

ZERO ONE TECHNOLOGY CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS FOR THE
THREE MONTHS ENDED MARCH 31, 2025 AND 2024 AND
INDEPENDENT AUDITORS' REVIEW REPORT

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have reviewed the accompanying consolidated balance sheets of Zero One Technology Co., Ltd and its subsidiaries (the “Group”) as of March 31, 2025 and 2024, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended March 31, 2025 and 2024, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting,” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months then ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Emphasis of Matter

As disclosed in Note 17 to the consolidated financial statements, the Group acquired a 20% equity interest in Unicom Information Co., Ltd. on February 1, 2024, and obtained a valuation report in December 2024. Accordingly, the original accounting treatment and provisional amounts related to the acquisition have been adjusted based on the report, and the comparative period information has been restated.

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Hsiu Chang and Pei-De Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

April 29, 2025

Notice to Readers

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

For the convenience of readers, the independent auditors' 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' report and consolidated financial statements shall prevail.

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

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

(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2025		December 31, 2024		March 31, 2024 (After Measurement Period Adjustment)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,602,697	12	\$ 1,772,606	13	\$ 806,911	8
Financial assets at fair value through profit or loss (Note 7)	280,111	2	254,319	2	905,383	9
Financial assets at amortized cost (Notes 9, 10 and 32)	1,518,724	11	1,511,706	11	696,214	7
Notes receivable (Note 11)	287,887	2	217,342	2	246,446	3
Trade receivables (Notes 11 and 31)	5,212,372	38	4,430,847	33	3,539,662	37
Inventories (Note 12)	2,196,312	16	2,598,963	20	1,066,620	11
Other current assets (Note 31)	73,107	1	85,906	1	59,885	1
Total current assets	<u>11,171,210</u>	<u>82</u>	<u>10,871,689</u>	<u>82</u>	<u>7,321,121</u>	<u>76</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss (Note 7)	69,966	-	69,312	-	66,289	1
Financial assets at fair value through other comprehensive income (Note 8)	367,356	3	378,446	3	511,366	5
Financial assets at amortized cost (Notes 9, 10 and 32)	157,996	1	153,994	1	140,638	2
Investment accounted for using equity method (Notes 14 and 31)	3,964	-	4,939	-	1,160	-
Property, plant and equipment (Notes 15 and 32)	804,020	6	796,791	6	760,112	8
Right-of-use assets (Note 16)	100,266	1	76,709	1	62,241	1
Goodwill (Notes 17 and 27)	418,555	3	418,555	3	418,555	4
Other intangible assets (Notes 18 and 27)	208,230	2	212,936	2	226,811	2
Deferred tax assets	44,098	-	41,608	-	42,671	1
Prepayments for equipment	-	-	100	-	10,380	-
Refundable deposits	29,963	-	32,520	-	22,854	-
Long-term receivables (Note 11)	297,685	2	216,616	2	-	-
Net defined benefits assets	5,510	-	5,561	-	-	-
Other non-current assets	1,917	-	1,917	-	-	-
Total non-current assets	<u>2,509,526</u>	<u>18</u>	<u>2,410,004</u>	<u>18</u>	<u>2,263,077</u>	<u>24</u>
TOTAL	<u>\$ 13,680,736</u>	<u>100</u>	<u>\$ 13,281,693</u>	<u>100</u>	<u>\$ 9,584,198</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Trade payables (Note 31)	\$ 5,052,929	37	\$ 4,935,093	37	\$ 3,046,410	32
Other payables (Note 19)	1,148,958	8	433,743	3	870,209	9
Current tax liabilities	252,311	2	174,639	1	174,367	2
Lease liabilities (Note 16)	37,068	-	30,529	-	43,072	-
Other current liabilities (Note 22)	356,139	3	345,891	3	282,670	3
Total current liabilities	<u>6,847,405</u>	<u>50</u>	<u>5,919,895</u>	<u>44</u>	<u>4,416,728</u>	<u>46</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	50,624	-	51,585	1	54,612	1
Lease liabilities (Note 16)	65,009	1	46,508	-	19,051	-
Long-term payables	561,337	4	379,421	3	-	-
Net defined benefit liabilities	-	-	-	-	10,412	-
Guarantee deposits received	2,800	-	2,800	-	2,800	-
Other non-current liabilities (Note 14)	4,250	-	4,250	-	-	-
Total non-current liabilities	<u>684,020</u>	<u>5</u>	<u>484,564</u>	<u>4</u>	<u>86,875</u>	<u>1</u>
Total liabilities	<u>7,531,425</u>	<u>55</u>	<u>6,404,459</u>	<u>48</u>	<u>4,503,603</u>	<u>47</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)						
Ordinary shares	1,670,052	12	1,670,052	13	1,546,092	16
Capital surplus	2,210,623	16	2,211,147	17	1,249,600	13
Retained earnings						
Legal reserve	451,802	3	451,802	3	382,868	4
Unappropriated earnings	542,509	4	1,156,953	9	487,295	5
Total retained earnings	<u>994,311</u>	<u>7</u>	<u>1,608,755</u>	<u>12</u>	<u>870,163</u>	<u>9</u>
Other equity	45,430	1	50,746	-	103,037	1
Total equity attributable to owners of the Company	<u>4,920,416</u>	<u>36</u>	<u>5,540,700</u>	<u>42</u>	<u>3,768,892</u>	<u>39</u>
NON-CONTROLLING INTERESTS (Note 28)	<u>1,228,895</u>	<u>9</u>	<u>1,336,534</u>	<u>10</u>	<u>1,311,703</u>	<u>14</u>
Total equity	<u>6,149,311</u>	<u>45</u>	<u>6,877,234</u>	<u>52</u>	<u>5,080,595</u>	<u>53</u>
TOTAL	<u>\$ 13,680,736</u>	<u>100</u>	<u>\$ 13,281,693</u>	<u>100</u>	<u>\$ 9,584,198</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

For the three months ended March 31, 2025 and 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31, 2025		For the Three Months Ended March 31, 2024 (After Measurement Period Adjustment)	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 22 and 31)	\$ 6,762,884	100	\$ 4,005,205	100
OPERATING COSTS (Notes 12, 23 and 31)	<u>6,055,052</u>	<u>90</u>	<u>3,486,348</u>	<u>87</u>
GROSS PROFIT	<u>707,832</u>	<u>10</u>	<u>518,857</u>	<u>13</u>
OPERATING EXPENSES (Note 23)				
Selling and marketing expenses	264,385	4	190,353	5
General and administrative expenses	87,970	1	72,045	2
Research and development expenses	5,735	-	5,894	-
Expected credit gain (Note 11)	(<u>5,382</u>)	<u>-</u>	(<u>3,288</u>)	<u>-</u>
Total operating expenses	<u>352,708</u>	<u>5</u>	<u>265,004</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>355,124</u>	<u>5</u>	<u>253,853</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 31)	29,858	-	11,467	-
Other income	158	-	2,673	-
Other gains and losses (Note 23)	1,645	-	5,408	-
Finance costs	(<u>5,234</u>)	<u>-</u>	(<u>1,209</u>)	<u>-</u>
Share of profits or loss of associates accounted for using the equity method	(<u>3,975</u>)	<u>-</u>	(<u>929</u>)	<u>-</u>
Total non-operating income and expenses	<u>22,452</u>	<u>-</u>	<u>17,410</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	377,576	5	271,263	6
INCOME TAX EXPENSE (Note 24)	<u>76,311</u>	<u>1</u>	<u>51,564</u>	<u>1</u>
NET PROFIT	<u>301,265</u>	<u>4</u>	<u>219,699</u>	<u>5</u>

(Continued)

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31, 2025		For the Three Months Ended March 31, 2024 (After Measurement Period Adjustment)	
	Amount	%	Amount	%
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	(\$ 6,469)	-	\$ 48,690	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	794	-	690	-
Other comprehensive income (loss) for the year, net of income tax	(5,675)	-	49,370	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 295,590</u>	<u>4</u>	<u>\$ 269,069</u>	<u>6</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 253,631	4	\$ 199,146	5
Non-controlling interests	47,634	-	20,553	-
	<u>\$ 301,265</u>	<u>4</u>	<u>\$ 219,699</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 247,686	3	\$ 248,326	6
Non-controlling interests	47,904	1	20,743	-
	<u>\$ 295,590</u>	<u>4</u>	<u>\$ 269,069</u>	<u>6</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 1.52</u>		<u>\$ 1.29</u>	
Diluted	<u>\$ 1.52</u>		<u>\$ 1.28</u>	

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

(Concluded)

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Equity Attributable to Owners of the Company											
	Share Capital						Other Equity					
	Shares (In Thousand)	Ordinary shares	Additional Paid-in Capital	Legal Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Comprehensive Income	Total	Total	Non-controlling Interests	Total Equity
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 Cash dividends – \$4.0 per share	-	-	-	-	(618,429)	(618,429)	-	-	-	(618,429)	-	(618,429)
Net profit (loss) for the three months ended March 31, 2024 (After measurement period adjustment)	-	-	-	-	199,146	199,146	-	-	-	199,146	20,553	219,699
Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax (After measurement period adjustment)	-	-	-	-	-	-	476	48,704	49,180	49,180	190	49,370
Total comprehensive income (loss) for the three months ended March 31, 2024 (After measurement period adjustment)	-	-	-	-	199,146	199,146	476	48,704	49,180	248,326	20,743	269,069
Issuance of common stocks under employee stock options	241	2,405	953	-	-	-	-	-	-	3,358	-	3,358
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	172	172	-	(172)	(172)	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,140,000	1,140,000
BALANCE, MARCH 31, 2024 (After measurement period adjustment)	154,610	\$ 1,546,092	\$ 1,249,600	\$ 382,868	\$ 487,295	\$ 870,163	\$ 341	\$ 102,696	\$ 103,037	\$ 3,768,892	\$ 1,311,703	\$ 5,080,595
BALANCE, JANUARY 1, 2025	167,005	\$ 1,670,052	\$ 2,211,147	\$ 451,802	\$ 1,156,953	\$ 1,608,755	\$ 682	\$ 50,064	\$ 50,746	\$ 5,540,700	\$ 1,336,534	\$ 6,877,234
Appropriation of the 2024 earnings Cash dividends – \$5.0 per share	-	-	-	-	(835,026)	(835,026)	-	-	-	(835,026)	-	(835,026)
Net profit (loss) for the three months ended March 31, 2025	-	-	-	-	253,631	253,631	-	-	-	253,631	47,634	301,265
Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	-	522	(6,467)	(5,945)	(5,945)	270	(5,675)
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	253,631	253,631	522	(6,467)	(5,945)	247,686	47,904	295,590
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	-	-	(68)	-	(24,143)	(24,143)	-	-	-	(24,211)	(164,276)	(188,487)
Change in ownership interests of subsidiaries	-	-	(456)	-	(8,277)	(8,277)	-	-	-	(8,733)	8,733	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	(629)	(629)	-	629	629	-	-	-
BALANCE, MARCH 31, 2025	167,005	\$ 1,670,052	\$ 2,210,623	\$ 451,802	\$ 542,509	\$ 994,311	\$ 1,204	\$ 44,226	\$ 45,430	\$ 4,920,416	\$ 1,228,895	\$ 6,149,311

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

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024 (After Measurement Period Adjustment)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 377,576	\$ 271,263
Adjustments for:		
Depreciation expenses	18,276	12,515
Amortization expenses	5,843	3,951
Expected credit gain	(5,382)	(3,288)
Net gain on fair value change of financial assets at fair value through profit or loss	(8,829)	(6,842)
Finance costs	5,234	1,209
Interest income	(29,858)	(11,467)
Dividend income	-	(70)
Share of loss of associates accounted for using equity method	3,975	929
Write-down of inventories	20,175	8,190
Net loss (gain) on foreign currency exchange	25,632	(6,221)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(17,617)	(74,335)
Notes receivable	(70,545)	(66,565)
Trade receivables	(853,957)	99,191
Inventories	371,543	337,502
Other current assets	18,807	3,961
Trade payables	263,476	(156,861)
Other payables	(119,907)	(109,191)
Other current liabilities	10,248	(21,745)
Net defined benefit liabilities	51	(714)
Cash generated from operations	14,741	281,412
Income tax paid	(2,090)	(571)
Net cash generated from operating activities	<u>12,651</u>	<u>280,841</u>

(Continued)

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	<u>For the Three Months Ended March 31, 2025</u>	<u>For the Three Months Ended March 31, 2024 (After Measurement Period Adjustment)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	\$ 4,621	\$ 4,324
Purchase of financial assets at amortized cost	(1,531,670)	(709,362)
Disposal of financial assets at amortized cost	1,521,954	856,190
Acquisition of investments accounted for using equity method	(3,000)	-
Net cash inflow on acquisition of subsidiary	-	243,021
Payments for property, plant and equipment	(5,524)	(4,904)
Increase in refundable deposits	-	(1,631)
Decrease in refundable deposits	2,557	-
Increase in prepayment for equipment	-	(10,080)
Interest received	23,771	6,191
Dividends received	74	151
Net cash generated from investing activities	<u>12,783</u>	<u>383,900</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	-	(284,766)
Repayments of long-term borrowings	-	(68,148)
Refund of guarantee deposits received	-	(686)
Repayment of principal portion of lease liabilities	(8,638)	(6,943)
Exercise of employee stock options	-	3,358
Acquisition of additional interests in subsidiary	(199,737)	-
Partial disposal of interests in subsidiary without a loss of control	11,250	-
Interest paid	(5,234)	(1,209)
Net cash used in financing activities	<u>(202,359)</u>	<u>(358,394)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>7,016</u>	<u>8,207</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(169,909)	314,554
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,772,606</u>	<u>492,357</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$1,602,697</u>	<u>\$ 806,911</u>

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

(Concluded)

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 and 2024
(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 provisions of the Group Law of the Republic of China (ROC) on June 27, 1980. On January 21, 2000, ZOTC’s Shares were listed on 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 the Group.

2. THE DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on April 29, 2025.

3. APPLICATION OF NEW 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 material impact on the Group’s accounting policies.

- (2) The IFRS Accounting Standards issued by International Accounting Standards Board (IASB) and endorsed by the FSC for application starting from 2026.

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by the 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” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023

(Continued)

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by the IASB (Note 1)</u>
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

(Concluded)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosures in Financial Statements”

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

- 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” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

(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 values, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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;
- 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); and
- 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 bring their accounting policies into 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 Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

For detailed information on subsidiaries including percentages of ownership and main businesses and share ratios, please see Note 13, Table 5 and Table 6

(4) Other significant accounting policies

Except for the following, please refer to the summary on other material accounting policies of the consolidated financial statements for the year ended December 31, 2024.

A. 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.

B. Income tax expense

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

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

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

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

Material Accounting Judgments

Control over subsidiaries

As disclosed 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

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and revolving funds	\$ 520	\$ 658	\$ 876
Checking accounts and demand deposits	1,589,676	1,363,413	784,942
Cash equivalents			
Time deposits	12,501	408,535	21,093
	<u>\$ 1,602,697</u>	<u>\$ 1,772,606</u>	<u>\$ 806,911</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets - current</u>			
Mandatorily measured at FVTPL			
Domestic convertible bond	\$ 30,942	\$ 33,143	\$ 53,865
Fund beneficiary certificates	242,408	221,176	851,518
Foreign exchange forward contracts (1)	6,761	-	-
	<u>\$ 280,111</u>	<u>\$ 254,319</u>	<u>\$ 905,383</u>
<u>Financial assets - non-current</u>			
Mandatorily measured at FVTPL	\$ 8,382	\$ 8,306	\$ 8,181
Domestic listed preferred shares	110	110	110
Domestic unlisted preferred shares			
Fund beneficiary certificates	61,474	60,896	57,998
	<u>\$ 69,966</u>	<u>\$ 69,312</u>	<u>\$ 66,289</u>

- (1) At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

March 31, 2025

	Currency	Maturity Date	Contract Amount (In Thousands)
Buy foreign exchange forward contracts	USD/NTD	2025/4/2 ~ 2025/6/25	USD 14,378/ NTD 470,673

The Group entered into foreign exchange forward contracts to manage risk exposures due to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Non-current</u>			
Domestic investment			
Listed ordinary shares	\$ 186,296	\$ 193,972	\$ 191,767
Listed preferred shares	94,690	98,104	150,359
Unlisted shares	86,370	86,370	169,240
	<u>\$ 367,356</u>	<u>\$ 378,446</u>	<u>\$ 511,366</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

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Domestic investment	\$ 1,518,724	\$ 1,511,706	\$ 555,014
Deposit accounts with original maturities of more than 3 months (1)	-	-	13,200
Pledged time deposit (3)			
Repurchase agreements collateralized by bonds (2)	-	-	128,000
	<u>\$ 1,518,724</u>	<u>\$ 1,511,706</u>	<u>\$ 696,214</u>
<u>Non-current</u>			
Domestic investment			
Deposit accounts with original maturities of more than 12 months (1)	\$ 10,000	\$ 10,000	\$ -
Pledged time deposit (3)	45,672	42,974	42,573
Foreign investment			
Perusahaan Listrik Negara corporate bond (USD) (4)	35,084	34,657	33,875
Southern California Edison corporate bond (USD) (5)	17,930	17,713	17,318
British Telecommunications plc corporate bond (USD) (6)	16,834	16,623	16,229
TSMC Arizona corporate bond (USD) (7)	32,917	32,468	31,596
	158,437	154,435	141,591
Less: Impairment loss	(441)	(441)	(953)
	<u>\$ 157,996</u>	<u>\$ 153,994</u>	<u>\$ 140,638</u>

(1) As of March 31, 2025, December 31, 2024 and March 31, 2024 the market interest rate intervals of time deposit over 3 months were 1.365%~5.240%, 1.365%~5.240% and 1.51%~5.57%, respectively.

(2) As of March 31, 2024, the market interest rate of repurchase agreements collateralized by bonds over 3 months was 5%.

(3) Please refer to Note 32 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

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying Amount	\$ 1,677,161	\$ 1,666,141	\$ 837,805
Less : Allowances for impairment loss	(441)	(441)	(953)
Amortized cost	<u>\$ 1,676,720</u>	<u>\$ 1,665,700</u>	<u>\$ 836,852</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 AND OVERDUE RECEIVABLE

	March 31, 2025	December 31, 2024	March 31, 2024
Measured at amortized cost			
Notes receivable	\$ 287,887	\$ 217,342	\$ 246,446
Trade receivable	5,236,773	4,455,698	3,565,620
Long-term receivable	304,849	220,122	-
Overdue receivable	6,048	6,048	5,549
Less: Unearned finance income	(17,804)	(9,214)	-
Less: Allowances for impairment loss - trade receivable	(13,761)	(19,143)	(25,958)
Less: Allowances for impairment loss - overdue receivable	(6,048)	(6,048)	(5,549)
Amortized cost	<u>\$ 5,797,944</u>	<u>\$ 4,864,805</u>	<u>\$ 3,786,108</u>
Current	\$ 5,500,259	\$ 4,648,189	\$ 3,786,108
Non-current	<u>297,685</u>	<u>216,616</u>	<u>-</u>
	<u>\$ 5,797,944</u>	<u>\$ 4,864,805</u>	<u>\$ 3,786,108</u>

Long-term receivable mainly arose from installment sales.

The average credit period of sales of goods of the Group was 60-90 days.

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 applies the simplified approach to providing for expected credit losses which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses of trade receivable on durable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's past experience of receivable and current financial position, expectation of GDP and prospect of the industry, deciding the rate of the expected credit losses by the different levels of credit limits of customers and actual conditions, based on the degree of doubtful accounts triggered by customers of different industries.

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 profit or loss.

The following table details the loss allowance of trade receivable:

March 31, 2025

	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	\$ 5,732,089	\$ 58,710	\$ 18,181	\$ 1,414	\$ 7,359	\$ 5,817,753
Loss allowance (Lifetime ECLs)	(3,846)	(6,051)	(2,365)	(271)	(7,276)	(19,809)
Amortized cost	<u>\$ 5,728,243</u>	<u>\$ 52,659</u>	<u>\$ 15,816</u>	<u>\$ 1,143</u>	<u>\$ 83</u>	<u>\$ 5,797,944</u>

December 31, 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	\$ 4,793,156	\$ 60,824	\$ 17,242	\$ 5,445	\$ 13,329	\$ 4,889,996
Loss allowance (Lifetime ECLs)	(3,754)	(5,622)	(3,385)	(1,127)	(11,303)	(25,191)
Amortized cost	<u>\$ 4,789,402</u>	<u>\$ 55,202</u>	<u>\$ 13,857</u>	<u>\$ 4,318</u>	<u>\$ 2,026</u>	<u>\$ 4,864,805</u>

March 31, 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	\$ 3,692,378	\$ 83,791	\$ 21,743	\$ 12,646	\$ 7,057	\$ 3,817,615
Loss allowance (Lifetime ECLs)	(8,783)	(5,196)	(7,517)	(3,452)	(6,559)	(31,507)
Amortized cost	<u>\$ 3,683,595</u>	<u>\$ 78,595</u>	<u>\$ 14,226</u>	<u>\$ 9,194</u>	<u>\$ 498</u>	<u>\$ 3,786,108</u>

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

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
Balance at January 1	\$ 25,191	\$ 28,651
Add: Acquisitions through business combinations	-	6,144
Less: Net remeasurement of loss allowance	(5,382)	(3,288)
Balance at March 31	<u>\$ 19,809</u>	<u>\$ 31,507</u>

12. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$ 1,114	\$ 1,013	\$ 699
Work in process	2,089	1,126	599
Finished goods	205	841	232
Commodities	<u>2,192,904</u>	<u>2,595,983</u>	<u>1,065,090</u>
	<u>\$ 2,196,312</u>	<u>\$ 2,598,963</u>	<u>\$ 1,066,620</u>

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

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
Cost of inventories sold	\$ 6,019,939	\$ 3,467,100
Write-down of inventories	<u>20,175</u>	<u>8,190</u>
	<u>\$ 6,040,114</u>	<u>\$ 3,475,290</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
			March 31, 2025	December 31, 2024	March 31, 2024	
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%	-
	Petacom Technology Co., Ltd.	Services of distribution of information product	51.00%	51.00%	51.00%	-
	DigiCosmos Tech. Co., Ltd. (“DigiCosmos”)	Services of information security consulting	35.00%	50.00%	50.00%	3
	LinkONE Digital CO., LTD.	Consulting services for digital transformation such as AI, data, and cloud service	100.00%	100.00%	100.00%	4
	TerraONE Tech CO., LTD.	Distribution for information security products	100.00%	100.00%	100.00%	4
	Unicomp Information Co., Ltd. (“Unicomp”)	Distribution for information products and related services	35.00%	20.00%	20.00%	5
Asiaone Holdings Ltd.	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%	70.00%	-
	Techone Global Company Limited	Information commodity trading and network technology services	34.00%	34.00%	-	6

1. The Group participated in a cash capital increase of \$150,000 thousand and \$350,000 thousand in February 2025 and January 2024 respectively, and the shareholding ratio remained unchanged after the capital increase.

2. The Group participated in a cash capital increase of \$1,609 thousand in May 2024, and the shareholding ratio remained unchanged after the capital increase.
3. The Group holds 50% of equity interest of DigiCosmos Tech. Co., Ltd. As it holds the majority of the seats on the board of directors and has obtained written agreements from other key shareholders that allow it to exercise more than half of the voting rights, the Group is deemed to have the substantive power to direct the relevant activities. Accordingly, DigiCosmos Tech. Co., Ltd. is accounted for as a subsidiary. In January 2025, the Group disposed of 750,000 shares of its investment in DigiCosmos, reducing its ownership interest to 35%. As the Group continues to have the practical ability to direct DigiCosmos's relevant activities, the transaction is accounted for as an equity transaction. Please refer to Note 28.
4. It was established in January 2024.
5. In February 2024, the Group participated in Unicom'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 practical ability to direct relevant activities of Unicom, and thus, deems it a subsidiary. In February 2025, the Group acquired an additional 6,315,790 shares of Unicom, increasing its ownership interest to 35%. Please refer to Note 28.
6. 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 Unicom and Zerone Win Investment Co., Ltd. for the three months ended March 31, 2025, the remaining subsidiaries referred to above are not considered material subsidiaries. Although their financial statements have not been reviewed by CPAs, the management of the Group believes that this does not result in a material impact on the consolidated financial statements.

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

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

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	March 31,	December 31,	March 31,
	2025	2024	2024
Unicom	65%	80%	80%

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

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests		Non-controlling Interests	
	From January 1 to March 31,	From February 1 to March 31,	March 31,	March 31,
	2025	2024	2025	2024
Unicom	\$ 45,070	\$ 23,469	\$ 1,058,828	\$ 1,163,470

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

Unicom

	March 31, 2025	March 31, 2024
Current assets	\$ 1,265,766	\$ 932,512
Non-current assets	859,955	883,063
Current liabilities	(432,894)	(299,891)
Non-current liabilities	(63,861)	(61,347)
Equity	<u>\$ 1,628,966</u>	<u>\$ 1,454,337</u>
Equity attributable to		
Owners of the Company	\$ 570,138	\$ 290,867
Non-controlling interests of Unicom	<u>1,058,828</u>	<u>1,163,470</u>
	<u>\$ 1,628,966</u>	<u>\$ 1,454,337</u>
	From January 1 to March 31, 2025	From February 1 to December 31, 2024
Revenue	<u>\$ 728,246</u>	<u>\$ 343,166</u>
Net profit	\$ 62,243	\$ 29,337
Other comprehensive income (loss)	-	-
Total comprehensive income (loss)	<u>\$ 62,243</u>	<u>\$ 29,337</u>
Profit attributable to:		
Owners of the Company	\$ 17,173	\$ 5,868
Non-controlling interests of Unicom	<u>45,070</u>	<u>23,469</u>
	<u>\$ 62,243</u>	<u>\$ 29,337</u>
Cash inflow (outflow) from:		
Operating activities	\$ 182,358	\$ 31,583
Investing activities	2,472	64,017
Financing activities	<u>86,741</u>	(70,183)
Net cash inflow	<u>\$ 271,571</u>	<u>\$ 25,417</u>

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

<u>Investments in Associates</u>	March 31, 2025	December 31, 2024	March 31, 2024
Individual insignificant associate			
TrustONE Security Inc.	\$ 2,065	\$ 2,938	\$ 1,160
Yuan A.I. Tech Co., Ltd.	1,899	2,001	-
Leukocyte-Lab Co. Ltd.	(4,250)	(4,250)	-
	(286)	689	1,160
Add: Reclassified as credit balance of long-term equity investments accounted for using the equity method under non-current liabilities	<u>4,250</u>	<u>4,250</u>	<u>-</u>
	<u>\$ 3,964</u>	<u>\$ 4,939</u>	<u>\$ 1,160</u>

Name of Associates	Percentage of Equity Holding and Voting Rights		
	March 31, 2025	December 31, 2024	March 31, 2024
TrustONE Security Inc.	32.00%	32.00%	32.00%
Leukocyte-Lab Co. Ltd.	25.30%	26.56%	26.56%
Yuan A.I. Tech Co., Ltd.	23.81%	23.81%	-

In May 2024, the Group participated in cash capital increase of \$2,560 thousand by TrustONE Security Inc., and the shareholding ratio remained unchanged after the capital increase.

In January 2025, the Group invested \$3,000 thousand in cash capital increase of Leukocyte-Lab Co. Ltd. at a percentage different from its existing ownership interest, resulting in a decrease in its shareholding ratio to 25.30%.

The Group's long-term equity investment in Leukocyte-Lab Co. Ltd. showed a negative balance of \$4,250 thousand, which has been reclassified as credit balance of long-term equity investments accounted for using the equity method under other non-current liabilities.

In September 2024, the Group invested \$2,000 thousand in Yuan A.I. Tech Co., Ltd., resulting in an equity interest of 23.81%.

15. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2025	December 31, 2024	March 31, 2024
Land	\$ 611,729	\$ 611,729	\$ 609,129
Buildings	127,218	128,688	118,099
Office equipment	18,620	19,748	14,349
Delivery equipment	23,164	20,979	3,147
Other equipment	21,580	13,846	15,388
Leasehold	1,709	1,801	-
	<u>\$ 804,020</u>	<u>\$ 796,791</u>	<u>\$ 760,112</u>

Except for depreciation recognized and acquisitions through business combinations, property, plant and equipment of the Group were not significantly increased, disposed or impaired for the three months ended March 31, 2025 and 2024.

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

Please refer to Note 32 for more details on property, plant and equipment under pledge.

16. LEASE ARRANGEMENTS

(1) Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amounts of right-of-use assets			
Buildings	\$ 83,894	\$ 57,999	\$ 43,831
Delivery equipment	16,372	18,710	18,410
	<u>\$ 100,266</u>	<u>\$ 76,709</u>	<u>\$ 62,241</u>

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
Additions to right-of-use assets	<u>\$ 33,606</u>	<u>\$ 17,417</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 7,740	\$ 5,601
Delivery equipment	<u>2,339</u>	<u>1,268</u>
	<u>\$ 10,079</u>	<u>\$ 6,869</u>

(2) Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amounts of lease liabilities			
Current	<u>\$ 37,068</u>	<u>\$ 30,529</u>	<u>\$ 43,072</u>
Non-current	<u>\$ 65,009</u>	<u>\$ 46,508</u>	<u>\$ 19,051</u>

Ranges of discount rate for lease liabilities were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Buildings	0.75%~3.95%	0.75%~3.95%	0.75%~3.95%
Delivery equipment	2.20%~2.39%	2.20%~2.39%	2.20%~2.39%

(3) Other lease information

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
Expenses relating to short-term leases	<u>\$ 688</u>	<u>\$ 270</u>
Expenses relating to low-value asset leases	<u>\$ 183</u>	<u>\$ 76</u>
Total cash (outflow) for leases	<u>(\$ 9,911)</u>	<u>(\$ 7,452)</u>

17. GOODWILL

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
<u>Cost</u>		
Balance at January 1	\$ 418,555	\$ -
Acquisitions through business combinations (Note 27)	<u>-</u>	<u>418,555</u>
Balance at March 31	<u>\$ 418,555</u>	<u>\$ 418,555</u>

On February 1, 2024, the Group acquired Unicomp, resulting in goodwill of \$418,555 thousand, primarily attributable to the expected revenue growth and business expansion driven by Unicomp's product market and competitive advantages.

In December 2024, the Group obtained a valuation report. Based on the report, the fair value of Unicomp's assets and liabilities as of the acquisition date was \$1,006,445 thousand. Accordingly, the original accounting treatment and provisional amounts have been adjusted retrospectively from the acquisition date, and the comparative information has been restated.

The impact of retrospective adjustments on related items of consolidated balance sheets is set out below:

	March 31, 2024	Acquisition Date
Goodwill	(\$ 212,827)	(\$ 212,827)
Property, plant and equipment	37,428	37,645
Intangible assets	224,574	228,029
Deferred tax liabilities	52,112	52,847
Non-controlling interests	(2,350)	-
Retained earnings	(587)	-

The impact of retrospective adjustments on related items of consolidated statements of comprehensive income is set out below:

	For the Three Months Ended March 31, 2024
Depreciation expense	\$ 217
Amortization expense	3,455
Income tax expense	(735)

18. OTHER INTANGIBLE ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
Customer relationship	\$ 203,844	\$ 209,026	\$ 224,574
Other intangible assets	4,386	3,910	2,237
	<u>\$ 208,230</u>	<u>\$ 212,936</u>	<u>\$ 226,811</u>

Except for amortization expense recognized and acquisitions through business combinations, other intangible assets of the Group were not significantly increased, disposed or impaired for the three months ended March 31, 2025 and 2024.

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

Customer relationship	11 Years
Others	3-15 Years

19. OTHER PAYABLE

	March 31, 2025	December 31, 2024	March 31, 2024
Dividend payable	\$ 835,026	\$ -	\$ 618,429
Salaries and bonuses payable	115,437	211,307	110,649
Compensation of employees and directors payable	75,334	70,356	38,964
Sales tax payable	37,378	30,506	28,841
Others	85,783	121,574	73,326
	<u>\$ 1,148,958</u>	<u>\$ 433,743</u>	<u>\$ 870,209</u>

20. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2025 and 2024, the pension expenses of defined benefit plans were \$71 thousand and \$32 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

21. EQUITY

(1) Common stocks

	March 31, 2025	December 31, 2024	March 31, 2024
Authorized shares (in thousands)	200,000	200,000	200,000
Authorized capital	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Issued and paid shares (in thousands)	167,005	167,005	154,610
Issued capital	\$ 1,670,052	\$ 1,670,052	\$ 1,546,092

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 issued 12,000 thousand shares of privately placed common stock at a price of \$90 per share, raising \$1,080,000 thousand in funds. As of December 31, 2024, the Company has accumulated a total of 12,000 thousand shares of privately placed common stock. Except for the transferee stipulated under the ROC Securities and Exchange Act, the aforementioned privately placed common stock shall not be resold to anyone else within three years after their delivery.

(2) Additional paid-in capital

	March 31, 2025	December 31, 2024	March 31, 2024
<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	\$ 2,132,362	\$ 2,132,362	\$ 1,170,897
Treasury stock transactions	25,343	25,343	25,343
From exercised and invalid employees stock options	41,476	41,476	39,093
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	-	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 associates using the equity method	2,840	2,840	2,840
Recognized changes in the ownership interests of subsidiaries	-	456	456
Exercise of right of disgorgement	176	176	94
<u>May not be used for any purpose</u>			
Employees stock options	-	-	2,383
	\$ 2,210,623	\$ 2,211,147	\$ 1,249,600

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

(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' compensation and remuneration of directors and supervisors, refer to employees' compensation and remuneration of 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 2024 and 2023 were as follows:

	For Fiscal Year 2024	For Fiscal Year 2023
Legal reserve	\$ 93,791	\$ 68,934
Cash dividends	\$ 835,026	\$ 618,429
Cash dividends per share (\$)	\$ 5.0	\$ 4.0

The above appropriations of earnings have been approved by ZOTC's board of directors on February 27, 2025 and February 27, 2024. The appropriations of earnings for 2023 have been approved by ZOTC's shareholder's meeting held on May 27, 2024. The appropriations of earnings for 2024 are subject to the resolution of the shareholders' meeting to be held on May 22, 2025.

22. REVENUE

(1) Income from contracts with clients

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
Sales revenue	\$ 6,710,063	\$ 3,967,191
Service revenue	52,821	38,014
	\$ 6,762,884	\$ 4,005,205

(2) Remaining balance of the contracts

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable (Note 11)	\$ 287,887	\$ 217,342	\$ 246,446
Trade receivable (Note 11)	\$ 5,212,372	\$ 4,430,847	\$ 3,539,662
Long-term receivable (Note 11)	\$ 297,685	\$ 216,616	\$ -
Contract liability (Other current liabilities)	\$ 149,005	\$ 174,159	\$ 81,422

23. NET INCOME

(1) Other gains and losses

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
Net foreign currency exchange loss	(\$ 7,171)	(\$ 1,434)
Net gain arising on financial assets measured at FVTPL	8,829	6,842
Other	(13)	-
	<u>\$ 1,645</u>	<u>\$ 5,408</u>

(2) Depreciation & amortization

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
Property, plant and equipment	\$ 8,197	\$ 5,646
Right-of-use assets	10,079	6,869
Intangible assets	<u>5,843</u>	<u>3,951</u>
	<u>\$ 24,119</u>	<u>\$ 16,466</u>
 An analysis of depreciation by function		
Operating costs	\$ 25	\$ 24
Operating expenses	<u>18,251</u>	<u>12,491</u>
	<u>\$ 18,276</u>	<u>\$ 12,515</u>
 An analysis of amortization by function		
Operating expenses	<u>\$ 5,843</u>	<u>\$ 3,951</u>

(3) Employee benefits expense

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
Post-employment benefits		
Defined contribution plans	\$ 7,952	\$ 5,944
Defined benefit plans (Note 20)	<u>71</u>	<u>32</u>
	<u>8,023</u>	<u>5,976</u>
Other employee benefits	<u>262,228</u>	<u>188,479</u>
Total employee benefits expense	<u>\$ 270,251</u>	<u>\$ 194,455</u>
 Employee benefits expense summarized by function		
Operating cost	\$ 13,321	\$ 8,496
Operating expenses	<u>256,930</u>	<u>185,959</u>
	<u>\$ 270,251</u>	<u>\$ 194,455</u>

(4) Compensation for employees and directors

According to ZOTC's Articles, the Company shall allocate 1% to 15% and not more than 3% of its annual profit as compensation for employees and directors of ZOTC, respectively. Pursuant to the amendment to the Securities and Exchange Act in August 2024, ZOTC plans to amend the Company's Articles at the 2025 shareholders' meeting to specify that 10% to 50% of the allocated employee compensation should be allocated as compensation for grass-roots employees. The estimate of compensation of employees and directors for the three months ended March 31, 2025 and 2024 were as follows:

Estimate Rate

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
Compensation of employee	2.024%	2.858%
Compensation of director	1.308%	1.419%

Amount

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
Compensation of employee	\$ 6,500	\$ 7,350
Compensation of director	\$ 4,200	\$ 3,650

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, 2024 and 2023, which were approved by the Company's board of directors on February 27, 2025 and February 27, 2024, respectively, are as follows:

	For Fiscal Year 2024	For Fiscal Year 2023
	Cash	Cash
Compensation of employee	\$ 27,000	\$ 27,000
Compensation of director	14,000	13,000

There is no difference between the actual amounts of director's compensation for 2024 paid, the actual amounts of employees' and director's compensation for 2023 paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023. The compensation of employees for 2024 has not been actually paid yet.

Information on the compensation of employees and directors 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

The major components of income tax expense were as follows:

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
Current tax		
In respect of the current year	\$ 80,156	\$ 59,308
Other	117	-
	80,273	59,308
Deferred tax		
In respect of the current year	(3,962)	(7,744)
Income tax expense recognized in profit or loss	\$ 76,311	\$ 51,564

(2) Income tax assessment

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

<u>Name of Company</u>	<u>Year of Assessment</u>
The Company	2022
Zotech Co., Ltd.	2023
Zerone Win Investment Co., Ltd.	2023
Wing Will International Co., Ltd.	2023
Petacom Technology Co., Ltd.	2023
DigiCosmos Tech. Co., Ltd.	2023
LinkONE Digital Co., Ltd.	Note
TerraONE Tech Co., Ltd.	Note
Unicomp Information Co., Ltd.	2023

Note: It was established in January 2024.

25. EARNINGS PER SHARE

The earnings and weighted average number of common stocks outstanding in the computation of earnings per share were as follows:

<u>Net Profit for the Period</u>	<u>For the Three Months Ended March 31, 2025</u>	<u>For the Three Months Ended March 31, 2024</u>
Earnings used in the computation of basic/diluted earnings per share	<u>\$ 253,631</u>	<u>\$ 199,146</u>
<u>Shares</u>	<u>For the Three Months Ended March 31, 2025</u>	<u>For the Three Months Ended March 31, 2024</u>
Weighted average number of common stocks used in the computation of basic earnings per share	167,005	154,529
Effect of potentially dilutive common stocks :		
Employees' compensation	170	336
Employee stock options	<u>-</u>	<u>384</u>
Weighted average number of common stocks outstanding in computation of diluted earnings per share	<u>167,175</u>	<u>155,249</u>

If the Group will distribute bonus to employees and the bonus will be settled in cash or shares, the Group will assume that the entire amount of the compensation or bonus will be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares is included and considered 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

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 common stocks of the Company 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 common stocks on the grant date. For any subsequent changes in the Company's common stocks, the exercise price of options will be adjusted by the regulated formula, accordingly.

Information about employee stock options was as follows:

<u>Employee stock options</u>	<u>For the Three Months Ended March 31, 2024</u>	
	<u>Number of Options (In Thousands)</u>	<u>Weighted Average Exercise Price (\$)</u>
Balance, begin of period	636	\$ 14.24
Options exercised	(241)	13.97
Balance, end of period	-	13.70
Options exercisable, end of the period	-	395

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

<u>March 31, 2024</u>	
<u>Range of Exercise Price (\$)</u>	<u>Weighted- Over-Age Remaining Contractual Life (Years)</u>
\$13.70 (Note)	0.42

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

The aforementioned employee stock option plans expired in January 2024 and September 2024, respectively.

27. BUSINESS COMBINATIONS

(1) Subsidiary acquired

<u>Subsidiary</u>	<u>Principal Activity</u>	<u>Date of Acquisition</u>	<u>Proportion of Voting Equity Interests Acquired (%)</u>	<u>Consideration Transferred</u>
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	191,476
Intangible assets	228,029
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	(52,847)
Other	(20,498)
	<u>\$ 1,006,445</u>

(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
Add: Non-controlling interests (80% ownership interest in Unicomp)	1,140,000
Less: Fair value of identifiable net assets acquired	(1,006,445)
Goodwill recognized on acquisitions	<u>\$ 418,555</u>

(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	(528,021)
	<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	<u>\$ 343,166</u>
Net profit	<u>\$ 29,337</u>

Had the abovementioned acquisition of Unicomp been in effect on January 1, 2024, the Group's operating revenues and profit would have been \$518,883 thousand and \$34,830 thousand, respectively, from January 1 to March 31, 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. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In January, 2025, the Group disposed of 15% of its interest in DigiCosmos and reduced its ownership interest from 50% to 35%.

In February 2025, the Group purchased shares from Unicom's non-controlling shareholders and subscribed for new shares in the company's cash capital increase, raising its ownership interest from 20% to 35%.

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over these subsidiaries.

	<u>DigiCosmos</u>	<u>Unicom</u>
Consideration received (paid)	\$ 11,250	(\$ 290,526)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	(<u>11,446</u>)	<u>257,778</u>
Differences recognized from equity transactions	(<u>\$ 196</u>)	(<u>\$ 32,748</u>)

	<u>DigiCosmos</u>	<u>Unicom</u>	<u>Total</u>
<u>Line items adjusted for equity transactions</u>			
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	(\$ 68)	\$ -	(\$ 68)
Capital surplus - changes in the ownership interests of subsidiaries	-	(456)	(456)
Retained earnings	(<u>128</u>)	(<u>32,292</u>)	(<u>32,420</u>)
	(<u>\$ 196</u>)	(<u>\$ 32,748</u>)	(<u>\$ 32,944</u>)

29. CAPITAL RISK MANAGEMENT

The Group engages mainly in the agent of enterprise software and hardware, 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.

30. FINANCIAL 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:

	March 31, 2025		December 31, 2024		March 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial Assets</u>						
Financial assets at amortized cost						
– Foreign corporate bonds	\$102,324	\$ 86,254	\$101,020	\$ 85,277	\$ 98,065	\$ 85,054

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

A. Fair value hierarchy

March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at</u>				
<u>FVTPL</u>				
Domestic convertible bonds	\$ 30,942	\$ -	\$ -	\$ 30,942
Domestic listed shares	8,382	-	-	8,382
Domestic unlisted shares	-	-	110	110
Fund beneficiary certificates	257,383	-	46,499	303,882
Derivative financial instruments	-	6,761	-	6,761
Total	<u>\$ 296,707</u>	<u>\$ 6,761</u>	<u>\$ 46,609</u>	<u>\$ 350,077</u>

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at</u>				
<u>FVTOCI</u>				
Equity investments				
– Domestic listed shares	\$ 280,986	\$ -	\$ -	\$ 280,986
– Domestic unlisted shares	-	-	86,370	86,370
Total	<u>\$ 280,986</u>	<u>\$ -</u>	<u>\$ 86,370</u>	<u>\$ 367,356</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at</u>				
<u>FVTPL</u>				
Domestic convertible bonds	\$ 33,143	\$ -	\$ -	\$ 33,143
Domestic listed shares	8,306	-	-	8,306
Domestic unlisted shares	-	-	110	110
Fund beneficiary certificates	236,295	-	45,777	282,072
Total	<u>\$ 277,744</u>	<u>\$ -</u>	<u>\$ 45,887</u>	<u>\$ 323,631</u>

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at</u>				
<u>FVTOCI</u>				
Equity investments				
– Domestic listed shares	\$ 292,076	\$ -	\$ -	\$ 292,076
– Domestic unlisted shares	-	-	86,370	86,370
Total	<u>\$ 292,076</u>	<u>\$ -</u>	<u>\$ 86,370</u>	<u>\$ 378,446</u>

March 31, 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	\$ 53,865	\$ -	\$ -	\$ 53,865
Domestic listed shares	8,181	-	-	8,181
Domestic unlisted shares	-	-	110	110
Fund beneficiary certificates	<u>866,074</u>	<u>-</u>	<u>43,442</u>	<u>909,516</u>
Total	<u>\$ 928,120</u>	<u>\$ -</u>	<u>\$ 43,552</u>	<u>\$ 971,672</u>

<u>Financial assets measured at</u>				
<u>FVTOCI</u>				
Equity investments				
– Domestic listed shares	\$ 342,126	\$ -	\$ -	\$ 342,126
– Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>169,240</u>	<u>169,240</u>
Total	<u>\$ 342,126</u>	<u>\$ -</u>	<u>\$ 169,240</u>	<u>\$ 511,366</u>

There were no transfers between Level 1 and Level 2 in 2025 and 2024, respectively.

B. Valuation techniques and input to Level 2 fair value measurement

<u>Financial Instrument</u>	<u>Valuation Techniques and Inputs</u>
Derivatives - foreign exchange forward contract	Discounted Cash Flow Method: Using exchange rate at the end period evaluates future cash flow through the contract. Disclosing the discount rate of credit risks in each counterpart should be separately discounted.

C. 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

	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>March 31,</u> <u>2024</u>
<u>Financial assets</u>			
Measured at FVTPL			
Mandatorily measured at FVTPL	\$ 350,077	\$ 323,631	\$ 971,672
Financial assets measured at amortized cost (Note 1)	9,144,977	8,378,360	5,485,047
Financial assets measured at FVTOCI			
– Investments in equity instruments	367,356	378,446	511,366
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	6,766,024	5,751,057	3,919,419

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, long-term receivable and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise trade payable, other payable, long-term 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 at any time.

A. Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates.

a. Foreign currency risk

The Group's purchases are denominated in foreign currencies. Consequently, the Group is exposed to foreign currency risks. The Group manages its exposure to such risks by investing in foreign currencies and entering into forward exchange contracts within the scope permitted by its policies.

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 34.

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 foreign currency, the Group's net profit for the three months ended March 31, 2025 and 2024 would increase by \$22,516 thousand and decrease by \$5,336 thousand, respectively.

b. Interest rate risk

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 were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Interest rate risks at fair value			
– Financial assets	\$ 2,272,805	\$ 2,329,323	\$ 722,761
– Financial liabilities	1,043,383	673,153	62,123
Interest rate risks at cash flows			
– Financial assets	1,676,901	1,498,883	920,125

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 three months ended March 31, 2025 and 2024 would increase by \$2,096 thousand and \$1,150 thousand, respectively.

c. Other price risk

The Group is exposed to price risks arising from investments of public offering securities, corporate bonds and fund beneficiary certificates. The 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 of the equity investments had been 5% higher, pre-tax profit for the three months ended March 31, 2025 and 2024 would have increased by \$17,504 thousand and \$48,584 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income for the three months ended March 31, 2025 and 2024 would have increased by \$18,368 thousand and \$25,568 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

B. Credit risk

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 is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated 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 consider 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 a large number of 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 credit risk of the Group concentrates on top 5 customers of the Group. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group's five largest customers accounted all for 41%, 33% and 39% of trade receivable, respectively.

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 interest and principal of cash flows.

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

March 31, 2025

	<u>Less than 1 Year</u>	<u>1-5 Years</u>
<u>Non-derivative financial liabilities</u>		
No interest-bearing liabilities	\$ 5,821,918	\$ -
Lease liabilities	37,638	66,720
Fixed interest rate liabilities	<u>391,824</u>	<u>570,462</u>
	<u>\$ 6,251,380</u>	<u>\$ 637,182</u>

December 31, 2024

	<u>Less than 1 Year</u>	<u>1-5 Years</u>
<u>Non-derivative financial liabilities</u>		
No interest-bearing liabilities	\$ 5,152,141	\$ -
Lease liabilities	31,696	47,558
Fixed interest rate liabilities	<u>222,600</u>	<u>384,902</u>
	<u>\$ 5,406,437</u>	<u>\$ 432,460</u>

March 31, 2024

	<u>Less than 1 Year</u>	<u>1-5 Years</u>
<u>Non-derivative financial liabilities</u>		
No interest-bearing liabilities	\$ 3,916,619	\$ -
Lease liabilities	<u>29,632</u>	<u>33,707</u>
	<u>\$ 3,946,251</u>	<u>\$ 33,707</u>

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group's unused short-term credit of limit of the bank were \$3,475,000 thousand, \$3,095,000 thousand and \$2,346,295 thousand respectively.

31. 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
Directors, supervisor and managers of subsidiary	Other related party (changed to related party effective February 1, 2024)
Spouses and second-degree relatives of the directors, supervisors, and managers of the subsidiary (Note)	Other related party (changed to related party effective February 1, 2024)

Note: Including companies under their substantive control.

(2) Operating revenue

<u>Line Items</u>	<u>Types of related parties</u>	<u>For the Three Months Ended March 31, 2025</u>	<u>For the Three Months Ended March 31, 2024</u>
Sales revenue	Associates	<u>\$ 117</u>	<u>\$ 13</u>

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

(3) Purchases

<u>Types of related parties</u>	<u>For the Three Months Ended March 31, 2025</u>	<u>For the Three Months Ended March 31, 2024</u>
Associates	<u>\$ 4,392</u>	<u>\$ 3,910</u>

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

(4) Receivables from related parties (excluding loans and contract assets to related parties)

<u>Line Items</u>	<u>Types of related parties/Name</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Trade receivable	Associates	\$ 1,793	\$ 1,935	\$ 59

(5) Payables to related parties

<u>Line Items</u>	<u>Types of related parties/Name</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Trade payable	Associates	\$ 4,575	\$ 4,783	\$ 4,057

(6) Loans to related parties

<u>Types of related parties/Name</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Associate Leukocyte-Lab Co. Ltd.	\$ 5,000	\$ 5,000	\$ -

Interest income

<u>Types of related parties/Name</u>	<u>For the Three Months Ended March 31, 2025</u>	<u>For the Three Months Ended March 31, 2024</u>
Associate Leukocyte-Lab Co. Ltd.	\$ 37	\$ -

(7) Endorsements and guarantees

Endorsements and guarantees given by related parties

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

<u>Types of related parties/Name</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Other related party / Directors of subsidiary Amount endorsed	\$ 495,000	\$ 495,000	\$ -

(8) Other transactions with related parties

- A. In January 2025, the Group invested \$3,000 thousand in cash capital increase of Leukocyte-Lab Co. Ltd. at a percentage different from its existing ownership interest, resulting in a decrease in its shareholding ratio from 26.56% to 25.30%.
- B. In February, 2025, the Group acquired shares of Unicomp from other related party amounting to \$86,209 thousand. Please refer to Note 28.

(9) Compensation of key management personnel

	<u>For the Three Months Ended March 31, 2025</u>	<u>For the Three Months Ended March 31, 2024</u>
Short-term employee benefits	\$ 25,686	\$ 15,867
Post-employment benefits	159	72
	\$ 25,845	\$ 15,939

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

32. ASSETS PLEDGED AS COLLATERAL

The following assets of the Group were provided as collateral for bank borrowings and tariff guarantee for imported commodities:

	March 31, 2025	December 31, 2024	March 31, 2024
Property, plant and equipment, Net	\$ 146,102	\$ 348,278	\$ 349,648
Pledged time deposit (Financial assets at amortized cost)	<u>45,672</u>	<u>42,974</u>	<u>55,773</u>
	<u>\$ 191,774</u>	<u>\$ 391,252</u>	<u>\$ 405,421</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- (1) As of March 31, 2025, the Group issued \$87,000 thousand of cashier order for payment guaranteed for Microsoft Taiwan Corporation.
- (2) As of March 31, 2025, the Group issued \$50,000 thousand of cashier order for payment guaranteed for Microsoft Regional Sales Corporation.

34. FOREIGN-CURRENCY-DEMONINATED ASSETS AND LIABILITIES THAT HAVE SIGNIFICANT FLUENCE

The following information was summarized according to the foreign currencies other than the functional currency of the Group. The exchange rates disclosed were used to translate the foreign currencies into the functional currency. The significant financial assets and liabilities denominated in foreign currencies were as follows:

March 31, 2025

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 74,288	33.205 (USD:NTD)	\$ <u>2,466,733</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	87,850	33.205 (USD:NTD)	\$ <u>2,917,059</u>

December 31, 2024

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 56,540	32.785 (USD:NTD)	\$ <u>1,853,664</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	77,308	32.785 (USD:NTD)	\$ <u>2,534,543</u>

March 31, 2024

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 31,829	32.00 (USD:NTD)	\$ <u>1,018,528</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	28,494	32.00 (USD:NTD)	\$ <u>911,808</u>

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

	For the Three Months Ended March 31, 2025		For the Three Months Ended March 31, 2024	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	32.895 (USD:NTD)	(\$ <u>7,171</u>)	31.448 (USD:NTD)	(\$ <u>1,434</u>)

35. SEPARATELY DISCLOSED ITEMS

(1) Significant Transactional Items

- A. Financing provided to others: Table 1.
- B. Endorsements/guarantees provided: Table 2.
- C. Significant marketable securities held at the end of the period (excluding subsidiaries, associates and joint ventures): Table 3.
- D. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- E. Trade receivable from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- F. Others: Intercompany relationships and significant intercompany transactions. Table 4.

(2) Information on investees: Table 5.

(3) Information on investment in Mainland China :

- A. The name of the investee in mainland China, the main business and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Table 6.
- B. Significant direct or indirect transactions with the investee, its price and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports: None.
 - a. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

- b. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
- c. The amount of property transactions and the amount of the resultant gains or losses.
- d. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
- e. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
- f. Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

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 assessment. The department of the Group's brand agent business division or others shall be reported.

(1) Segments revenue & operating results

The reporting on operating segments revenue and results of the Group, based on its business unit separately, was as follows:

	The brand agent business division	Other	Eliminations	Total
<u>For the three months ended</u>				
<u>March 31, 2025</u>				
Revenues from external customers	\$ 6,622,667	\$ 140,217	\$ -	\$ 6,762,884
Inter-segment revenues	<u>57,380</u>	<u>6,878</u>	(<u>64,258</u>)	-
Segment revenues	<u>\$ 6,680,047</u>	<u>\$ 147,095</u>	(<u>\$ 64,258</u>)	<u>\$ 6,762,884</u>
Segment profit	<u>\$ 354,913</u>	<u>\$ 211</u>	<u>\$ -</u>	<u>\$ 355,124</u>
Non-operating income and expenses				<u>22,452</u>
Profit before income tax				<u>\$ 377,576</u>
<u>For the three months ended</u>				
<u>March 31, 2024</u>				
Revenues from external customers	\$ 3,911,707	\$ 93,498	\$ -	\$ 4,005,205
Inter-segment revenues	<u>26,454</u>	<u>5,873</u>	(<u>32,327</u>)	-
Segment revenues	<u>\$ 3,938,161</u>	<u>\$ 99,371</u>	(<u>\$ 32,327</u>)	<u>\$ 4,005,205</u>
Segment profit	<u>\$ 247,626</u>	<u>\$ 6,227</u>	<u>\$ -</u>	<u>\$ 253,853</u>
Non-operating income and expenses				<u>17,410</u>
Profit before income tax				<u>\$ 271,263</u>

Segment profits indicate earning profits of each segment, not including general administration division costs and directors' compensation, 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 assets and liabilities of the department

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) Revenues 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 Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
AI - Ready Infrastructure	\$ 1,934,369	\$ 1,171,685
Security Resilience	2,867,135	1,985,343
Cloud Computing & Service	1,642,491	674,003
AI Application	299,007	171,086
Other	19,882	3,088
	<u>\$ 6,762,884</u>	<u>\$ 4,005,205</u>

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2025

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	Actual Borrowing Amount	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	\$ -	—	\$ -	\$ 492,042	\$ 984,083	
0	ZOTC	LinkONE Digital Co., Ltd.	Other receivables from related parties	Yes	20,000	20,000	-	3%	2	-	Operating capital	-	—	-	492,042	984,083	
1	Zerone Win Investment Co., Ltd.	Techone Global Company Limited	Other receivables from related parties	Yes	66,410	66,410	-	3%	2	-	Operating capital	-	—	-	361,707	361,707	
1	Zerone Win Investment Co., Ltd.	Leukocyte-Lab Co. Ltd.	Other receivables from related parties	Yes	5,000	5,000	5,000	3%	2	-	Operating capital	-	—	-	361,707	361,707	

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 Company has set the maximum amount of loans to any individual counterparty at 10% of the Company's net worth, as audited or reviewed by a CPA in the most recent financial statements. For Zerone Win Investment, the maximum amount of loans to any individual counterparty is set at 40% of its net worth, as audited or reviewed by a CPA in its latest financial statements.

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 MARCH 31, 2025
Table 2

(In Thousands of New Taiwan Dollars)

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 Borrowing Amount (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)	\$ 492,042	\$ 130,740	\$ 66,410	\$ -	\$ -	1.35%	\$ 984,083	Y	N	Y	
0	ZOTC	Techone Vietnam Technology Company Limited	(2)	492,042	130,740	66,410	-	-	1.35%	984,083	Y	N	N	

Note 1 : The number column is organized as follows :

- (1) Number 0 represents the issuer.
- (2) The invested companies are numbered sequentially individually starting from Arabic numeral 1.

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 percent of the voting shares.
- (3) A company that directly and indirectly holds more than 50 percent 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 securities 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 of an endorsement/guarantee for a single enterprise is 10% of the net worth of the company providing the endorsement guarantee; the maximum limit of the endorsement guarantee is 20% of the net worth of the company providing the endorsement guarantee.

Note 4 : This refers to the maximum balance of endorsement guarantee for others in the current year

Note 5 : The amount approved by the Board of Directors should be filled in. However, if the board of directors authorizes the chairman of the board to make a decision in accordance with Article 12, Paragraph 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 of the board.

Note 6 : The actual borrowing amount of the endorsed guarantee company within the range of the balance of the endorsement guarantee should be filled in.

Note 7 : The following groups must be indicated with a 'Y' - those who are endorsed and guaranteed by the listed parent company to its subsidiaries; and subsidiaries being the endorser and guarantor of the listed parent companies, and those endorsed and guaranteed by the mainland China region.

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

SIGNIFICANT SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)

MARCH 31, 2025

Table 3

(In Thousands of New Taiwan Dollars)

Holding Company	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	March 31, 2025				Note
				Shares/Units/ Par Value	Carrying Values	Percentage of Ownership (%)	Fair Value	
ZOTC	Beneficiary certificates Fubon Chi-Hsiang Money Market Fund	—	Financial assets at FVTPL — current	6,104,932	\$ 100,085	-	\$ 100,085	
	Stock Nextlink Technology Co., Ltd.	—	Financial assets at FVTOCI — non-current	1,000,000	120,000	4.52	120,000	

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

Note 2 : This table lists the securities that the Company has determined should be disclosed based on the principle of materiality

Note 2 : Relevant information about Investments in equity of subsidiaries, associates, see Table 5 & Table 6.

Note 4 : Security amounts account for at least \$ 50,000 thousand.

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025

Table 4

(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	\$ 26,306	Note 5	-
				Trade receivable	28,346	Note 5	-
0	ZOTC	Techone (Shanghai) Co., Ltd.	1	Cost of goods sold	5,366	Note 5	-
				Trade payable	5,419	Note 5	-
0	ZOTC	Petacom Technology Co., Ltd.	1	Cost of goods sold	21,150	Note 5	-

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 : 3 types of relationship between parties are 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 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 THREE MONTHS ENDED MARCH 31, 2025
Table 5

(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses	Investment Amount		As of March 31, 2025			Net Income (Loss) of the Investee	Share of Profits/Losses of Investee	Note
				March 31, 2025	December 31, 2024	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	\$ 47,916	(\$ 124)	(\$ 106)	Subsidiary
	Zerone Win Investment Co., Ltd.	Taiwan	Investment	800,000	650,000	80,000,000	100.00	904,267	13,428	13,428	Subsidiary
	Asiaone Holdings Ltd.	Republic of Seychelles	Holding company	23,818	23,818	750,000	100.00	32,683	(74)	(74)	Subsidiary
Zotech Co., Ltd.	Yuan A.I. Tech Co., Ltd.		Software Technical Services	2,000	2,000	200,000	23.81	1,899	(430)	(102)	Associate
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	54,237	1,241	1,127	Sub-subsiary
	PetaCom Technology Co., Ltd.	Taiwan	Services of distribution of information product	77,545	77,545	10,200,000	51.00	92,962	2,046	1,043	Sub-subsiary
	DigiCosmos Tech. Co., Ltd.	Taiwan	Services of information security consulting	17,500	25,000	1,750,000	35.00	27,581	2,323	788	Sub-subsiary
	LinkONE Digital Co., Ltd.	Taiwan	Consulting services for digital transformation such as AI, data, and cloud service	26,000	26,000	26,000,000	100.00	17,934	(3,046)	(3,046)	Sub-subsiary
	TerraONE Tech Co., Ltd.	Taiwan	Distribution for information security products	50,000	50,000	50,000,000	100.00	48,642	145	145	Sub-subsiary
	Unicomp Information Co., Ltd.	Taiwan	Distribution for information products and related services	575,526	285,000	13,815,790	35.00	570,138	66,649	17,173	Sub-subsiary
	TrustOne Security Inc.	Taiwan	R&D, sale and service of information software	12,160	12,160	12,160,000	32.00	2,065	(2,726)	(873)	Associate
	Leukocyte-Lab Co. Ltd.	Taiwan	Information security management and consulting service	19,500	16,500	640,000	25.30	(4,250)	(4,601)	(3,000)	Associate

(Continued)

Investor Company	Investee Company	Location	Main Businesses	Investment Amount		As of March 31, 2025			Net Income (Loss) of the Investee	Share of Profits/Losses of Investee	Note
				March 31, 2025	December 31, 2024	Number of Ownership	Percentage of Ownership	Carrying Values			
Asiaone Holdings Ltd.	Techone Vietnam Technology Company Limited	Vietnam	Information commodities trading and technical service for network technology	\$ 10,639	\$ 10,639	Note 2	70.00	\$ 11,018	(\$ 436)	(\$ 305)	Sub-subsidiary
	Techone Global Company Limited	Thailand	Information commodities trading and technical service for network technology	1,545	1,545	Note 2	34.00	1,439	(67)	(23)	Sub-subsidiary

(Concluded)

Note 1: Please refer to Table 6 for information on investment in Mainland China.

Note 2: It is a limited company so there is no record of the number of shares.

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2025

Table 6

(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, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2025	Accumulated Repatriation of Investment Income as of March 31, 2025	Note
					Outward	Inward							
Techone (Shanghai) Co., Ltd.	Information commodities trading and technical service for network technology	\$ 13,719 (RMB 3,000)	(Note 1)	\$ 9,118	\$ -	\$ -	\$ 9,118	\$ 349	70%	\$ 244	\$ 19,378	\$ -	—

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2025	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	\$ 3,050,119

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 March 31, 2025.

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. $(6,149,311 \times 60\% = 3,689,587)$

Note 4 : For foreign currency conversion, gain (loss) are converted by the average exchange rate in 2025 Q1. Other amounts are converted into New Taiwan Dollars by the exchange rate on March 31, 2025