shares	-	-	6,032
Fund beneficiary certificates	175,224	770,047	562,908
	<u>\$ 208,641</u>	<u>\$ 826,856</u>	<u>\$ 606,603</u>
<u>Financial assets – non-current</u>			
Mandatorily measured at FVTPL			
Domestic listed preferred shares	\$ 8,297	\$ 8,038	\$ 13,794
Domestic unlisted preferred shares	110	110	-
Fund beneficiary certificates	59,800	55,491	23,299
	<u>\$ 68,207</u>	<u>\$ 63,639</u>	<u>\$ 37,093</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Domestic investment			
Listed ordinary shares	\$ -	\$ 3,920	\$ 3,230
<u>Non-current</u>			
Domestic investment			
Listed ordinary shares	\$ 246,121	\$ 143,363	\$ 165,665
Listed preferred shares	152,967	150,477	154,051
Unlisted shares	169,240	169,240	53,950
	<u>\$ 568,328</u>	<u>\$ 463,080</u>	<u>\$ 373,666</u>

The investments in those ordinary and preferred shares are in line with the Group's medium- to long-term strategies and the investment profits are expected to be gained in the long run. The management of the Group management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Domestic investment			
Time deposits with original maturities of more than three months (1)	\$ 370,735	\$ 639,857	\$ 535,412
Pledged time deposit (3)	3,200	3,200	-
Repurchase agreements collateralized by bonds (2)	-	122,820	124,560
	<u>\$ 373,935</u>	<u>\$ 765,877</u>	<u>\$ 659,972</u>

(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Non-current</u>			
Domestic investment			
Pledged time deposit (3)	\$ 42,573	\$ 42,393	\$ 39,627
Foreign investment			
Perusahaan Listrik Negara corporate bond (USD) (4)	34,336	32,519	33,010
Southern California Edison corporate bond (USD) (5)	17,552	16,626	16,880
British Telecommunications plc corporate bond (USD) (6)	16,455	15,573	15,796
TSMC Arizona corporate bond (USD) (7)	<u>32,072</u>	<u>30,288</u>	<u>30,659</u>
	142,988	137,399	135,972
Less: Allowance for impairment loss	( 1,030 )	( 953 )	( 681 )
	<u>\$ 141,958</u>	<u>\$ 136,446</u>	<u>\$ 135,291</u>

(Concluded)

- (1) As of June 30, 2024, December 31, 2023 and June 30, 2023, the market interest rate intervals of time deposit with original maturities of more than three months were 1.51%~5.57%, 1.385%~5.57% and 1.20%~5.50%, respectively.
- (2) As of December 31, 2023 and June 30, 2023, the market interest rate interval of repurchase agreements collateralized by bonds with original maturities of more than three months were both 5.00%.
- (3) Please refer to Note 31 for more details on financial assets at amortized cost under pledge.
- (4) The Group purchased Perusahaan Listrik Negara corporate bond (USD) by USD 505 thousand with a coupon rate of 4.875% and USD 559 thousand with a coupon rate of 5.25%, in January 2022 and May 2021, respectively.
- (5) The Group purchased Southern California Edison corporate bond (USD) by USD 544 thousand with a coupon rate of 4% in January 2022.
- (6) The Group purchased British Telecommunications plc corporate bond (USD) by USD 508 thousand with a coupon rate of 4.25% in February 2022.
- (7) The Group purchased TSMC Arizona corporate bond (USD) by USD 982 thousand with a coupon rate of 3.875% in December 2022.
- (8) Please refer to Note 10 for relevant credit risk management and impairment assessment information for financial assets at amortized cost.

#### 10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

	June 30, 2024	December 31, 2024	June 30, 2023
Gross carrying amount	\$ 516,923	\$ 903,276	\$ 795,944
Less: Allowance for impairment loss	( 1,030 )	( 953 )	( 681 )
Amortized cost	<u>\$ 515,893</u>	<u>\$ 902,323</u>	<u>\$ 795,263</u>

The investments in debt instruments of the Group are mainly financial assets at amortized cost.

The strategy that the Group adopts is to invest in debt instruments that are rated as investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is provided by external independent agencies. The Group consistently monitors changes in the credit risks of the invested debt instruments by tracking ratings and relevant information, and reviews the yield curve of bonds, material information of the bond-issuers, etc., so as to evaluate if there is a significant increase in the debt instruments since initial recognition.

The Group assesses the information of investment risk provided by external rating agencies and evaluates the 12-month expected credit loss or lifetime expected credit loss.

## 11. NOTES, TRADE RECEIVABLE AND OVERDUE RECEIVABLES

	June 30, 2024	December 31, 2023	June 30, 2023
Measured at amortized cost			
Notes receivable	\$ 84,784	\$ 169,521	\$ 117,631
Trade receivable	4,205,163	3,130,648	2,830,567
Overdue receivables	5,549	5,549	6,857
Less: Allowance for impairment loss - trade receivable	( 12,627 )	( 23,102 )	( 23,577 )
Less: Allowance for impairment loss - overdue receivable	( 5,549 )	( 5,549 )	( 6,857 )
	<u>\$ 4,277,320</u>	<u>\$ 3,277,067</u>	<u>\$ 2,924,621</u>

The average credit period of sales of goods of the Group was 60-90 days, and no interest was charged on trade receivable.

In order to minimize credit risk, the Group's management has delegated a team 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 trade receivable at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the Group's management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivable are estimated using a provision matrix by reference to past default experience of the customer, the customer's current financial position, and economic conditions of the industry, as well as forecasts of GDP and prospects of the industry. As the Group's historical data of credit loss indicates that there is no significant difference in terms of the types of loss resulted from different customer groups, therefore, the segregation of customers was not further differentiated in the matrix, and the number of days of trade receivables overdue was used to determine the ratio of the expected credit loss.

The Group writes off an account receivable when there is information indicating that the respective debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery of the receivable. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables which are due. Where recoveries are made, these are recognized in profits or losses.

The following table details the loss allowance of trade receivable:

### June 30, 2024

	Not Past Due	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	More Than 90 Days Past Due	Total
Gross carrying amount	\$ 4,258,409	\$ 24,408	\$ 628	\$ -	\$ 12,051	\$ 4,295,496
Loss allowance (Lifetime ECLs)	( 5,619 )	( 3,376 )	( 236 )	-	( 8,945 )	( 18,176 )
Amortized cost	<u>\$ 4,252,790</u>	<u>\$ 21,032</u>	<u>\$ 392</u>	<u>\$ -</u>	<u>\$ 3,106</u>	<u>\$ 4,277,320</u>

### December 31, 2023

	Not Past Due	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	More Than 90 Days Past Due	Total
Gross carrying amount	\$ 3,272,640	\$ 6,244	\$ 2,513	\$ 13,153	\$ 11,168	\$ 3,305,718
Loss allowance (Lifetime ECLs)	( 8,466 )	( 1,556 )	( 785 )	( 6,676 )	( 11,168 )	( 28,651 )
Amortized cost	<u>\$ 3,264,174</u>	<u>\$ 4,688</u>	<u>\$ 1,728</u>	<u>\$ 6,477</u>	<u>\$ -</u>	<u>\$ 3,277,067</u>

### June 30, 2023

	Not Past Due	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	More Than 90 Days Past Due	Total
Gross carrying amount	\$ 2,883,106	\$ 41,681	\$ 20,147	\$ 3,264	\$ 6,857	\$ 2,955,055
Loss allowance (Lifetime ECLs)	( 6,512 )	( 10,617 )	( 5,066 )	( 1,382 )	( 6,857 )	( 30,434 )
Amortized cost	<u>\$ 2,876,594</u>	<u>\$ 31,064</u>	<u>\$ 15,081</u>	<u>\$ 1,882</u>	<u>\$ -</u>	<u>\$ 2,924,621</u>

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

	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Balance at January 1	\$ 28,651	\$ 17,294
Add: Acquisitions through business combinations	6,144	-
Add: Net remeasurement of loss allowance	-	13,140
Deduct: Reversal of loss allowance	( 16,619 )	-
Balance at June 30	<u>\$ 18,176</u>	<u>\$ 30,434</u>

## 12. INVENTORIES

	June 30, 2024	December 31, 2023	June 30, 2023
Raw materials	\$ 2,113	\$ 868	\$ 1,280
Work in process	834	701	2,253
Finished goods	739	289	149
Commodities	1,153,808	1,271,216	1,577,395
	<u>\$ 1,157,494</u>	<u>\$ 1,273,074</u>	<u>\$ 1,581,077</u>

The nature of the cost of goods sold is as follows:

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Cost of inventories sold	\$ 3,751,333	\$ 2,770,678	\$ 7,218,433	\$ 6,065,021
Write-down of inventories	662	10,653	8,852	19,272
	<u>\$ 3,751,995</u>	<u>\$ 2,781,331</u>	<u>\$ 7,227,285</u>	<u>\$ 6,084,293</u>

## 13. SUBSIDIARIES

### (1) Subsidiaries included in the consolidated financial statements

The consolidated entities were as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			June 30, 2024	December 31, 2023	June 30, 2023	
ZOTC	Zotech Co., Ltd.	Manufacturing for computer equipment	85.37%	85.37%	85.37%	-
	Zerone Win Investment Co., Ltd.	Investment	100.00%	100.00%	100.00%	1
	Asiaone Holdings Ltd.	Holding company	100.00%	100.00%	100.00%	2
Zerone Win Investment Co., Ltd.	Wing Will International Co., Ltd.	Services of cloud information software	90.80%	90.80%	90.80%	3
	Petacom Technology Co., Ltd.	Services of distribution of information product	51.00%	51.00%	100.00%	4

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			June 30, 2024	December 31, 2023	June 30, 2023	
Asiaone Holdings Ltd.	DigiCosmos Tech Co., Ltd.	Services of information security consulting	50.00%	50.00%	50.00%	5
	LinkONE Digital CO., LTD.	Consulting services for digital transformation such as AI, data, and cloud service	100.00%	-	-	6
	TerraONE Tech CO., LTD.	Distribution for information security products	100.00%	-	-	6
	TerraONE Tech CO., LTD.	Distribution for information security products	100.00%	-	-	6
	UNICOMP INFORMATION CO., LTD. (“UNICOMP”)	Distribution for information products and related services	20.00%	-	-	7
	Techone (Shanghai) Co., Ltd.	Information commodity trading and network technology services	70.00%	70.00%	70.00%	-
	TECHONE VIETNAM TECHNOLOGY COMPANY LIMITED	Information commodity trading and network technology services	70.00%	70.00%	-	8
TECHONE GLOBAL COMPANY LIMITED	Information commodity trading and network technology services	34.00%	-	-	9	

(Concluded)

1. The Group participated in a cash capital increase of \$350,000 thousand in January 2024, and the shareholding ratio remained unchanged after the capital increase.
2. The Group participated in a cash capital increase of \$1,610 thousand and \$12,145 thousand respectively in May 2024 and September 2023, and the shareholding ratio remained unchanged after the capital increase.
3. In April 2023, the Group did not participate in the cash capital increase according to the shareholding ratio, resulting in the shareholding ratio being reduced to 90.80%.
4. In October 2023, the Group did not participate in the cash capital increase according to the shareholding ratio, resulting in the shareholding ratio being reduced to 51%.

5. The Group holds 50% of the shares of DigiCosmos Tech. Co., Ltd. Since the Group holds a majority of directors' seats, it is evident that the Group has the substantive ability to lead DigiCosmos' relevant activities, in consequence, DigiCosmos Tech. Co., Ltd. is listed as a subsidiary.
6. It was established in January 2024.
7. In February 2024, the Group participated in UNICOMP's cash capital increase, acquiring 20% of the company's equity with \$285,000 thousand in cash. In the same month, the Group also obtained more than half of the director seats and written agreements of other major shareholders, and is thus capable of exercising more than half of the voting rights. Therefore, the management of the Group assesses that it has the substantial capacity of control over related activities of UNICOMP, and thus, deems it a subsidiary.
8. It was established in November 2023.
9. The Group invested in the establishment of TECHONE GLOBAL COMPANY LIMITED, and acquired a 34% of equity stake for \$1,545 thousand in June 2024. Under the investment agreement with other shareholders, the Group has operational decision-making power and control over finance, accounting, business, and personnel operations. As a result, the management of the Group is considered to have substantive control over significant activities, and thus TECHONE GLOBAL COMPANY LIMITED is classified as a subsidiary.

Except for UNICOMP, the rest of the above-mentioned subsidiaries are not major subsidiaries, and their financial statements have not been reviewed by CPAs. The management of the Group holds the view that there is not any material impact given the fact that the financial statements of the above subsidiaries have not been reviewed by CPAs.

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

(3) Details of subsidiaries that have material non-controlling interests

<u>Name of Subsidiary</u>	<u>Proportion of Ownership and Voting Rights Held by Non- controlling Interests June 30, 2024</u>
UNICOMP	80%

See Tables 6 for the information on the places of incorporation and principal places of business.

<u>Name of Subsidiary</u>	<u>Profit (Loss) Allocated to Non-controlling Interests From February 1 to June 30, 2024</u>	<u>Accumulated Non- controlling Interests June 30, 2024</u>
UNICOMP	<u>\$ 70,758</u>	<u>\$ 1,102,130</u>

The summarized financial information of UNICOMP represents amounts before intragroup eliminations.

UNICOMP

	<u>June 30, 2024</u>
Current assets	\$ 1,096,600
Non-current assets	834,736
Current liabilities	( 532,254 )
Non-current liabilities	( 21,419 )
Equity	<u>\$ 1,377,663</u>
Equity	
Owners of UNICOMP	\$ 275,533
Non-controlling interests of UNICOMP	<u>1,102,130</u>
	<u>\$ 1,377,663</u>

	From April 1 to June 30, 2024	From February 1 to June 30, 2024
Revenue	<u>\$ 534,467</u>	<u>\$ 877,633</u>
Net profit	\$ 56,174	\$ 88,448
Other comprehensive income (loss)	<u>-</u>	<u>-</u>
Total comprehensive income (loss)	<u>\$ 56,174</u>	<u>\$ 88,448</u>
Profit attributable to:		
Owners of UNICOMP	\$ 11,235	\$ 17,690
Non-controlling interests of UNICOMP	<u>44,939</u>	<u>70,758</u>
	<u>\$ 56,174</u>	<u>\$ 88,448</u>
Cash inflow/(outflow) from:		
Operating activities	\$ 53,817	\$ 85,400
Investing activities	11,431	75,448
Financing activities	<u>85,401</u>	<u>15,218</u>
Net cash inflow	<u>\$ 150,649</u>	<u>\$ 176,066</u>

#### 14. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates	June 30, 2024	December 31, 2023	June 30, 2023
Individual Insignificant Associate			
TrustONE Security Inc.	\$ 3,061	\$ 2,089	\$ 3,176
Leukocyte-Lab Co. Ltd.	-	-	5,189
Infinitesoft Solutions Inc.	<u>-</u>	<u>-</u>	<u>17,309</u>
	<u>\$ 3,061</u>	<u>\$ 2,089</u>	<u>\$ 25,674</u>

Name of Associates	Percentage of Equity Holding and Voting Rights		
	June 30, 2024	December 31, 2023	June 30, 2023
TrustONE Security Inc.	32.00%	32.00%	32.00%
Leukocyte-Lab Co. Ltd.	26.56%	26.56%	43.04%
Infinitesoft Solutions Inc.	-	-	24.33%

The Group acquired 32% of the equity of TrustONE Security Inc. in February 2021 with the investment amount of \$4,000 and increased its capital according to the shareholding ratio with the investment amount of \$3,200 thousand, \$2,400 thousand and \$2,560 thousand respectively in January 2022, March 2023 and May 2024.

The Group invested in Leukocyte-Lab Co. Ltd. in September 2021 with the investment amount of \$11,500 thousand and share-holding ratio of 37.5%. The Group did not participate in the cash capital increase of Leukocyte-Lab Co. Ltd. in November 2022, resulting in decrease of the shareholding ratio to 34.78%. The Group participated its cash capital increase of \$5,000 thousand in March 2023, resulting in the increase of share-holding ratio to 43.04%; however, in August 2023, the share-holding ratio was reduced to 26.56% as the Group did not participate in its cash capital increase.

The Group evaluated the recoverable amount of Leukocyte-Lab Co. Ltd. based on the net asset value and it was lower than the book value. In 2023, an impairment loss of \$6,205 thousand was recognized and recorded under the equity method investment loss.

In 2023, the Group stopped recognizing further loss under the equity method when the investment losses exceeded the original investment cost as the Group did not continue to support Leukocyte-Lab Co. Ltd.'s operations and finances. The amounts of unrecognized share of losses of associate extracted from the relevant financial statements of the associate, both for the period and cumulatively, were as follows:

	For the Six Months Ended June 30, 2024
Unrecognized share of losses of associate	
Amount for the period	( \$ 1,982 )
Accumulated amount	( \$ 1,982 )

The Group acquire the shares of InfinitiesSoft Solutions Inc. for \$9,000 thousand in June 2022, resulting in the increase of the share-holding ratio from 15% to 24.33%. Consequently, the Group then had the significant influence over InfinitiesSoft Solutions Inc., and had transferred financial assets at fair value through other comprehensive profit or loss to investments using the equity method. However, as the Group did not participate in InfinitiesSoft Solutions Inc.'s cash capital increase in December 2023, the shareholding ratio was reduced to 14.31%. and consequently losing its significant influence over InfinitiesSoft Solutions Inc. Subsequently the financial assets measured at fair value through other comprehensive gains and losses was recognized as the disposal of investment profits amounting to \$20,977 thousand.

The investment was accounted for using the equity method and the share of profit or loss and other comprehensive income of the invested company was calculated on the basis of the financial statements that have not been reviewed by CPAs. The management of the Group holds the view that the calculations of the financial statements that were not reviewed by the CPAs have not resulted in any material impacts.

#### 15. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2024	December 31, 2023	June 30, 2023
Land	\$ 607,622	\$ 470,859	\$ 470,859
Buildings	81,368	69,033	70,184
Machinery equipment	-	5	40
Office equipment	18,217	10,559	11,177
Delivery equipment	2,986	-	-
Other equipment	15,725	9,766	13,983
Leasehold	1,367	-	-
	<u>\$ 727,285</u>	<u>\$ 560,222</u>	<u>\$ 566,243</u>

The Group purchased the land and buildings located in Neihu District, Taipei City with non-related parties for the operation of office purposes at the price of \$253,330 thousand in May 2023.

Except for above transaction, depreciation recognized and acquisitions through business combinations, property, plant and equipment of the Group were not significantly increased, disposed or impaired for the six months ended June 30, 2024 and 2023.

Depreciation expenses were depreciated on a straight-line basis over the estimated useful life of the asset:

Buildings	7-50 Years
Machinery equipment	3 Years
Office equipment	3-5 Years
Delivery equipment	5 Years
Other equipment	2-3 Years
Leasehold	2 Years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 31.

#### 16. LEASE ARRANGEMENTS

##### (1) Right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amounts of right-of-use assets			
Buildings	\$ 42,237	\$ 21,727	\$ 18,101
Delivery equipment	18,640	-	-
	<u>\$ 60,877</u>	<u>\$ 21,727</u>	<u>\$ 18,101</u>

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Additions to right-of-use assets			\$ 24,288	\$ 1,381
Depreciation charge for right-of-use assets				
Buildings	\$ 6,153	\$ 3,688	\$ 11,754	\$ 7,433
Office equipment	<u>2,078</u>	<u>-</u>	<u>3,346</u>	<u>-</u>
	<u>\$ 8,231</u>	<u>\$ 3,688</u>	<u>\$ 15,100</u>	<u>\$ 7,433</u>

(2) Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amounts of lease liabilities			
Current	\$ 30,091	\$ 13,535	\$ 11,342
Non-current	<u>\$ 30,008</u>	<u>\$ 8,362</u>	<u>\$ 6,929</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Buildings	0.75%~3.95%	0.75%~4.75%	0.75%~4.75%
Delivery equipment	2.20%~2.39%	-	-

(3) Other lease information

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Expenses relating to short-term leases	\$ 221	\$ 196	\$ 491	\$ 330
Expenses relating to low-value asset leases	\$ 55	\$ 57	\$ 131	\$ 115
Total cash (outflow) for leases			( \$ 16,048 )	( \$ 8,046 )

17. GOODWILL

	For the Six Months Ended June 30, 2024
Cost	
Balance at January 1	\$ -
Additional amounts recognized from business combinations that occurred during the period (Note 27)	<u>631,382</u>
Balance at June 30	<u>\$ 631,382</u>

## 18. SHORT-TERM LOANS

	June 30, 2024	December 31, 2023	June 30, 2023
Secured borrowings	<u>\$ 87,703</u>	<u>\$ -</u>	<u>\$ -</u>

The range of interest rates on bank loans was 2.46%~2.69% per annum as of June 30, 2024.

The details of the pledged assets for secured borrowings, please refer to Note 31. Regarding the endorsement and guarantee provided by related parties for the bank loan facilities of the Group, please refer to Note 30.

## 18. OTHER PAYABLE

	June 30, 2024	December 31, 2023	June 30, 2023
Salaries and bonuses payable	\$ 102,346	\$ 144,128	\$ 75,525
Dividends payable	108,628	-	-
Compensation of employees and directors payable	60,377	40,964	42,881
Sales tax payable	57,440	20,405	18,372
Others	<u>72,405</u>	<u>69,036</u>	<u>67,766</u>
	<u>\$ 401,196</u>	<u>\$ 274,533</u>	<u>\$ 204,544</u>

## 20. RETIREMENT BENEFIT PLANS

For the three months ended and six months ended June 30, 2024 and 2023, the pension expenses of defined benefit plans were \$32 thousand, \$39 thousand, \$64 thousand and \$77 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022, respectively.

## 21. EQUITY

### (1) Ordinary Shares

	June 30, 2024	December 31, 2023	June 30, 2023
Shares authorized (in thousands of shares)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Authorized capital	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>154,849</u>	<u>154,369</u>	<u>153,580</u>
Issued capital	<u>\$ 1,548,492</u>	<u>\$ 1,543,687</u>	<u>\$ 1,535,797</u>

The change in share capital is mainly due to employee stock options exercised.

To enhance operational capital, expand investment partnerships, strengthen the financial structure, and address other funding needs for the Company's long-term development, while also considering the cost of raising funds and the timeliness and convenience of introducing strategic partners, the shareholders' meeting held on May 27, 2024 passed a resolution authorizing the Board of Directors to complete a private placement of common shares within one year, with a maximum limit of 20,000 thousand shares. On July 30, 2024, the Board of Directors approved negotiations with selected subscribers and established August 7, 2024, as the record date for a capital increase. The Company planed to issue 12,000 thousand shares of privately placed common stock at a price of \$90 per share, targeting a total fundraising amount of \$1,080,000 thousand.

(2) Capital Surplus

	June 30, 2024	December 31, 2023	June 30, 2023
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>			
Premium on shares issued above par value	\$ 1,171,785	\$ 1,169,944	\$ 1,166,949
Treasury stock transactions	25,343	25,343	25,343
From exercised and invalid employees stock options	40,721	37,472	32,166
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	68	68	68
Vested employees restricted shares	8,426	8,426	8,426
<u>May be used to offset a deficit only</u>			
Recognized changes in the ownership interests of subsidiaries	456	456	454
Recognized changes in the associates using the equity method	2,840	2,840	-
Exercise of right of disgorgement	176	94	-
<u>May not be used for any purpose</u>			
Employees stock options	755	4,004	9,310
	<u>\$ 1,250,570</u>	<u>\$ 1,248,647</u>	<u>\$ 1,242,716</u>

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

(3) Retained earnings and dividend policy

Under the dividends policy as set forth in the Articles of Incorporation, where ZOTC earns profits in a fiscal year, such profit shall first be set aside to pay applicable taxes, offset losses of previous years, then set aside 10% for legal reserve, and also set aside or reverse a special reserve in accordance with the laws and regulations. Should there be any remaining profits, those profits, plus the accumulated undistributed retained earnings from the previous year shall be used first by ZOTC's board of directors as the basis for proposing a distribution plan of dividends for preferred shares for the same year, any further remaining unappropriated earnings after the distribution of dividends of preferred shares shall be distributed in accordance with the proposal submitted by the board of directors, for approval at the shareholders' meeting. The distributable dividends and bonuses may be paid in cash after a supermajority resolution of the board of directors, which shall be submitted to the shareholders' meeting. For the policies on the distribution of employees' and directors' compensation, refer to compensation of employees and directors in Note 23 (4).

ZOTC adopts a dividend distribution policy whereby only surplus profits of ZOTC shall be distributed to shareholders. Based on the Company's future capital budget planning and the needs for working capital requirements, as well as taking account into the impact to the extent of the diluted earnings per share and return on equity, no less than 30% of the remaining balance is to be allocated to shareholders, and the ratio for cash dividends shall not be lower than 10% of the total shareholders' dividends distributed for the same year.

The appropriation for legal capital reserve shall be made until the reserve equals the Company's paid-in capital. The reserve may be used to offset a deficit, or be distributed as dividends in cash for the portion in excess of 25% of the paid-in capital if the Company incurs no loss.

The appropriations of earnings for 2023 and 2022 are as follows:

	For Fiscal Year 2023	For Fiscal Year 2022
Legal reserve	\$ 68,934	\$ 60,350
Cash dividends	\$ 618,429	\$ 551,080
Cash dividends per share (\$)	\$ 4.0	\$ 3.6

The cash dividends listed above were approved by the board of directors on February 27, 2024 and February 21, 2023, respectively, and the remaining appropriations of earnings were approved by the shareholders' meeting on May 27, 2024 and May 30, 2023, respectively.

## 22. REVENUE

### (1) Income from contracts with clients

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Sales revenue	\$ 4,284,650	\$ 3,130,866	\$ 8,251,841	\$ 6,822,008
Service revenue	<u>43,949</u>	<u>40,365</u>	<u>81,963</u>	<u>69,381</u>
	<u>\$ 4,328,599</u>	<u>\$ 3,171,231</u>	<u>\$ 8,333,804</u>	<u>\$ 6,891,389</u>

### (2) Remaining balance of the contracts

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable (Note 11)	<u>\$ 84,784</u>	<u>\$ 169,521</u>	<u>\$ 117,631</u>
Trade receivable (Note 11)	<u>\$ 4,192,536</u>	<u>\$ 3,107,546</u>	<u>\$ 2,806,990</u>
Contract liability (Other current liabilities)	<u>\$ 138,617</u>	<u>\$ 73,790</u>	<u>\$ 65,627</u>

## 23. NET INCOME

### (1) Other gains and losses

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Net foreign exchange profit (loss)	\$ 2,477	(\$ 2,449)	\$ 1,043	\$ 3,860
Net gain arising on financial assets measured at FVTPL	4,326	4,929	11,168	11,283
Gain on lease modification	<u>-</u>	<u>25</u>	<u>-</u>	<u>25</u>
	<u>\$ 6,803</u>	<u>\$ 2,505</u>	<u>\$ 12,211</u>	<u>\$ 15,168</u>

### (2) Depreciation & amortization

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Property, plant and equipment	\$ 6,980	\$ 4,868	\$ 12,409	\$ 9,338
Right-of-use assets	8,231	3,688	15,100	7,433
Intangible assets	<u>391</u>	<u>527</u>	<u>887</u>	<u>1,055</u>
	<u>\$ 15,602</u>	<u>\$ 9,083</u>	<u>\$ 28,396</u>	<u>\$ 17,826</u>
An analysis of depreciation by function				
Operating cost	\$ 24	\$ 24	\$ 48	\$ 48
Operating expenses	<u>15,187</u>	<u>8,532</u>	<u>27,461</u>	<u>16,723</u>
	<u>\$ 15,211</u>	<u>\$ 8,556</u>	<u>\$ 27,509</u>	<u>\$ 16,771</u>
An analysis of amortization by function				
Operating expenses	<u>\$ 391</u>	<u>\$ 527</u>	<u>\$ 887</u>	<u>\$ 1,055</u>

(3) Employee benefits expense

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Post-employment benefits				
Defined contribution plans	\$ 7,029	\$ 4,302	\$ 12,973	\$ 8,269
Defined benefit plans (Note 20)	<u>32</u>	<u>39</u>	<u>64</u>	<u>77</u>
	<u>7,061</u>	<u>4,341</u>	<u>13,037</u>	<u>8,346</u>
Share-based payment				
Equity-settled (Note 26)	-	198	-	494
Other employee benefits	<u>220,566</u>	<u>143,289</u>	<u>409,045</u>	<u>282,377</u>
Total employee benefits expense	<u>\$ 227,627</u>	<u>\$ 147,828</u>	<u>\$ 422,082</u>	<u>\$ 291,217</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 12,174	\$ 7,030	\$ 20,670	\$ 12,925
Operating expenses	<u>215,453</u>	<u>140,798</u>	<u>401,412</u>	<u>278,292</u>
	<u>\$ 227,627</u>	<u>\$ 147,828</u>	<u>\$ 422,082</u>	<u>\$ 291,217</u>

(4) Compensation of employees and directors

ZOTC shall allocate compensation of employees and compensation of directors at the range between 1%~15% and no more than 3% of annual profits during the period, respectively. The estimate of compensation of employees and compensation of directors for the three and six months ended June 30, 2024 and 2023 were as follows:

Estimate Rate

	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Compensation of employees	2.849%	2.923%
Compensation of directors	1.474%	1.461%

Amount

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Compensation of employees	\$ 7,150	\$ 6,000	\$ 14,500	\$ 12,000
Compensation of directors	3,850	3,000	7,500	6,000

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

The compensation of employees and directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on February 27, 2024 and February 21, 2023, respectively, are as follows:

	For Fiscal Year 2023	For Fiscal Year 2022
	Cash	Cash
Compensation of employees	\$ 27,000	\$ 24,000
Compensation of directors	13,000	12,000

There is no difference between the actual amounts of director's compensation for 2023 paid, the actual amounts of employees' and director's compensation for 2022 paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022. The compensation of employees for 2023 has not been actually paid yet.

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

## 24. INCOME TAXES

### (1) Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Current tax				
In respect of the current period	\$ 61,202	\$ 38,510	\$ 120,510	\$ 84,148
Adjustments for prior year	173	( 11,304 )	173	( 11,304 )
Deferred tax				
In respect of the current period	<u>155</u>	<u>( 6,311 )</u>	<u>( 5,454 )</u>	<u>( 7,782 )</u>
Income tax expense recognized in profit or loss	<u>\$ 62,930</u>	<u>\$ 20,895</u>	<u>\$ 115,229</u>	<u>\$ 65,062</u>

### (2) Income tax assessment

The Company and subsidiaries' income tax returns have been assessed by the tax authority are as follows:

Company	Year of Assessment
The Company	2022
Zotech Co., Ltd.	2022
Zerone Win Investment Co., Ltd.	2022
WingWill International Co., Ltd.	2022
Petacom Technology Co., Ltd	2022
DigiCosmos Tech. Co., Ltd.	2022
LinkONE Digital CO., LTD.	Note
TerraONE Tech CO., LTD.	Note
UNICOMP INFORMATION CO., LTD.	2021

Note: It was established in January 2024.

## 25. EARNINGS PER SHARE

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

### Net Profit for the Period

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Earnings used in the computation of basic and diluted earnings per share	\$ 195,447	\$ 150,688	\$ 395,180	\$ 329,346

### Shares

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	154,632	153,176	154,580	153,075
Effect of potentially dilutive ordinary shares:				
Compensation of employees	153	195	270	337
Employee share options	306	1,300	345	1,315
Employees restricted stock	-	139	-	153
Weighted average number of ordinary shares outstanding used in the computation of diluted earnings per share	<u>155,091</u>	<u>154,810</u>	<u>155,195</u>	<u>154,880</u>

If the Group offered to settle the compensation paid to employees in cash or shares, the Group assumed that the entire amount of the compensation will be settled in shares, and the resulting potential shares were 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.

## 26. SHARE-BASED PAYMENT ARRANGEMENTS

### (1) Employee stock option plan

In January 2018, and September 2018, 2000, and 2,000 options were granted to qualified employees of ZOTC, and each option entitles the holder to subscribe for 1,000 ordinary shares of ZOTC when exercisable. The options granted are valid for 6 years and shall be exercised a portion of them after two years from the date of grant. The options were granted at an exercise price equal to the fair value of ZOTC's ordinary shares on the grant date. For any subsequent changes in ZOTC's ordinary shares, the exercise price of options will be adjusted by the regulated formula, accordingly.

Information on employee stock options was as follows:

	For the Six Months Ended June 30, 2024		For the Six Months Ended June 30, 2023	
<u>Employee stock options</u>	Number of Options (In Thousands of Units)	Weighted Average Exercise Price (\$)	Number of Options (In Thousands of Units)	Weighted Average Exercise Price (\$)
Balance at January 1	636	\$ 14.24	1,973	\$ 15.15
Options exercised	( 480 )	13.83	( 548 )	14.86
Options outstanding at June 30	<u>156</u>	13.70	<u>1,425</u>	13.99
Options exercisable at June 30	<u>156</u>		<u>1,425</u>	

Information on outstanding options at the end of reporting period was as follows:

June 30, 2024		December 31, 2023		June 30, 2023	
Range of Exercise Price (\$)	Weighted-Over-Age Remaining Contractual Life (Year)	Range of Exercise Price (\$)	Weighted-Over-Age Remaining Contractual Life (Year)	Range of Exercise Price (\$)	Weighted-Over-Age Remaining Contractual Life (Year)
\$ -	-	\$ 13.20 (Note)	0.01	\$ 13.20 (Note)	0.51
13.70 (Note)	0.17	14.40 (Note)	0.67	14.40 (Note)	1.17

Note: The issued price will be adjusted by methods of issuance.

The Company adopted binomial option pricing model to evaluate inputs of stock options in September 2018 as follows:

	September, 2018
Securities price of the vested date	20.65 Dollars
Exercised price	20.65 Dollars
Foreseeable volatility rate	32.96%
Duration	6 Years
Foreseeable dividend rate	0%
Risk-free rates	0.72%

## (2) Employee restricted shares

The shareholders meeting of ZOTC, on June 11, 2018, resolved to issue employee restricted shares amounting to \$7,000 thousand, consisting of 700 thousand shares, respectively, par value in \$10, the subscription price is \$0 (The issue price is \$ 0), and authorized the Board to decide the issue price at the issuance date. The Board resolved to issue \$7,000 thousand, with total share number of 700 thousand shares, on April 30, 2019 and the record date of issuance is June 13, 2019.

An employee who remains employed at the company after the period as follows has elapsed from the time of employee restricted shares and who personal performance have met with the criteria listing, will be eligible for vesting of an installment of the shares.

- A. An employee who remains employed at the company after 1 year has elapsed from the time of employee restricted shares, and who personal performance have met with the criteria listing of 75 scores and above, will be eligible for vesting of an installment of 25% of the shares.
- B. An employee who remains employed at the company after 2 year has elapsed from the time of employee restricted shares, and who personal performance have met with the criteria listing of 75 scores and above, will be eligible for vesting of an installment of 25% of the shares.
- C. An employee who remains employed at the company after 3 year has elapsed from the time of employee restricted shares, and who personal performance have met with the criteria listing of 75 scores and above, will be eligible for vesting of an installment of 25% of the shares.
- D. An employee who remains employed at the company after 4 year has elapsed from the time of employee restricted shares, and who personal performance have met with the criteria listing of 75 scores and above, will be eligible for vesting of an installment of 25% of the shares.

After employees received the vested shares from the Company, it will redeem and cancel the issued employee restricted shares as employees breach the labor contract and working regulations, for the employee restricted shares that don't meet the vesting conditions.

When employees fail to meet the vesting conditions of employee restricted shares as redeemed by the Company without charge will be cancelled, based on the relevant regulations.

Compensation costs by issuance of employee restricted stocks recognized were \$198 thousand and \$494 thousand for the three and six months ended June 30, 2023.

## 27. BUSINESS COMBINATIONS

### (1) Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
UNICOMP	Distribution for information products and related services	February 1, 2024	20%	<u>\$ 285,000</u>

In February 2024, the Group participated in UNICOMP's cash capital increase, acquiring 20% of the company's equity with \$285,000 thousand in cash. In the same month, the Group also obtained more than half of the director seats and written agreements of other major shareholders, and is thus capable of exercising more than half of the voting rights. As a result, it has gained actual management right of UNICOMP and thus included the company in its consolidated financial statements.

### (2) Assets acquired and liabilities assumed at the date of acquisition

	<u>UNICOMP</u>
Current assets	
Cash and cash equivalents	\$ 528,021
Trade and other receivables	545,481
Inventories	148,384
Other	85,524
Non-current assets	
Property, plant and equipment	153,831
Other	39,051
Current liabilities	
Short-term borrowings	( 284,766 )
Trade and other payables	( 276,246 )
Other	( 57,016 )
Non-current liabilities	
Long-term borrowings	( 68,148 )
Deferred tax liabilities	( <u>20,498</u> )
	<u>\$ 793,618</u>

The initial accounting process for the acquisition of UNICOMP is provisional as of the date of balance sheet. As of the date of issuance of this consolidated financial statement, the required market valuations and other calculations have not been completed. Therefore, the asset and liability values are temporarily based on the best estimates of the management of the Group.

### (3) Non-controlling interests

The non-controlling interest in UNICOMP (an 80% ownership interest) is measured at fair value of \$1,140,000 thousand as of the acquisition date. This fair value was estimated using the market approach.

### (4) Goodwill recognized on acquisitions

	<u>UNICOMP</u>
Consideration transferred	\$ 285,000
Plus: Non-controlling interests (80% ownership interest in UNICOMP)	1,140,000
Less: Fair value of identifiable net assets acquired	( <u>793,618</u> )
Goodwill recognized on acquisitions	<u>\$ 631,382</u>

As of the date of issuance of this consolidated financial statement, the purchase price allocation report for the acquisition of UNICOMP has not been completed. Therefore, the difference between the investment cost and the net value of acquired equity is temporarily recorded under goodwill.

(5) Net cash outflow on the acquisition of subsidiaries

	<u>UNICOMP</u>
Consideration paid in cash	\$ 285,000
Less: Cash and cash equivalent balances acquired	<u>( 528,021 )</u>
	<u>( \$ 243,021 )</u>

(6) Impact of acquisitions on the results of the Group

The acquired company's results of operations since the acquisition date are as follows:

	<u>UNICOMP</u>
Operating revenue	\$ 877,633
Net profit	<u>\$ 88,448</u>

Had the abovementioned acquisition of UNICOMP been in effect on January 1, 2024, the Group's operating revenues and profit would have been \$1,053,350 thousand and \$93,941 thousand, respectively, from January 1 to June 30, 2024. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the operating revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of each annual reporting period, nor is it intended to be a projection of future results.

28. CAPITAL RISK MANAGEMENT

The Group engages mainly in the agent of software, without any plans of imposed capital requirements at present and in the future. The Group manages its capital to ensure requirements of operating funds and dividend expenses, based on growth and development of scale of enterprise and prospective of the industry. The Group periodically reviews the policy of capital risk management, for seeking a steady and conservative policy.

The capital structure of the Group consists of net debt and equity (comprising share capital, capital reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

29. FINNANCIAL INSTRUMENTS

(1) Information about fair value of financial instruments that are not measured at fair value

Except as detailed in the following table, the management believes the carrying amounts of financial assets and liabilities not measured at fair value recognized in the consolidated financial statements approximate or cannot be measured their fair values:

	<u>June 30,</u> <u>2024</u>		<u>December 31,</u> <u>2023</u>		<u>June 30,</u> <u>2023</u>	
	<u>Carrying</u> <u>Amount</u>	<u>Fair Value</u>	<u>Carrying</u> <u>Amount</u>	<u>Fair Value</u>	<u>Carrying</u> <u>Amount</u>	<u>Fair Value</u>
<u>Financial Assets</u>						
Financial assets at amortized cost						
— Foreign corporate bonds	\$ 99,385	\$ 84,629	\$ 94,053	\$ 83,170	\$ 95,664	\$ 80,643

(2) Information about fair value of financial assets measured at fair value on a recurring basis.

A. Fair value hierarchy

June 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets measured at</u> <u>FVTPL</u>				
Domestic convertible bonds	\$ 33,417	\$ -	\$ -	\$ 33,417
Domestic listed shares	8,297	-	-	8,297
Domestic unlisted shares	-	-	110	110
Fund beneficiary certificates	<u>190,355</u>	<u>-</u>	<u>44,669</u>	<u>235,024</u>
Total	<u>\$ 232,069</u>	<u>\$ -</u>	<u>\$ 44,779</u>	<u>\$ 276,848</u>

Financial assets measured at  
FVTOCI

Equity investments				
— Domestic listed shares	\$ 399,088	\$ -	\$ -	\$ 399,088
— Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>169,240</u>	<u>169,240</u>
Total	<u>\$ 399,088</u>	<u>\$ -</u>	<u>\$ 169,240</u>	<u>\$ 568,328</u>

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets measured at</u> <u>FVTPL</u>				
Domestic convertible bonds	\$ 56,809	\$ -	\$ -	\$ 56,809
Domestic listed shares	8,038	-	-	8,038
Domestic unlisted shares	-	-	110	110
Fund beneficiary certificates	<u>783,980</u>	<u>-</u>	<u>41,558</u>	<u>825,538</u>
Total	<u>\$ 848,827</u>	<u>\$ -</u>	<u>\$ 41,668</u>	<u>\$ 890,495</u>

Financial assets measured at  
FVTOCI

Equity investments				
— Domestic listed shares	\$ 297,760	\$ -	\$ -	\$ 297,760
— Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>169,240</u>	<u>169,240</u>
Total	<u>\$ 297,760</u>	<u>\$ -</u>	<u>\$ 169,240</u>	<u>\$ 467,000</u>

June 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets measured at</u> <u>FVTPL</u>				
Domestic convertible bonds	\$ 37,663	\$ -	\$ -	\$ 37,663
Domestic listed shares	19,826	-	-	19,826
Fund beneficiary certificates	<u>576,386</u>	<u>-</u>	<u>9,821</u>	<u>586,207</u>
Total	<u>\$ 633,875</u>	<u>\$ -</u>	<u>\$ 9,821</u>	<u>\$ 643,696</u>

Financial assets measured at  
FVTOCI

Equity investments				
— Domestic listed shares	\$ 322,946	\$ -	\$ -	\$ 322,946
— Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>53,950</u>	<u>53,950</u>
Total	<u>\$ 322,946</u>	<u>\$ -</u>	<u>\$ 53,950</u>	<u>\$ 376,896</u>

There were no transfers between Level 1 and Level 2 for six months ended June 30, 2024 and 2023, respectively.

B. Valuation techniques and inputs applied for Level 3 fair value measurement

Fund beneficiary certificates are an asset-based method that estimates the fair value of individual assets covered by the valuation and evaluation targets, and the total market value of individual liabilities.

Domestic unlisted stocks are based on the market method, which is mainly calculated by referring to the relevant information of listed companies or those with similar industrial nature, and taking into account of their liquidity discounts.

(3) Categories of financial instruments

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets</u>			
Measured at FVTPL			
Mandatorily measured at FVTPL	\$ 276,848	\$ 890,495	\$ 643,696
Financial assets measured at amortized cost (Note 1)	6,020,234	4,705,701	4,482,559
Financial assets measured at FVTOCI — Investments in equity instruments	568,328	467,000	376,896
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	3,681,277	3,279,787	3,487,306

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, investments in debt instruments, notes receivable, trade receivable, other receivable, and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term borrowing, trade payable, other payable, and deposits received.

(4) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk based on related protocols and internal control procedures. The Group's financial department measures the aforementioned risks based on the Group's risk appetite, and reports to the board of directors for carrying out relevant policies.

A. Market risk

The financial risk which the Group needs to manage as a result of operating activities is changes in foreign currency risks.

a. Foreign currency risk

The Group's purchases are denominated in foreign currencies. Consequently, the Group is exposed to foreign currency risks. Exchange rate exposures are managed within approved policy parameters utilizing foreign investments.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities of non-functional currency calculated (including those eliminated on consolidation) at the end of the reporting period are set out in Note 33.

Sensitivity analysis

The Group's exchange rate exposure was in the exchange rate of U.S. dollars.

The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. If the New Taiwan dollar appreciates 5% against the relevant currency, the Group's net profit for the six months ended June 30, 2024 and 2023 would decrease by \$1,996 thousand and \$7,309 thousand, respectively.

b. Interest rate risk

The Group exposed to the risk of interest rate at fair value, since holding the fixed-rate loan, accessing the interest rate of the bank loan regularly, observing influences on profits or losses from fluctuation range of the interest rate, keeping contact with the bank based on the actual requirement, and acquiring the best interest rate of the loan.

The carrying amount of the Group's financial assets and financial liabilities with exposure to risks of interest rates at the end of the reporting period is as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Interest rate risks at fair value			
– Financial assets	\$ 578,798	\$ 815,933	\$ 650,711
– Financial liabilities	60,099	21,897	18,271
Interest rate risks at cash flows			
– Financial assets	1,113,974	578,559	883,837
– Financial liabilities	87,703	-	-

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period.

If interest rates had been 50 basis points higher and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2024 and 2023 would increase by \$2,566 thousand and \$2,210 thousand, respectively.

c. Other price risk

The Group is exposed to price risks arising from shares, corporate bonds and fund beneficiary certificates. Investments should be approved by the management, for controlling risks by holding different investment portfolios.

Sensitivity analysis

The following sensitivity analysis is based on risk exposure of equity prices at the end of the reporting period.

If the prices had been 5% higher, pre-tax profit for the six months ended June 30, 2024 and 2023 would have increased by \$13,842 thousand and \$32,185 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income for the six months ended June 30, 2024 and 2023 would have increased by \$28,416 thousand and \$18,845 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

B. Credit risk

A Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from the carrying amount of the respective recognized financial assets as stated in the condensed balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the financial department regularly.

To decrease a credit risk, the key management personnel of the Group is responsible for decision of rating criteria, credit limits approval, and other censor procedure, etc., in order to collect delinquent trade receivable. Otherwise, the group reviews each trade receivable to assure allowance of impairment losses of uncollectable bad debts, hence the key management personnel considers credit concentration risk of trade receivable is insignificant.

The credit concentration risk of the current fund is insignificant, since the Group only transacts with financial institutions with good rating.

Trade receivable consisted of many customers. Ongoing credit evaluation is performed on the financial condition of certain customer's trade receivable. If necessary, purchasing insurance for credit enhancing procedures is a must.

The Group's concentration of credit risk was mainly in the Group's five largest customers, which accounted for 41%, 35% and 41% of trade receivable, respectively, as of June 30, 2024, December 31, 2023 and June 30, 2023.

C. Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises financing line of the banking facilities and ensures compliance with the terms of loan agreements.

Liquidity & interest rate risk table

The table below summarizes the due analysis of the maturity profile of the Group's non-derivative financial liabilities, enacted by contractual undiscounted payments of cash flow of financial liabilities, according to remaining contracts on the earliest date on which the Group may be required to pay, including principal and interest of cash flows.

The other non-derivative financial liabilities are listed at their contract repayment dates.

June 30, 2024

	<u>Less than 1 Year</u>	<u>1-5 Years</u>
<u>Non-derivative financial liabilities</u>		
No interest-bearing liabilities	\$ 3,590,774	\$ -
Lease liabilities	30,834	30,854
Variable interest rate liabilities	<u>88,261</u>	<u>-</u>
	<u>\$ 3,709,869</u>	<u>\$ 30,854</u>

December 31, 2023

	<u>Less than 1 Year</u>	<u>1-5 Years</u>
<u>Non-derivative financial liabilities</u>		
No interest-bearing liabilities	\$ 3,276,301	\$ -
Lease liabilities	<u>13,794</u>	<u>8,446</u>
	<u>\$ 3,290,095</u>	<u>\$ 8,446</u>

June 30, 2023

	<u>Less than 1 Year</u>	<u>1-5 Years</u>
<u>Non-derivative financial liabilities</u>		
No interest-bearing liabilities	\$ 3,466,506	\$ -
Lease liabilities	<u>11,477</u>	<u>6,969</u>
	<u>\$ 3,477,983</u>	<u>\$ 6,969</u>

As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group's unused short-term credit of limit of the bank were \$2,373,703 thousand, \$1,807,295 thousand and \$1,800,000 thousand, respectively.

30. RELATED PARTIES TRANSACTIONS

Transactions and balances between the Company and its subsidiaries, which were related parties of the Company, had been eliminated on consolidation and are not disclosed in this note. Besides as disclosed elsewhere in the other notes, details of transactions between the Group and other related parties were disclosed below.

(1) The names and relationship of related party

<u>Name of the related party</u>	<u>Relationship with the Group</u>
TrustONE Security Inc.	Associate
Leukocyte-Lab Co. Ltd.	Associate
Infinitesoft Solutions Inc.	Associate (changed to non-related party effective December 22, 2023)
K Way Information Corp.	Other related party (changed to non-related party effective May 30, 2023)
Directors of subsidiary and their spouses	Other related party (changed to related party effective February 1, 2024)

(2) Operating revenue

Line Items	Types of related parties	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Sales revenue	Associates	\$ 117	\$ 109	\$ 130	\$ 274
	Other related parties	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>
		<u>\$ 117</u>	<u>\$ 111</u>	<u>\$ 130</u>	<u>\$ 276</u>

Prices and payment terms for transactions with related parties and non-related parties were similar.

(3) Purchases

Types of related parties	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2024	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2023
Associates	<u>\$ 1,552</u>	<u>\$ 10,914</u>	<u>\$ 5,462</u>	<u>\$ 12,280</u>

Prices and payment terms for transactions with related parties and non-related parties were similar.

(4) Receivables from related parties (excluding loans to related parties)

Line Items	Types of related parties/Name	June 30, 2024	December 31, 2023	June 30, 2023
Trade receivable	Associates	<u>\$ 5</u>	<u>\$ 163</u>	<u>\$ 44</u>

(5) Payables to related parties

Line Items	Types of related parties/Name	June 30, 2024	December 31, 2023	June 30, 2023
Trade payable	Associates	<u>\$ 975</u>	<u>\$ 8,551</u>	<u>\$ 5,884</u>

(6) Endorsements and guarantees

Endorsements and guarantees given by related parties

The related parties provide guarantees for bank financing lines to the Group as follows:

Types of related parties/Name	June 30, 2024	December 31, 2023	June 30, 2023
Other related party / Directors of subsidiary and their spouses			
Amount endorsed	<u>\$ 491,852</u>	<u>\$ -</u>	<u>\$ -</u>
Amount utilized (reported as secured borrowings)	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ -</u>

(7) Compensation of key management personnel

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2022
Short-term employee benefits	\$ 22,154	\$ 11,752	\$ 38,021	\$ 23,480
Post-employment benefits	<u>81</u>	<u>36</u>	<u>153</u>	<u>72</u>
	<u>\$ 22,235</u>	<u>\$ 11,788</u>	<u>\$ 38,174</u>	<u>\$ 23,552</u>

The compensation of directors and other key management personnel are decided by personal performance and economic market trend through the remuneration committee.

31. ASSETS PLEDGED AS COLLATERAL

The following assets were provided as collateral for bank or securities firms borrowings, tariff guarantee for imported commodities:

	June 30, 2024	December 31, 2023	June 30, 2023
Property, plant and equipment, Net	\$ 349,191	\$ 203,454	\$ 204,149
Pledged time deposits (Financial assets at amortized cost)	<u>45,773</u>	<u>45,593</u>	<u>39,627</u>
	<u>\$ 394,964</u>	<u>\$ 249,047</u>	<u>\$ 243,776</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- (1) As of June 30, 2024, the Group opens NTS 87,000 thousand of cashier order for payment guaranteed for Microsoft Taiwan Corporation.
- (2) As of June 30, 2024, the Group opens NTS 50,000 thousand of cashier order for payment guaranteed for Microsoft Regional Sales Corporation.
- (3) As of June 30, 2024, the Group issued NTS 445 thousand of standby letters of credit through financial institutions for as performance bonds.

33. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

To meet the operational needs of the Company, the Board of Directors resolved to purchase an office in Kaohsiung within the limit of no more than \$300,000 thousand on July 30, 2024.

34. 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 functional currencies of the entities in the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

June 30, 2024

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 28,707	32.45 (USD:NTD)	\$ <u>931,542</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	29,937	32.45 (USD:NTD)	\$ <u>971,456</u>

December 31, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 29,272	30.705 (USD:NTD)	\$ <u>898,797</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	32,947	30.705 (USD:NTD)	\$ <u>1,011,638</u>

June 30, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 31,888	31.14 (USD:NTD)	\$ 992,992
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	36,582	31.14 (USD:NTD)	\$ 1,139,163

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

	For the Six Months Ended June 30, 2024		For the Six Months Ended June 30, 2023	
	Exchange rate	Net Foreign exchange gain (loss)	Exchange rate	Net Foreign exchange gain (loss)
<u>Foreign currencies</u>				
USD	31.90 (USD:NTD)	\$ 1,043	30.55 (USD:NTD)	\$ 3,860

  

	For the Three Months Ended June 30, 2024		For the Three Months Ended June 30, 2023	
	Exchange rate	Net Foreign exchange gain (loss)	Exchange rate	Net Foreign exchange gain (loss)
<u>Foreign currencies</u>				
USD	32.355 (USD:NTD)	\$ 2,477	30.705 (USD:NTD)	(\$ 2,449)

### 35. SEPARATELY DISCLOSED ITEMS

(1) Information about significant transactions:

- A. Financing provided to others: Table 1.
- B. Endorsements/guarantees provided: Table 2.
- C. Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 3.
- D. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Table 4.
- E. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital : None.
- F. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- G. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- H. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- I. Trading in derivative instruments: None.
- J. Other: Intercompany relationships and significant intercompany transactions: Table 5.

(2) Information on investees: Table 6.

(3) Information on investment in mainland China :

- A. 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 period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7.

- B. 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.
- The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
  - The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
  - The amount of property transactions and the amount of the resultant gains or losses.
  - The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
  - The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
  - Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.
- (4) Information on major shareholders: List of all shareholders with ownership of 5 percent or greater showing the name, the number of shares and percentage of ownership held by each shareholder: None.

### 36. SEGMENT INFORMATION

The management monitors the operating results focusing on the types of products and services acquired or provided of its business units separately for the purpose of making decisions about resource allocation and performance assessments. The department of the Group's business division of brands distribution and others shall be reported.

#### (1) Segments revenue & operating results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	The business division of brands distribution	Other	Eliminations	Total
<u>For the six months ended</u>				
<u>June 30, 2024</u>				
Revenues from external customers	\$ 7,195,138	\$ 1,138,666	\$ -	\$ 8,333,804
Inter-segment revenues	<u>-</u>	<u>122,845</u>	<u>( 122,845)</u>	<u>-</u>
Segment revenues	<u>\$ 7,195,138</u>	<u>\$ 1,261,511</u>	<u>(\$ 122,845)</u>	<u>\$ 8,333,804</u>
Segment profit (loss)	<u>\$ 525,106</u>	<u>\$ 152,262</u>	<u>\$ -</u>	<u>\$ 677,368</u>
General administration division costs and compensation of directors				( 137,706)
Non-operating income and expenses				<u>37,749</u>
Net income before tax				<u>\$ 577,411</u>
<u>For the six months ended</u>				
<u>June 30, 2023</u>				
Revenues from external customers	\$ 6,689,427	\$ 201,962	\$ -	\$ 6,891,389
Inter-segment revenues	<u>-</u>	<u>70,092</u>	<u>( 70,092)</u>	<u>-</u>
Segment revenues	<u>\$ 6,689,427</u>	<u>\$ 272,054</u>	<u>(\$ 70,092)</u>	<u>\$ 6,891,389</u>
Segment profit (loss)	<u>\$ 454,316</u>	<u>(\$ 9,351)</u>	<u>\$ -</u>	<u>\$ 444,965</u>
General administration division costs and compensation of directors				( 73,966)
Non-operating income and expenses				<u>25,244</u>
Net income before tax				<u>\$ 396,243</u>

Segment profit represented the profit before tax earned by each segment without allocation of general administration division costs and compensation of directors, and non-operating income and expenses. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

(2) Total segment assets and liabilities

The assets and liabilities of the Group haven't been provided to the operating decision maker, hence valuation number of assets and liabilities shall not be disclosed.

(3) Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services:

	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
IT Infrastructure	\$ 2,356,135	\$ 2,003,821
Network & Information Security	3,949,716	3,310,121
Cloud Platform & Application	1,350,088	1,231,890
Big Data & Application	673,381	344,030
Other	4,484	1,527
	<u>\$ 8,333,804</u>	<u>\$ 6,891,389</u>

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE THREE MONTHS ENDED JUNE 30, 2024

Table 1

(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 2)	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing (Note 3)	Transaction Amounts	Reason for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrower (Note 4)	Aggregate Financing Limit (Note 5)	Note
													Item	Value			
0	ZOTC	Zerone Win Investment Co., Ltd	Other receivables from related parties	Yes	\$ 70,000	\$ 70,000	\$ -	3%	2	\$ -	Operating capital	\$ -	—	\$ -	\$ 403,070	\$ 806,140	
		Wing Will International Co., Ltd.	Other receivables from related parties	Yes	20,000	20,000	-	3%	2	\$ -	Operating capital	-	—	-	403,070	806,140	

Note 1 : The number column is organized as follows :

- (1) Number 0 represents the issuer.
- (2) The investee companies are numbered from 1 in order.

Note 2 : Maximum balance of financing provided to others for the period.

Note 3 : Reference for the nature for financing provided to others.

- (1) 1:The borrower has business contact with the creditor.
- (2) 2:The borrower has short-term financing necessities.

Note 4 : For short-term financing necessities, the financing limit for each borrower shall not exceed 10% of the lender's net worth as stated in its latest financial statement audited or reviewed by CPAs.

Note 5 : Aggregate financing limit shall not exceed 20% of the lender's net worth as stated in its latest financial statement audited or reviewed by CPAs.

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE THREE MONTHS ENDED JUNE 30, 2024

Table 2

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

No. (Note 1)	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 4)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 5)	Actual Amount Borrowed (Note 6)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 7)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 7)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 7)	Note
		Name	Relationship (Note 2)											
0	ZOTC	Techone (Shanghai) Co., Ltd.	(2)	\$ 403,070	\$ 64,900	\$ 64,900	\$ -	\$ -	1.61	\$ 806,140	Y	N	Y	
0	ZOTC	TECHONE VIETNAM TECHNOLOGY COMPANY LIMITED	(2)	403,070	64,900	64,900	-	-	1.61	806,140	Y	N	N	
1	Zerone Win Investment Co., Ltd.	Wing Will International Co., Ltd.	(2)	82,594	1,700	-	-	-	-	165,188	N	N	N	

Note 1 : Business between the parent and subsidiaries is numbered as follows:

- (1) Parent:0.
- (2) Subsidiaries are numbered from 1 in order.

Note 2 : There are 7 types of relationship between the endorser and the endorsed guarantor, it will be sufficient to just identify which type it is:

- (1) A company which it does business.
- (2) A company in which the public company directly and indirectly holds more than 50% of the voting shares.
- (3) A company that directly and indirectly holds more than 50% of the voting shares in the public company.
- (4) Companies in which the public company holds, directly or indirectly, 90% or more of the voting shares.
- (5) Companies which provide mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- (6) Where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages,.
- (7) Where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3 : The limit on each endorsement/guarantee given to each party is 10% of the Zerone Win's net equity. The aggregate endorsement/guarantee limit is 20% of the Zerone Win's net equity.

Note 4 : The maximum amount endorsed/guaranteed in this year.

Note 5 : The amount approved by the Board of Directors should be filled in. However, if the Board of Directors authorizes the Chairman to make a decision in accordance with Article 12, Clause 8 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, it refers to the amount decided by the Chairman.

Note 6 : The actual expenditure amount of the endorsed guarantee company within the scope of the endorsement guarantee balance should be entered.

Note 7 : Y must be filled in only when the following conditions are met : if the parent company of the listed company endorses the subsidiary company; if the subsidiary company endorses the parent company of the listed company, and if it belongs to the mainland China region.

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2024

Table 3

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units/Par Value	Carrying Amount	Percentage of Ownership (%)	Fair Value	
ZOTC	Beneficiary certificate							
	KGI Kaefer Fund	—	Financial assets at FVTPL – non-current	170,199	\$ 4,387	-	\$ 4,387	
	KGI Taiwan Multi-Asset Income Fund	—	Financial assets at FVTPL – non-current	1,198,020	15,131	-	15,131	
	KGI Taiwan Select-Asset Income Fund	—	Financial assets at FVTPL – non-current	500,325	6,384	-	6,384	
	Nomura 2026 DM Markets Trigger Maturity Private Placement Bond Fund	—	Financial assets at FVTPL – non-current	100,000	33,898	-	33,898	
	Corporate bond							
	Chailease Holding Company Limited - 1st convertible bonds	—	Financial assets at FVTPL – current	160 (Units)	15,872	-	15,872	
	International CSRC Investment Holdings Co., Ltd. - 3rd convertible bonds	—	Financial assets at FVTPL – current	50 (Units)	5,185	-	5,185	
	AMPAK Technology, Inc. - 1st convertible bonds	—	Financial assets at FVTPL – current	20 (Units)	2,460	-	2,460	
	Yulon Finance Corporation - 2nd convertible corporate bonds	—	Financial assets at FVTPL – current	100 (Units)	9,900	-	9,900	
	Perusahaan Listrik Negara corporate bond (USD) 5.25%	—	Financial assets at amortized cost – non-current	USD 500,000	17,764	-	14,514	
	Perusahaan Listrik Negara corporate bond (USD) 4.875%	—	Financial assets at amortized cost – non-current	USD 500,000	16,020	-	13,337	
	Southern California Edison corporate bond (USD)	—	Financial assets at amortized cost – non-current	USD 500,000	17,014	-	12,354	
	British Telecommunications plc corporate bond (USD)	—	Financial assets at amortized cost – non-current	USD 500,000	16,333	-	13,045	
	TSMC Arizona corporate bond (USD)	—	Financial assets at amortized cost – non-current	USD1,000,000	32,072	-	31,379	
	Stock							
Cathay Financial Holding Co., Ltd. Preferred Shares A	—	Financial assets at FVTPL – non-current	66,000	4,033	-	4,033		

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units/Par Value	Carrying Amount	Percentage of Ownership (%)	Fair Value	
ZOTC	Union Bank of Taiwan Preferred Shares A	—	Financial assets at FVTPL – non-current	80,000	\$ 4,264	-	\$ 4,264	
	K Way Information Corp.	—	Financial assets at FVTOCI – non-current	655,000	18,373	2.14	18,373	
	China Electric Mfg. Corp.	—	Financial assets at FVTOCI – non-current	2,650,200	52,341	0.82	52,341	
	Unex Technology Corp.	—	Financial assets at FVTOCI – non-current	175,000	2,088	1.68	2,088	
	Da-Chang Start-Up Investment Co. Ltd.	—	Financial assets at FVTOCI – non-current	3,000,000	30,023	2.73	30,023	
	Cathay Financial Holding Co., Ltd. Preferred Shares A	—	Financial assets at FVTOCI – non-current	134,000	8,187	-	8,187	
	Union Bank of Taiwan Preferred Shares A	—	Financial assets at FVTOCI – non-current	70,000	3,731	-	3,731	
	Fubon Financial Holding Co., Ltd. Preferred Shares B	—	Financial assets at FVTOCI – non-current	385,000	22,946	-	22,946	
	Taishin Financial Holding Co., Ltd. Preferred Shares E	—	Financial assets at FVTOCI – non-current	240,000	12,600	-	12,600	
	CTBC Financial Holding Co., Ltd. Preferred Shares B	—	Financial assets at FVTOCI – non-current	90,000	5,427	-	5,427	
	Cathay Financial Holding Co., Ltd. Preferred Shares B	—	Financial assets at FVTOCI – non-current	230,000	13,593	-	13,593	
	WPG Holdings Limited Preferred Shares A	—	Financial assets at FVTOCI – non-current	675,000	33,075	-	33,075	
	QST International Corporation Preferred Shares A	—	Financial assets at FVTOCI – non-current	45,000	2,030	-	2,030	
	Taishin Financial Holding Co., Ltd. Exchangeable Preferred Shares F	—	Financial assets at FVTOCI – non-current	1,350,000	22,613	-	22,613	
	Nextlink Technology Co., Ltd.	—	Financial assets at FVTOCI – non-current	1,000,000	75,000	5.00	75,000	
	Duofu Co., Ltd.	—	Financial assets at FVTOCI – non-current	1,000	-	0.05	-	
	Jotangi Technology Co., Ltd.	—	Financial assets at FVTOCI – non-current	796,250	-	9.32	-	
Zerone Win Investment Co., Ltd.	Stock Leukocyte-Lab Co., Ltd. Preferred Stock A	Associate	Financial assets at FVTPL – non-current	600,000	110	-	110	
	WPG Holdings Limited Preferred Shares A	—	Financial assets at FVTOCI – non-current	240,000	11,760	-	11,760	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Units/Par Value	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Zerone Win Investment Co., Ltd.	Shin Kong Financial Holding Co., Ltd. Preferred Shares A	—	Financial assets at FVTOCI—non-current	50,000	\$ 1,510	-	\$ 1,510	
	Tatung System Technologies Inc.	—	Financial assets at FVTOCI—non-current	1,450,000	170,375	1.64	170,375	
	Saviah Technologies, Inc. Preferred Shares B	—	Financial assets at FVTOCI—non-current	375,000	14,378	-	14,378	
	GrandTech C.G. Systems Inc.	—	Financial assets at FVTOCI—non-current	74,000	5,032	0.12	5,032	
	FiduciaEdge Technologies Co., Ltd.	—	Financial assets at FVTOCI—non-current	500,000	5,980	3.33	5,980	
	GrandTech Cloud Services Inc.	—	Financial assets at FVTOCI—non-current	1,001	58	-	58	
	InfinitesSoft Solutions Inc.	—	Financial assets at FVTOCI—non-current	2,780,889	41,713	14.31	41,713	
Petacom Technology Co., Ltd.	Beneficiary certificate Taishin 1699 Money Market Fund	—	Financial assets at FVTPL — current	8,554,586	120,090	-	120,090	
Zotech Co., Ltd.	Stock							
	WPG Holdings Limited Preferred Shares A	—	Financial assets at FVTOCI—non-current	200,000	9,800	-	9,800	
	Taishin Financial Holding Co., Ltd. Exchangeable Preferred Shares F	—	Financial assets at FVTOCI—non-current	340,000	5,695	-	5,695	
WingWill International Co., Ltd.	Beneficiary certificate Jih Sun Money Market Fund	—	Financial assets at FVTPL — current	1,304,895	20,039	-	20,039	
TerraONE Tech CO., LTD.	Beneficiary certificate Taishin 1699 Money Market Fund	—	Financial assets at FVTPL — current	2,285,267	35,095	-	35,095	

(Concluded)

Note 1 : Securities, indicated by the above table, are derivative from stocks, bonds, beneficiary certificates, and the above items, based on IFRS 9 “Financial Instruments”.

Note 2 : Relevant information about investments in equity of subsidiaries and associates, please refer to Table 6 and Table 7.

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE SIX MONTHS ENDED JUNE 30, 2024

Table 4

(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Unit/ Number of Shares	Amount	Unit/ Number of Shares	Amount	Unit/ Number of Shares	Amount	Carrying Amount (Note 1)	Gain (Loss) on Disposal	Unit/ Number of Shares	Amount (Note 2)
ZOTC	<u>Beneficiary certificates</u>													
	Taishin Ta-Chong Money Market Fund	Financial assets at FVTPL – current	–	–	10,297,883	\$ 150,442	17,105,128	\$ 250,000	27,403,011	\$ 400,757	\$ 400,000	\$ 757	-	\$ -
	Jih Sun Money Market Fund	Financial assets at FVTPL – current	–	–	-	-	29,405,841	450,000	29,405,841	450,506	450,000	506	-	-
	Taishin 1699 Money Market Fund	Financial assets at FVTPL – current	–	–	35,885,387	500,332	7,156,122	100,000	43,041,509	602,325	600,000	2,325	-	-
	<u>Stock</u> Zerone Win Investment Co., Ltd.	Investment accounted for using equity method	–	Subsidiary	30,000,000	360,855	35,000,000	350,000	-	-	-	-	65,000,000	825,130

Note 1: The carrying amount is the original investment cost.

Note 2: The ending balance included share of profit or loss of subsidiaries accounted for using the equity method.

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE SIX MONTHS ENDED JUNE 30, 2024

Table 5

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Transactions Details			
				Financial Statement Account	Amount (Note 4)	Transaction Terms	Percentage of Consolidated Total Revenues or Total Assets (Note 3)
0	ZOTC	Wing Will International Co., Ltd.	1	Sales revenue	\$ 30,306	Note 5	-
				Trade receivable	18,766	Note 5	-
				Cost of goods sold	10,997	Note 5	-
				Trade payable	11,558	Note 5	-
0	ZOTC	Techone (Shanghai) Co., Ltd.	1	Sales revenue	8,858	Note 5	-
				Cost of goods sold	10,257	Note 5	-
0	ZOTC	Petacom Technology Co., Ltd.	1	Cost of goods sold	55,429	Note 5	-
				Trade payable	53,744	Note 5	1%

Note 1 : Business between the parent and subsidiaries is numbered as follows:

1. Parent:0.
2. Subsidiaries are numbered from 1 in order.

Note 2 : Three types of relationship between parties is numbered as follows:

1. Parent to subsidiary.
2. Subsidiary to parent.
3. Between subsidiaries.

Note 3 : Percentage of transaction amounts to consolidated operating revenues or consolidated total assets: If the account is a balance sheet account, it shall be calculated by dividing the ending balance into consolidated total assets; if the account is an income statement account, it shall be calculated by dividing the yearly cumulative balance into consolidated operating revenues.

Note 4 : Transaction amounts account for at least \$ 5,000 thousand.

Note 5 : The terms of transactions with intercompany partners are similar to non-related parties.

ZERO ONE TECHNOLOGY CO., LTD.AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE SIX MONTHS ENDED JUNE 30, 2024  
Table 6

(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses	Investment Amount		As of June 30, 2024			Net Income (Loss) of the Investee	Share of Profits/Losses of Investee	Note
				June 30, 2024	December 31, 2023	Number of Ownership	Percentage of Ownership	Carrying Values			
ZOTC	Zotech Co., Ltd.	Taiwan	Manufacturing for computer equipment	\$ 35,000	\$ 35,000	3,500,000	85.37	\$ 47,082	\$ 1,581	\$ 1,350	Subsidiary
	Zerone Win Investment Co., Ltd.	Taiwan	Investment	650,000	300,000	65,000,000	100.00	825,130	12,627	11,815	Subsidiary
	Asiaone Holdings Ltd.	Republic of Seychelles	Holding company	23,818	22,208	750,000	100.00	30,840	1,103	1,103	Subsidiary
Zerone Win Investment Co., Ltd.	Wing Will International Co., Ltd.	Taiwan	Services of cloud information software	70,899	70,899	45,399,000	90.80	48,746	1,925	1,748	Sub-subsubsidiary
	Petacom Technology Co., Ltd.	Taiwan	Services of distribution of information product	77,545	77,545	10,200,000	51.00	93,654	( 17,127)	( 8,735)	Sub-subsubsidiary
	DigiCosmos Tech. Co., Ltd.	Taiwan	Services of information security consulting	25,000	25,000	2,500,000	50.00	33,454	9,609	4,804	Sub-subsubsidiary
	LinkONE Digital CO., LTD..	Taiwan	Consulting services for digital transformation such as AI, data, and cloud service	26,000	-	26,000,000	100.00	24,749	( 1,251)	( 1,251)	Sub-subsubsidiary
	TerraONE Tech CO., LTD.	Taiwan	Distribution for information security products	50,000	-	50,000,000	100.00	50,069	69	69	Sub-subsubsidiary
	UNICOMP INFORMATION CO., LTD.	Taiwan	Distribution for information products and related services	285,000	-	7,500,000	20.00	275,533	93,941	17,690	Sub-subsubsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses	Investment Amount		As of June 30, 2024			Net Income (Loss) of the Investee	Share of Profits/Losses of Investee	Note
				June 30, 2024	December 31, 2023	Number of Ownership	Percentage of Ownership	Carrying Values			
Zerone Win Investment Co., Ltd.	TrustOne Security Inc.	Taiwan	R&D, sale and service of information software	\$ 12,160	\$ 9,600	12,160,000	32.00	\$ 3,061	(\$ 4,961)	(\$ 1,588)	Associate
	Leukocyte-Lab Co. Ltd.	Taiwan	Information security management and consulting service	16,500	16,500	340,000	26.56	-	( 7,462)	-	Associate
Asiaone Holdings Ltd.	TECHONE VIETNAM TECHNOLOGY COMPANY LIMITED	Vietnam	Information commodities trading and technical service for network technology	10,639	Note 2	Note 3	70.00	11,237	( 140)	( 98)	Sub-subsiidiary
	TECHONE GLOBAL COMPANY LIMITED	Thailand	Information commodities trading and technical service for network technology	1,545	-	17,000	34.00	1,324	( 539)	( 183)	Sub-subsiidiary

(Concluded)

Note 1: Please refer to Table 7 for information on investment in Mainland China.

Note 2: As of December 31, 2023, the establishment of the company has been completed even though the capital injection has not been completed.

Note 3: It is a limited company so that there is no record of the number of shares.

ZERO ONE TECHNOLOGY CO., LTD.AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE SIX MONTHS ENDED JUNE 30, 2024

Table 7

(In Thousands of New Taiwan Dollars/Foreign Currency)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2024	Accumulated Repatriation of Investment Income as of June 30, 2024	Note
					Outward	Inward							
Techone (Shanghai) Co., Ltd.	Information commodities trading and technical service for network technology	\$ 13,335 (RMB 3,000)	(Note 1)	\$ 9,118	\$ -	\$ -	\$ 9,118	\$ 2,001	70%	\$ 1,401	\$ 17,327	\$ -	—

Accumulated Outward Remittance for Investments in Mainland China as of June 30, 2024	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 3)
\$ 9,118	\$ 9,118	\$ 3,169,987

Note 1 : The Company directly holds 100% of a subsidiary-Asiaone Holdings Ltd., which reinvests the company in Mainland China.

Note 2 : Amount was recognized based on the financial statements which were not reviewed by CPAs on June 30, 2024.

Note 3 : According to the "Principles for the Review of Investment or Technical Cooperation in the Mainland Area" stipulated by the Investment Commission, Ministry of Economic Affairs, the limit is 60% of net worth of the Company or the consolidated financial statements, whichever is higher ( the Group's net worth 5,283,311×60%=3,169,987).

Note 4 : For foreign currency conversion, gain (loss) are converted by the average exchange rate in 2024 Q2. Other amounts are converted into New Taiwan Dollars by the exchange rate on June 30, 2024.