

ZERO ONE TECHNOLOGY CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS FOR THE
YEARS ENDED DECEMBER 31, 2025 AND 2024 AND
INDEPENDENT AUDITORS' REPORT

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DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2025 are all the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements.” Relevant information that should be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements. Consequently, Zero One Technology Co., Ltd. and its subsidiaries do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Zero One Technology Co., Ltd.

By

Peter Lin

Chairman

February 25, 2026

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Zero One Technology Co., Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Group's consolidated financial statements for the year ended December 31, 2025 is stated as follows:

Authenticity of the Occurrence of Operating Income

The operating income of the Group mainly comes from the sales of enterprise computer software and hardware. Considering that there may be greater risks of fraud in income recognition and that the management could be under pressure to meet expected financial goals; therefore, we consider such revenue of significant growth rates and those from clients with substantial operating income a key audit matter.

We address the above mentioned income that the management evaluated by taking main audit procedures as follows:

1. Conduct tests of controls to understand the Group's revenue recognition process and the design and implementation of related controls.
2. Obtain the detailed accounts of these incomes, select samples to perform tests of details, and review

documents such as purchase orders, delivery orders, and invoices, and review whether there are any abnormalities between sales customers and the counterparties to whom payments are applied to confirm the authenticity of these incomes.

3. Review the occurrence of sales returns, sales discounts and allowances after the period to confirm whether there are any abnormalities.

Other Matter

We have also audited the parent company only financial statements of Zero One Technology Co., Ltd. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for 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 the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a

material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

February 25, 2026

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 DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 3,091,546	20	\$ 1,772,606	13
Financial assets at fair value through profit or loss (Note 7)	154,100	1	254,319	2
Financial assets at amortized cost (Notes 9 and 10)	1,009,286	7	1,511,706	11
Notes receivable (Notes 11 and 23)	468,434	3	217,342	2
Trade receivable (Notes 11, 23 and 32)	4,704,664	31	4,430,847	33
Inventories (Note 12)	2,875,814	19	2,598,963	20
Other current assets (Note 32)	87,593	1	85,906	1
Total current assets	<u>12,391,437</u>	<u>82</u>	<u>10,871,689</u>	<u>82</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Note 7)	109,933	1	69,312	-
Financial assets at fair value through other comprehensive income (Note 8)	332,067	2	378,446	3
Financial assets at amortized cost (Notes 9, 10 and 33)	236,011	2	153,994	1
Investments accounted for using equity method (Notes 14 and 32)	3,826	-	4,939	-
Property, plant and equipment (Notes 15 and 33)	791,918	5	796,791	6
Right-of-use assets (Note 16)	109,419	1	76,709	1
Goodwill (Notes 17 and 28)	418,555	3	418,555	3
Other intangible assets (Notes 18 and 28)	193,826	1	212,936	2
Deferred tax assets (Note 25)	54,316	-	41,608	-
Prepayments for Equipment	-	-	100	-
Refundable deposits	35,122	-	32,520	-
Long-term notes and trade receivable (Notes 11, 23 and 32)	474,492	3	216,616	2
Net defined benefits assets (Note 21)	7,669	-	5,561	-
Other non-current assets	-	-	1,917	-
Total non-current assets	<u>2,767,154</u>	<u>18</u>	<u>2,410,004</u>	<u>18</u>
TOTAL	<u>\$15,158,591</u>	<u>100</u>	<u>\$13,281,693</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 19)	\$ 150,000	1	\$ -	-
Trade payable (Note 32)	5,856,321	39	4,935,093	37
Other payables (Note 20)	511,520	3	433,743	3
Current tax liabilities	227,717	2	174,639	1
Lease liabilities (Note 16)	37,346	-	30,529	-
Other current liabilities (Note 23)	379,544	2	345,891	3
Total current liabilities	<u>7,162,448</u>	<u>47</u>	<u>5,919,895</u>	<u>44</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 25)	48,606	-	51,585	1
Lease liabilities (Note 16)	74,683	1	46,508	-
Long-term payables (Note 20)	857,653	6	379,421	3
Guarantee deposits received	4,800	-	2,800	-
Other non-current liabilities (Note 14)	4,250	-	4,250	-
Total non-current liabilities	<u>989,992</u>	<u>7</u>	<u>484,564</u>	<u>4</u>
Total liabilities	<u>8,152,440</u>	<u>54</u>	<u>6,404,459</u>	<u>48</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)				
Common stocks	1,670,052	11	1,670,052	13
Additional paid-in capital	2,210,623	15	2,211,147	17
Retained earnings				
Legal reserve	545,593	4	451,802	3
Unappropriated earnings	1,283,544	8	1,156,953	9
Total retained earnings	<u>1,829,137</u>	<u>12</u>	<u>1,608,755</u>	<u>12</u>
Other equity	39,135	-	50,746	-
Total equity attributable to owners of the Company	<u>5,748,947</u>	<u>38</u>	<u>5,540,700</u>	<u>42</u>
NON-CONTROLLING INTERESTS	<u>1,257,204</u>	<u>8</u>	<u>1,336,534</u>	<u>10</u>
Total equity	<u>7,006,151</u>	<u>46</u>	<u>6,877,234</u>	<u>52</u>
TOTAL	<u>\$15,158,591</u>	<u>100</u>	<u>\$13,281,693</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 YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 32)	\$ 24,892,372	100	\$ 18,475,761	100
OPERATING COSTS (Notes 12, 24 and 32)	<u>21,860,541</u>	<u>88</u>	<u>16,046,313</u>	<u>87</u>
GROSS PROFIT	<u>3,031,831</u>	<u>12</u>	<u>2,429,448</u>	<u>13</u>
OPERATING EXPENSES (Note 24)				
Selling and marketing expenses	1,149,145	5	932,911	5
General and administrative expenses	362,461	1	333,962	2
Research and development expenses	21,314	-	21,877	-
Expected credit loss (gain) (Note 11)	<u>1,950</u>	<u>-</u>	<u>(9,604)</u>	<u>-</u>
Total operating expenses	<u>1,534,870</u>	<u>6</u>	<u>1,279,146</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>1,496,961</u>	<u>6</u>	<u>1,150,302</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 24 and 32)	130,570	-	66,587	1
Other income (Note 24)	16,258	-	18,083	-
Other gains and losses (Note 24)	12,795	-	12,779	-
Finance costs	(26,124)	-	(5,006)	-
Expected credit (loss) gain (Notes 9 and 10)	(129)	-	512	-
Share of profits or loss of associates accounted for using the equity method	<u>(4,113)</u>	<u>-</u>	<u>(5,960)</u>	<u>-</u>
Total non-operating income and expenses	<u>129,257</u>	<u>-</u>	<u>86,995</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	1,626,218	6	1,237,297	7
INCOME TAX EXPENSE (Note 25)	<u>337,590</u>	<u>1</u>	<u>252,913</u>	<u>2</u>
NET PROFIT	<u>1,288,628</u>	<u>5</u>	<u>984,384</u>	<u>5</u>

(Continued)

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 2,470	-	\$ 3,753	-
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	(15,023)	-	97,076	1
Income tax relating to remeasurement of defined benefit plans	(494)	-	(750)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(566)	-	1,288	-
Other comprehensive income (loss) for the year, net of income tax	(13,613)	-	101,367	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,275,015</u>	<u>5</u>	<u>\$ 1,085,751</u>	<u>6</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,089,800	4	\$ 833,769	4
Non-controlling interests	<u>198,828</u>	<u>1</u>	<u>150,615</u>	<u>1</u>
	<u>\$ 1,288,628</u>	<u>5</u>	<u>\$ 984,384</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,076,217	4	\$ 934,627	5
Non-controlling interests	<u>198,798</u>	<u>1</u>	<u>151,124</u>	<u>1</u>
	<u>\$ 1,275,015</u>	<u>5</u>	<u>\$ 1,085,751</u>	<u>6</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 6.53</u>		<u>\$ 5.22</u>	
Diluted	<u>\$ 6.51</u>		<u>\$ 5.21</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 YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Equity Attribute to Owners of the Company						Other Equity			Non-controlling Interests	Total Equity	
	Share Capital		Additional Paid-in Capital	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Comprehensive Income	Total			
	Shares (In Thousand)	Ordinary Shares		Legal Reserve	Unappropriated Earnings	Total						Total
BALANCE, JANUARY 1, 2024	154,369	\$ 1,543,687	\$ 1,248,647	\$ 382,868	\$ 906,406	\$ 1,289,274	(\$ 135)	\$ 54,164	\$ 54,029	4,135,637	150,960	4,286,597
Appropriation of the 2023 earnings												
Legal reserve	-	-	-	68,934	(68,934)	-	-	-	-	-	-	-
Cash dividends -NT \$4 per share	-	-	-	-	(618,429)	(618,429)	-	-	-	(618,429)	-	(618,429)
Net profit for the year ended December 31, 2024	-	-	-	-	833,769	833,769	-	-	-	833,769	150,615	984,384
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	3,003	3,003	817	97,038	97,855	100,858	509	101,367
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	836,772	836,772	817	97,038	97,855	934,627	151,124	1,085,751
Issuance of shares for cash – privately placed common stock	12,000	120,000	960,000	-	-	-	-	-	-	1,080,000	-	1,080,000
Issuance of common stocks under employee stock options	636	6,365	2,418	-	-	-	-	-	-	8,783	-	8,783
Exercise of right of disgorgement	-	-	82	-	-	-	-	-	-	82	-	82
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	101,138	101,138	-	(101,138)	(101,138)	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,034,450	1,034,450
BALANCE, DECEMBER 31, 2024	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												
Legal reserve	-	-	-	93,791	(93,791)	-	-	-	-	-	-	-
Cash dividends – NT \$5per share	-	-	-	-	(835,026)	(835,026)	-	-	-	(835,026)	-	(835,026)
Net profit for the year ended December 31, 2025	-	-	-	-	1,089,800	1,089,800	-	-	-	1,089,800	198,828	1,288,628
Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	1,976	1,976	(509)	(15,050)	(15,559)	(13,583)	(30)	(13,613)
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	1,091,776	1,091,776	(509)	(15,050)	(15,559)	1,076,217	198,798	1,275,015
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	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(122,585)	(122,585)
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	(3,948)	(3,948)	-	3,948	3,948	-	-	-
BALANCE, DECEMBER 31, 2025	167,005	\$ 1,670,052	\$ 2,210,623	\$ 545,593	\$ 1,283,544	\$ 1,829,137	\$ 173	\$ 38,962	\$ 39,135	\$ 5,748,947	\$ 1,257,204	\$ 7,006,151

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 YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,626,218	\$ 1,237,297
Adjustments for:		
Depreciation expenses	74,955	60,849
Amortization expenses	23,530	20,883
Expected credit loss (gain)	2,079	(10,116)
Net gain on fair value change of financial assets at fair value through profit or loss	(16,054)	(14,465)
Finance costs	26,124	5,006
Interest income	(130,570)	(66,587)
Dividend income	(14,761)	(15,766)
Share of loss of associates accounted for using equity method	4,113	5,960
Gain on disposal of property, plant and equipment	(95)	(164)
Write-down of inventories (reversal of write-down of inventories)	84,564	(39,332)
Net gain on foreign currency exchange	31,550	(3,869)
Gain on lease modification	(17)	(19)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	75,652	581,329
Notes receivable	(399,716)	(37,461)
Trade receivables	(383,732)	(1,005,776)
Inventories	(379,709)	(1,153,867)
Other current assets	14,773	(35,660)
Trade payables	1,390,190	2,098,687
Other payables	77,524	73,093
Other current liabilities	33,653	41,476
Net defined benefit assets (liabilities)	<u>362</u>	<u>(12,934)</u>
Cash generated from operations	2,140,633	1,728,564
Income tax paid	<u>(299,669)</u>	<u>(205,135)</u>
Net cash generated from operating activities	<u>1,840,964</u>	<u>1,523,429</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(4,099)	-
Proceeds from sale of financial assets at fair value through other comprehensive income	37,372	185,630
Purchase of financial assets at amortized cost	(1,911,378)	(1,884,362)
Disposal of financial assets at amortized cost	2,328,992	1,205,296

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ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	<u>2025</u>	<u>2024</u>
Acquisition of investments accounted for using equity method	(\$ 3,000)	(\$ 4,560)
Increase in prepayments for investment	-	(1,917)
Net cash inflow on acquisition of subsidiary	-	243,021
Payments for property, plant and equipment	(12,172)	(58,292)
Proceeds from disposal of property, plant and equipment	95	1,193
Increase in refundable deposits	(2,602)	(12,429)
Payments for intangible assets	(2,892)	(2,675)
Interest received	113,073	76,458
Dividends received	<u>14,761</u>	<u>15,773</u>
Net cash generated from (used in) investing activities	<u>558,150</u>	<u>(236,864)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	150,000	87,703
Repayments of short-term borrowings	-	(372,469)
Repayments of long-term borrowings	-	(68,148)
Proceeds from guarantee deposits received	2,000	-
Refund of guarantee deposits received	-	(686)
Repayment of principal portion of lease liabilities	(38,750)	(32,338)
Dividends paid to owners of the Company	(835,026)	(618,429)
Proceeds from issuance of shares	-	1,080,000
Exercise of employee stock options	-	8,783
Acquisition of additional interests in subsidiaries	(199,737)	-
Disposal of interests in subsidiaries without a loss of control	11,250	-
Interest paid	(26,077)	(5,006)
Changes in non-controlling interests	-	3,078
Dividends paid to non-controlling interests	(122,585)	(108,628)
Exercise of right of disgorgement	<u>-</u>	<u>82</u>
Net cash used in financing activities	<u>(1,058,925)</u>	<u>(26,058)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(21,249)</u>	<u>19,742</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,318,940	1,280,249
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,722,606</u>	<u>492,357</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$3,091,546</u>	<u>\$1,772,606</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 YEARS ENDED DECEMBER 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 accompanying consolidated financial statements were approved by the Board of Directors and issued on February 25, 2026.

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 endorsed by the FSC for application starting from 2026

<u>New / Revised / Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”- the amendments to the application guidance of classification of financial assets	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

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.

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

<u>New ,Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by the IASB (Note 1)</u>
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 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027(Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

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

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 “Presentation and Disclosures in Financial Statements” and consequential amendments

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

- The Group shall assess whether it engages in specific primary business activities involving investments in particular types of assets and the provision of financing to customers and classify income and expense items presented in the statement into operating, investing, financing, income taxes and discontinued 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.

In addition, a consequential amendment has been made to IAS 7 “Statement of Cash Flow” as follows:

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- The Group shall classify interest and dividends received as cash flow from investing activities, and interest and dividends paid as cash flow from financing activities. If the Group assesses that it engages in specific primary business, it shall consider the nature of dividends income, interest income and interest expense presented in the statement of profit or loss in determining the appropriate classification related to dividends and interest received, interest paid in the statement of cash flow. However, each of the aforementioned cash flow items shall be classified under a single activity in the statement of cash flow.

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

The consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS Accounting Standards endorsed and issued into effect by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair 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) Classification of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

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

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

(4) 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 7 and Table 8.

(5) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

(6) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items denominated in a foreign currency and measured at historical cost are stated at the reporting currency as originally translated from the foreign currency.

When preparing the consolidated financial report, the assets and liabilities of foreign operating organizations (including subsidiaries in countries where they operate or whose currencies are different from those of the Group) are converted to NT dollars at the exchange rate on each balance sheet date. The income and expense items are converted at the average exchange rate of the current period, and the resulting conversion difference is listed in other comprehensive profit and losses (and respectively attributable to the Group and non-controlling interests of the company).

(7) Inventories

Inventories consist of raw materials, materials, work in process, finished goods, and commodities are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale under normal situations. Inventories are recorded at standard cost and adjusted to approximate weighted-average cost on the reporting period.

(8) Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of profit or loss and other comprehensive income of the associate and the distribution received. The Group also recognizes the changes in the Group's share of equity of associates.

Any excess of the cost acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus- changes in the Group's share of equity of associates. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the profits and losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposal of the related assets and liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its equity in the associates (including any carrying amount of the investment accounted for by the equity method and other long-term interests that are substantially part of the Group's net investment in the associates), the Group discontinued recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any assets that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(9) Property, plant and equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Except self-owned land which is not recognized in depreciation, the depreciation of the remaining items of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Any gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(10) Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual year, that unit shall be tested for impairment before the end of the current annual year. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent years.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(11) Intangible assets

A. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

B. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

C. Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(12) Impairment of property, plant and equipment, right-of-use assets, and intangible assets (excluding goodwill)

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right of use assets and intangible assets (excluding goodwill), to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are also allocated to individual cash-generating units or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

(13) Financial instruments

Financial assets and financial liabilities are recognized on parent company only balance sheets when a group entity becomes a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

A. Financial assets

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

a. Measurement category

The Group's financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost, and investments in equity instruments at FVTOCI.

(a) Financial assets at FVTPL

For certain financial assets which include debt instruments that do not meet the criteria of amortized cost or FVTOCI, it is mandatorily required to measure them at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The dividends, interest earned and net gain or loss recognized in profit or loss on the financial asset. Fair value is determined in the manner described in Note 31.

(b) Financial assets at amortized cost

Financial assets that meet the following two conditions are subsequently measured at amortized cost:

- a). The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b). The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes and accounts receivable, other receivables and refundable deposits, are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to multiply the gross carrying amount of a financial asset.

Cash equivalents, held to meet short-term cash commitments, include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash, as well as deposits in the bank and repurchase bonds, which are subject to an insignificant risk of changes in value.

(c) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable designate investment in equity instruments that is not held for trading as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments at FVTOCI are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including notes and trade receivable).

The Group always recognizes the loss allowance by lifetime Expected Credit Loss (i.e. ECL) for notes and accounts receivable. For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

In order for the Group to fulfill the purpose of internal credit and risk management control, under the premise that does not take into account of the collaterals owned by the Group, the following will be deemed as a default of the financial assets:

- (a) Either internal or external information indicates that it is impossible for the debtors to clear the debts;
- (b) Any delay in payment – unless there is reasonable and supporting information that indicates the basis for delaying the payment is more appropriate.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c. De-recognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

B. Equity Instruments

The equity instruments issued by the Group are recognized based on the amount obtained after deducting the cost of direct issue.

C. Financial liabilities

a. Subsequent measurement

Except for financial liabilities held for trading and measured at fair value through profit or loss, all financial liabilities are measured at amortized cost using the effective interest method.

b. De-recognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(14) Revenue recognition

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

Revenue from sale of goods

Revenue from sale of goods comes from sales of computer software, hardware, accessories, equipment, and components, etc. Customers have the right of quotation and user, and the responsibility of resale as goods after shipment and taking risks of losses of obsolete goods. The Group recognizes revenues and trade receivable as goods after shipment.

(15) Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

A. The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

B. The Group as lessee

Except for payments for low-value asset leases and short-term leases which are recognized as expenses on a straight-line basis, the Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, and less any lease incentives received, any initial direct costs incurred and an estimate of costs needed to restore the underlying assets. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rates.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

(16) Costs of loans

All Costs of loans incurred shall be recognized as profits and losses at the current period.

(17) Employee benefit

A. Short-term employee benefits.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for service rendered by employees.

B. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contribution.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the Projected Unit Credit Method. Service cost (including current service cost as well as previous service cost, and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur, or when the plan amendment or curtailment occurs/when the settlement occurs. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan.

(18) Share-based payment arrangements

The fair value and expected estimate amounts of the stock options determined at the grant date of the stock options is expensed on a straight-line basis over the vesting period, based on the Group's estimate of stock options that will eventually vest, with a corresponding increase in additional paid-in capital - employee stock options. The fair value determined at the grant date of the stock options is recognized as an expense in full at the grant date when the stock options granted vest immediately.

At the end of each reporting period, the Group revises its estimate of the number of stock options expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the additional paid-in capital - employee stock options.

(19) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

A. Current tax

The Group recognizes current earnings (losses) in accordance with the Income Tax Act in the ROC, and calculates the amount for tax payable (recoverable).

Income tax on unappropriated earnings is expensed in the year the shareholders approved the appropriation of earnings which is the year subsequent to the year the earnings are generated according to the Income Tax Act in the ROC.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

B. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the parent company only financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, net operating loss carryforwards and tax credits for research and development expenses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be recovered. The deferred tax assets which were originally not recognized is also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

C. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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

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

The accounting policies, related estimates, and underlying assumptions adopted by the Group have been evaluated by its management, who concluded that they do not involve any material estimation uncertainties.

Material Accounting Judgments

Control over subsidiaries

As disclosed in Note 13, although the Group has obtained less than half of equity of Unicom Information Co., Ltd., the management of the Group has obtained more than half of the director seats of Unicom 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 Unicom Information Co., Ltd., and thus, has control over the company.

6. CASH AND CASH EQUIVALENTS

	December 31, 2025	December 31, 2024
Cash on hand and revolving funds	\$ 842	\$ 658
Checking accounts and demand deposits	1,839,959	1,363,413
Cash equivalents		
Time deposits	1,250,745	408,535
	<u>\$ 3,091,546</u>	<u>\$ 1,772,606</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2025	December 31, 2024
<u>Financial assets – current</u>		
Mandatorily measured at FVTPL		
Domestic convertible bonds	\$ 24,506	\$ 33,143
Fund beneficiary certificates	129,594	221,176
	<u>\$ 154,100</u>	<u>\$ 254,319</u>
<u>Financial assets – non-current</u>		
Mandatorily measured at FVTPL		
Domestic listed preference shares	\$ 8,366	\$ 8,306
Domestic unlisted preference shares	-	110
Fund beneficiary certificates	95,281	60,896
Limited partnership investment	6,286	-
	<u>\$ 109,993</u>	<u>\$ 69,312</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments

	December 31, 2025	December 31, 2024
<u>Non-current</u>		
Domestic		
Listed common stocks	\$ 164,403	\$ 193,972
Listed preferred shares	60,873	98,104
Unlisted shares	106,791	86,370
	<u>\$ 332,067</u>	<u>\$ 378,446</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

	December 31, 2025	December 31, 2024
<u>Current</u>		
Domestic investment		
Deposit accounts with original maturities of more than three months (1)	<u>\$1,009,286</u>	<u>\$1,511,706</u>
<u>Non-current</u>		
Deposit accounts with original maturities of more than twelve months (1)	\$ 30,000	\$ 10,000
Pledged time deposit (1) (2)	46,032	42,974
Foreign investment		
Perusahaan Listrik Negara corporate bond (USD) (3)	33,159	34,657
Southern California Edison corporate bond (USD) (4)	16,943	17,713
British Telecommunications plc corporate bond (USD) (5)	15,930	16,623
TSMC Arizona corporate bond (USD) (6)	31,254	32,468
Honda Motor corporate bond (USD) (7)	31,911	-
UnitedHealth Group corporate bond (USD) (8)	<u>31,352</u>	<u>-</u>
	236,581	154,435
Less: Impairment loss	(<u>570</u>)	(<u>441</u>)
	<u>\$ 236,011</u>	<u>\$ 153,994</u>

(1) As of December 31, 2025 and 2024 the market interest rate intervals of time deposit were 0.66%~4.41% and 0.66%~5.24%, respectively.

(2) Please refer to Note 33 for more details on financial assets at amortized cost under pledge.

(3) 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.

(4) The Group purchased Southern California Edison corporate bond (USD) by USD 544 thousand with a coupon rate of 4% in January 2022.

(5) The Group purchased British Telecommunications plc corporate bond (USD) by USD 508 thousand with a coupon rate of 4.25% in February 2022.

(6) The Group purchased TSMC Arizona corporate bond (USD) by USD 982 thousand with a coupon rate of 3.875% in December 2022.

(7) The Group purchased Honda Motor corporate bond (USD) by USD 1,016 thousand with a coupon rate of 5.337% in September 2025.

(8) The Group purchased UnitedHealth Group corporate bond (USD) by USD 997 thousand with a coupon rate of 4.5% in September 2025.

(9) 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

	December 31, 2025	December 31, 2024
Carrying Amount	\$ 1,245,867	\$ 1,666,141
Less : Impairment Loss	(<u>570</u>)	(<u>441</u>)
Amortized cost	<u>\$ 1,245,297</u>	<u>\$ 1,665,700</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, LONG-TERM NOTES AND TRADE AND OVERDUE RECEIVABLE

	December 31, 2025	December 31, 2024
Measured at amortized cost		
Notes receivable	\$ 468,434	\$ 217,342
Trade receivable	4,740,623	4,455,698
Long-term notes receivable	148,624	-
Long-term trade receivable	332,869	220,122
Overdue receivable	6,334	6,048
Less: Unearned finance income	(22,153)	(9,214)
Less: Allowances for impairment loss - trade receivable	(20,807)	(19,143)
Less: Allowances for impairment loss - overdue receivable	(<u>6,334</u>)	(<u>6,048</u>)
	<u>\$ 5,647,590</u>	<u>\$ 4,864,805</u>
Current	\$ 5,173,098	\$ 4,648,189
Non-current	<u>474,492</u>	<u>216,616</u>
	<u>\$ 5,647,590</u>	<u>\$ 4,864,805</u>

Long-term receivables mainly arise 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:

December 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	\$ 5,562,884	\$ 62,824	\$ 22,575	\$ 1,066	\$ 25,382	\$ 5,674,731
Loss allowance (Lifetime ECLs)	(<u>3,444</u>)	(<u>4,343</u>)	(<u>2,179</u>)	(<u>120</u>)	(<u>17,055</u>)	(<u>27,141</u>)
Amortized cost	<u>\$ 5,559,440</u>	<u>\$ 58,481</u>	<u>\$ 20,396</u>	<u>\$ 946</u>	<u>\$ 8,327</u>	<u>\$ 5,647,590</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>

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

	2025	2024
Balance at January 1	\$ 25,191	\$ 28,651
Add: Acquisitions through business combinations	-	6,144
Add: Net remeasurement of loss allowance	1,950	-
Less: Net remeasurement of loss allowance	-	(9,604)
Balance at December 31	<u>\$ 27,141</u>	<u>\$ 25,191</u>

12. INVENTORIES

	December 31, 2025	December 31, 2024
Raw materials	\$ 2,480	\$ 1,013
Work in process	446	1,126
Finished goods	1,175	841
Commodities	<u>2,871,713</u>	<u>2,595,983</u>
	<u>\$ 2,875,814</u>	<u>\$ 2,598,963</u>

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

	2025	2024
Cost of inventories sold	\$ 21,696,654	\$ 16,011,559
Write-down of inventories (reversal of write-down of inventories)	<u>84,564</u>	(39,332)
	<u>\$ 21,781,218</u>	<u>\$ 15,972,227</u>

The reversal of net realizable value of inventories was attributed to the disposal of part of obsolete inventories.

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
			December 31, 2025	December 31, 2024	
ZOTC	Zotech Co., Ltd.	Manufacturing for computer equipment	85.37%	85.37%	-
	Zerone Win Investment Co., Ltd.	Investment	100.00%	100.00%	1
	Asiaone Holdings Ltd.	Holding company	100.00%	100.00%	2
Zerone Win Investment Co., Ltd.	Wing Will International Co., Ltd.	Services of cloud information software	90.80%	90.80%	-
	Petacom Technology Co., Ltd.	Services of information product agent	51.00%	51.00%	-

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			December 31, 2025	December 31, 2024	
Zerone Win Investment Co., Ltd.	DigiCosmos Tech. Co., Ltd.	Consulting service for information security	35.00%	50.00%	3
	LinkONE Digital Co., Ltd.	Consulting services for digital transformation such as AI, data, and cloud service	100.00%	100.00%	4
	TerraONE Tech Co., Ltd.	Distribution for information security products	100.00%	100.00%	4
	Unicomp Information Co., Ltd. (“Unicomp”)	Distribution for information products and related services	35.00%	20.00%	5
Asiaone Holdings Ltd.	Techone (Shanghai) Co., Ltd.	Information commodities trading and technical service for network technology	70.00%	70.00%	-
	Techone Vietnam Technology Company Limited	Information commodities trading and technical service for network technology	70.00%	70.00%	-
	Techone Global Company Limited	Information commodity trading and network technology services	34.00%	34.00%	6

(Concluded)

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 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 and DigiCosmos remains a subsidiary. Please refer to Note 29.
4. It was established in January 2024.
5. In February 2024, the Group participated in Unicomp’s cash capital increase, acquiring 20% of the company’s equity with \$285,000 thousand in cash. In the same month, the Group also obtained more than half of the director seats and written agreements of other major shareholders, and is thus capable of

exercising more than half of the voting rights. Therefore, the management of the Group assesses that it has the practical ability to direct relevant activities of Unicomp, and thus, deems it a subsidiary. In February 2025, the Group acquired an additional 6,315,790 shares of Unicomp, increasing its ownership interest to 35%. Please refer to Note 29.

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.

(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	
	December 31, 2025	December 31, 2024
Unicomp	65%	80%

See Table 7 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 December 31, 2025	From February 1 to December 31, 2024	December 31, 2025	December 31, 2024
Unicomp	<u>\$ 182,361</u>	<u>\$ 162,300</u>	<u>\$ 1,074,224</u>	<u>\$ 1,180,747</u>

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

Unicomp

	December 31, 2025	December 31, 2024
Current assets	\$ 1,378,386	\$ 1,182,449
Non-current assets	835,338	872,285
Current liabilities	(508,505)	(511,133)
Non-current liabilities	(52,567)	(67,667)
Equity	<u>\$ 1,652,652</u>	<u>\$ 1,475,934</u>
	December 31, 2025	December 31, 2024
Equity		
Owners of the Company	\$ 578,428	\$ 295,187
Non-controlling interests of Unicomp	<u>1,074,224</u>	<u>1,180,747</u>
	<u>\$ 1,652,652</u>	<u>\$ 1,475,934</u>
	From January 1 to December 31, 2025	From February 1 to December 31, 2024
Revenue	<u>\$ 3,119,936</u>	<u>\$ 2,377,647</u>
Net profit	\$ 273,460	\$ 202,875
Other comprehensive income (loss)	-	-
Total comprehensive income (loss)	<u>\$ 273,460</u>	<u>\$ 202,875</u>

Profit attributable to:		
Owners of the Company	\$ 91,099	\$ 40,575
Non-controlling interests of Unicomp	<u>182,361</u>	<u>162,300</u>
	<u>\$ 273,460</u>	<u>\$ 202,875</u>
Cash inflow (outflow) from:		
Operating activities	\$ 277,338	\$ 80,687
Investing activities	6,489	68,207
Financing activities	(<u>111,192</u>)	(<u>218,640</u>)
Net cash inflow (outflow)	<u>\$ 172,635</u>	(<u>\$ 69,746</u>)

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates	December 31, 2025	December 31, 2024
Individual Insignificant Associate		
TrustONE Security Inc.	\$ 1,819	\$ 2,938
Yuan A.I. Tech Co., Ltd.	2,007	2,001
Leukocyte-Lab Co. Ltd.	(<u>4,250</u>)	(<u>4,250</u>)
	(424)	689
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>\$ 3,826</u>	<u>\$ 4,939</u>

Name of Associates	Percentage of Equity Holding and Voting Rights	
	December 31, 2025	December 31, 2024
TrustONE Security Inc.	32.00%	32.00%
Leukocyte-Lab Co. Ltd.	25.30%	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

	Land	Buildings	Machinery and equipment	Office equipment	Delivery equipment	Other equipment	Leasehold	Total
Cost								
Balance at January 1, 2024	\$ 470,859	\$ 148,485	\$ 9,161	\$ 56,899	\$ 2,458	\$ 51,438	\$ -	\$ 739,300
Additions	2,600	14,203	-	13,251	22,739	2,038	3,461	58,292
Disposals	-	-	(4,086)	(6,831)	(2,458)	(305)	(2,075)	(15,755)
Acquisitions through business combinations	138,270	53,986	-	3,907	3,200	1,027	-	200,390
Reclassification	-	-	-	3,720	200	11,592	446	15,958
Net Exchange Difference	-	-	-	10	-	50	-	60
Balance at December 31, 2024	<u>\$ 611,729</u>	<u>\$ 216,674</u>	<u>\$ 5,075</u>	<u>\$ 70,956</u>	<u>\$ 26,139</u>	<u>\$ 65,840</u>	<u>\$ 1,832</u>	<u>\$ 998,245</u>

	Land	Buildings	Machinery and equipment	Office equipment	Delivery equipment	Other equipment	Leasehold	Total
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2024	\$ -	\$ 79,452	\$ 9,156	\$ 46,340	\$ 2,458	\$ 41,672	\$ -	\$ 179,078
Disposals	-	-	(4,086)	(6,814)	(2,458)	(305)	(1,063)	(14,726)
Acquisitions through business combinations	-	3,946	-	1,248	3,200	520	-	8,914
Depreciation	-	4,588	5	10,429	1,960	10,072	1,074	28,128
Reclassification	-	-	-	-	-	-	20	20
Net exchange difference	-	-	-	5	-	35	-	40
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 87,986</u>	<u>\$ 5,075</u>	<u>\$ 51,208</u>	<u>\$ 5,160</u>	<u>\$ 51,994</u>	<u>\$ 31</u>	<u>\$ 201,454</u>
Carrying amounts on December 31, 2024	<u>\$ 611,729</u>	<u>\$ 128,688</u>	<u>\$ -</u>	<u>\$ 19,748</u>	<u>\$ 20,979</u>	<u>\$ 13,846</u>	<u>\$ 1,801</u>	<u>\$ 796,791</u>
<u>Cost</u>								
Balance at January 1, 2025	\$ 611,729	\$ 216,674	\$ 5,075	\$ 70,956	\$ 26,139	\$ 65,840	\$ 1,832	\$ 998,245
Additions	-	-	-	8,254	3,407	511	-	12,172
Disposals	-	-	(28)	(3,837)	(3,200)	(721)	-	(7,786)
Reclassification	-	-	-	(1,593)	100	16,194	1,628	16,329
Net exchange difference	-	-	-	4	-	(3)	-	1
Balance at December 31, 2025	<u>\$ 611,729</u>	<u>\$ 216,674</u>	<u>\$ 5,047</u>	<u>\$ 73,784</u>	<u>\$ 26,446</u>	<u>\$ 81,821</u>	<u>\$ 3,460</u>	<u>\$ 1,018,961</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2025	\$ -	\$ 87,986	\$ 5,075	\$ 51,208	\$ 5,160	\$ 51,994	\$ 31	\$ 201,454
Disposals	-	-	(28)	(3,837)	(3,200)	(721)	-	(7,786)
Depreciation	-	5,878	-	11,021	5,289	10,950	767	33,905
Reclassification	-	-	-	(716)	-	(537)	716	(537)
Net exchange difference	-	-	-	4	-	3	-	7
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 93,864</u>	<u>\$ 5,047</u>	<u>\$ 57,680</u>	<u>\$ 7,249</u>	<u>\$ 61,689</u>	<u>\$ 1,514</u>	<u>\$ 227,043</u>
Carrying amounts at December 31, 2025	<u>\$ 611,729</u>	<u>\$ 122,810</u>	<u>\$ -</u>	<u>\$ 16,104</u>	<u>\$ 19,197</u>	<u>\$ 20,132</u>	<u>\$ 1,946</u>	<u>\$ 791,918</u>

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	1-8 Years
Delivery equipment	5 Years
Other equipment	2-4 Years
Leasehold	1-5 Years

Please refer to Note 33 for more details on property, plant and equipment under pledge.

16. LEASE ARRANGEMENTS

(1) Right-of-use assets

	December 31, 2025	December 31, 2024
Carrying amounts of right-of-use assets		
Buildings	\$ 97,297	\$ 57,999
Transportation equipment	<u>12,122</u>	<u>18,710</u>
	<u>\$ 109,419</u>	<u>\$ 76,709</u>
	2025	2024
Additions to right-of-use assets	<u>\$ 74,944</u>	<u>\$ 60,185</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 32,485	\$ 25,011
Transportation equipment	<u>8,565</u>	<u>7,710</u>
	<u>\$ 41,050</u>	<u>\$ 32,721</u>

(2) Lease liabilities

	December 31, 2025	December 31, 2024
Carrying amounts of lease liabilities		
Current	\$ <u>37,346</u>	\$ <u>30,529</u>
Non-current	\$ <u>74,683</u>	\$ <u>46,508</u>

Ranges of discount rate for lease liabilities were as follows:

	December 31, 2025	December 31, 2024
Buildings	1.00%~3.95%	0.75%~3.95%
Transportation equipment	2.20%~2.39%	2.20%~2.39%

(3) Other lease information

	2025	2024
Expenses relating to short-term leases	\$ <u>4,096</u>	\$ <u>1,699</u>
Expenses relating to low-value asset leases	\$ <u>516</u>	\$ <u>342</u>
Total cash (outflow) for leases	(\$ <u>45,145</u>)	(\$ <u>35,222</u>)

17. GOODWILL

	2025	2024
<u>Cost</u>		
Balance at January 1	\$ 418,555	\$ -
Acquisitions through business combinations (Note 28)	-	<u>418,555</u>
Balance at December 31	<u>\$ 418,555</u>	<u>\$ 418,555</u>

The recoverable amount of goodwill is determined based on its value in use. Management of the Group assesses the recoverable amount of goodwill based on the value in use of the cash-generating units to which the assets are allocated, taking into consideration the expected useful life of the assets as the basis for estimating future cash flows. The discount rate before taxes applied as of December 31, 2025 and 2024, was 17.42% and 17.84%, respectively. Other key assumptions for the assessment include projected revenue and profitability. Revenue forecasts are based on expected industry developments and analysis of anticipated growth trends for the products, taking into account projected sales performance as well as operating strategies and business targets. Management of the Group believes that any reasonably possible change in the key assumptions used to determine the recoverable amount would not result in the carrying amount exceeding the recoverable amount. Based on a comparison between the recoverable amount calculated using the key assumptions and the carrying amount of the operating assets and goodwill as of the assessment date, no impairment of goodwill was recognized for the year 2025 and 2024.

18. OTHER INTANGIBLE ASSETS

	Customer relationship	Other intangible assets	Total
<u>Cost</u>			
Balance at January 1, 2024	\$ -	\$ 12,174	\$ 12,174
Additions	-	2,675	2,675
Reclassification	-	382	382
Acquisitions through business combinations (Note 28)	<u>228,029</u>	-	<u>228,029</u>
Balance at December 31, 2024	<u>\$ 228,029</u>	<u>\$ 15,231</u>	<u>\$ 243,260</u>

	Customer relationship	Other intangible assets	Total
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2024	\$ -	\$ 9,441	\$ 9,441
Amortization	<u>19,003</u>	<u>1,880</u>	<u>20,883</u>
Balance at December 31, 2024	<u>\$ 19,003</u>	<u>\$ 11,321</u>	<u>\$ 30,324</u>
Carrying amounts at December 31, 2024	<u>\$ 209,026</u>	<u>\$ 3,910</u>	<u>\$ 212,936</u>
<u>Cost</u>			
Balance at January 1, 2025	\$ 228,029	\$ 15,231	\$ 243,260
Additions	-	2,892	2,892
Reclassification	-	1,528	1,528
Disposals	-	(2,169)	(2,169)
Balance at December 31, 2025	<u>\$ 228,029</u>	<u>\$ 17,482</u>	<u>\$ 245,511</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2025	\$ 19,003	\$ 11,321	\$ 30,324
Amortization	20,730	2,800	23,530
Disposals	-	(2,169)	(2,169)
Balance at December 31, 2025	<u>\$ 39,733</u>	<u>\$ 11,952</u>	<u>\$ 51,685</u>
Carrying amounts at December 31, 2025	<u>\$ 188,296</u>	<u>\$ 5,530</u>	<u>\$ 193,826</u>

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. SHORT-TERM PAYABLES

	December 31, 2025	December 31, 2024
Unsecured borrowings	<u>\$ 150,000</u>	<u>\$ -</u>

The interest rate on bank unsecured borrowings was 1.9% per annum at December 31, 2025.

20. OTHER PAYABLES AND LONG-TERM PAYABLE

<u>Other payables</u>		December 31, 2025	December 31, 2024
Salaries and bonuses payable		\$ 295,470	\$ 211,307
Compensation of employees and directors payable		79,494	70,356
Sales tax payable		18,878	30,506
Others		<u>117,678</u>	<u>121,574</u>
		<u>\$ 511,520</u>	<u>\$ 433,743</u>
<u>Long-term payable</u>		December 31, 2025	December 31, 2024
		<u>\$ 857,653</u>	<u>\$ 379,421</u>

The aforementioned long-term payable arises from purchases made under installment arrangements and represents obligations with settlement terms extending beyond one year.

21. RETIREMENT BENEFIT PLANS

(1) Defined contribution plans

The plan under the ROC Labor Pension Act (the “Act”) is deemed a defined contribution plan. Pursuant to the Act, the Group has made monthly contributions equal to 6% of each employee’s monthly salary to employees’ pension accounts.

(2) Defined benefit plans

ZOTC has defined benefit plans under the ROC Labor Standards Act that provide benefits based on an employee’s length of service and average monthly salary for the six-month period prior to retirement. The Company contributes an amount equal to 2% of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee’s name in the Bank of Taiwan. Before the end of each year, the Company assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Funds are operated and managed by Bureau of Labor Funds, Ministry of Labor; as such, the Company does not have any right to intervene in the investments of the Funds.

Amounts recognized in respect of these defined benefit plans in consolidated balance sheets were as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	\$ 1,119	\$ 760
Fair value of plan assets	(8,788)	(6,321)
Net defined benefit (asset) liability	(\$ 7,669)	(\$ 5,561)

Movements in net defined benefit (assets) liabilities were as follows:

	Present Value of Defined Benefit Obligations	Fair Value of Plan Assets	Net Defined Benefit Liabilities(Assets)
Balance at January 1, 2024	\$ 55,345	(\$ 44,219)	\$ 11,126
Current service cost	23,943	-	23,943
Interest expense (income)	692	(565)	127
Recognized in profits or losses	24,635	(565)	24,070
Remeasurements			
Return on plan assets (excluding amounts included in interest, net)	-	(3,963)	(3,963)
Actuarial loss arising from experience adjustments	210	-	210
Recognized in other comprehensive income	210	(3,963)	(3,753)
Contribution from employer	-	(1,018)	(1,018)
Benefit payment	(79,430)	43,444	(35,986)
Balance at December 31, 2024	\$ 760	(\$ 6,321)	(\$ 5,561)
Balance at January 1, 2025	\$ 760	(\$ 6,321)	(\$ 5,561)
Current service cost	482	-	482
Interest expense (income)	12	(101)	(89)
Recognized in profits or losses	494	(101)	393
Remeasurements			
Return on plan assets (excluding amounts included in interest, net)	-	(2,335)	(2,335)
Actuarial loss arising from experience adjustments	(135)	-	135
Recognized in other comprehensive income	(135)	(2,335)	(2,470)
Contribution from employer	-	(31)	(31)
Balance at December 31, 2025	\$ 1,119	(\$ 8,788)	(\$ 7,669)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	<u>2025</u>	<u>2024</u>
Selling and marketing expenses	\$ 393	\$ 83
General and administrative expenses	<u>-</u>	<u>23,987</u>
	<u>\$ 393</u>	<u>\$ 24,070</u>

Through the defined benefit plans under the ROC Labor Standards Act, the Company is exposed to the following risks:

- A. Investment risk: The pension funds are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the government's designated authorities or under the mandated management. However, under the ROC Labor Standards Act, the rate of return on assets shall not be less than the average interest rate on a two-year time deposit published by the local banks and the government is responsible for any shortfall in the event that the rate of return is less than the required rate of return.
- B. Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.
- C. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions at the measurement date were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.40%	1.60%
Future salary increase rate	4.50%	4.50%

If main actuarial assumptions vary within a reasonable extent, as for other assumptions remain unchanged, the present value of defined benefit obligation increases (decreases) shall be as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
increases by 0.25%	(\$ <u>72</u>)	(\$ <u>52</u>)
decreases by 0.25%	<u>\$ 78</u>	<u>\$ 56</u>
Future salary increase rate		
increases by 0.25%	<u>\$ 75</u>	<u>\$ 53</u>
decreases by 0.25%	(<u>\$ 70</u>)	(<u>\$ 50</u>)

As actuarial assumptions may be correlative with one another, it is less likely that only one single assumption will be changed, the above sensitive analysis cannot indicate actual changes of the present value of defined benefit obligation.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Contribution amounts within 1 year	<u>\$ -</u>	<u>\$ 4</u>
Average due period of the defined benefit obligation	27 Years	28 Years

22. EQUITY

(1) Common stocks

	December 31, 2025	December 31, 2024
Authorized shares (in thousands)	<u>200,000</u>	<u>200,000</u>
Authorized capital	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Issued and paid shares (in thousands)	<u>167,005</u>	<u>167,005</u>
Issued capital	<u>\$ 1,670,052</u>	<u>\$ 1,670,052</u>

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, 2025, 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

	December 31, 2025	December 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
Treasury stock transactions	25,343	25,343
From exercised and invalid employees stock options	41,476	41,476
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	-	68
Vested employees restricted shares	8,426	8,426
<u>May be used to offset a deficit only</u>		
Recognized changes in the ownership interests of subsidiaries	-	456
Recognized changes in the associates using the equity method	2,840	2,840
Exercise of right of disgorgement	<u>176</u>	<u>176</u>
	<u>\$ 2,210,623</u>	<u>\$ 2,211,147</u>

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 24 (7).

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:

	<u>For Fiscal Year 2024</u>	<u>For Fiscal Year 2023</u>
Legal reserve	\$ <u>93,791</u>	\$ <u>68,934</u>
Cash dividends	\$ <u>835,026</u>	\$ <u>618,429</u>
Cash dividends per share (\$)	\$ <u>5</u>	\$ <u>4</u>

The above appropriations of earnings have been approved by ZOTC's board of directors on February 27, 2025 and February 27, 2024. The remaining appropriations of earnings were approved by shareholder's meeting held on May 22, 2025 and May 27, 2024, respectively.

The appropriations of earnings for 2025 had been proposed by ZOTC's board of directors on February 25, 2026. The appropriations and dividends per share were as follows:

	<u>Appropriation of Earnings</u>	<u>Dividends Per Share (\$)</u>
Legal reserve	\$ 105,541	
Cash dividends	918,528	\$ 5.5

The above appropriation for cash dividends was resolved by ZOTC's board of directors; the other proposed appropriations are subject to the resolution of the shareholders' meeting to be held on May 27, 2026.

23. REVENUE

(1) Income from contracts with clients

	<u>2025</u>	<u>2024</u>
Sales revenue	\$ 24,597,526	\$ 18,247,870
Service revenue	<u>294,846</u>	<u>227,891</u>
	\$ <u>24,892,372</u>	\$ <u>18,475,761</u>

(2) Remaining balance of the contracts

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable (Note 11)	\$ <u>468,434</u>	\$ <u>217,342</u>
Trade receivable (Note 11)	\$ <u>4,704,664</u>	\$ <u>4,430,847</u>
Long-term notes and trade receivable (Note 11)	\$ <u>474,492</u>	\$ <u>216,616</u>
Contract liability (Other current liabilities)	\$ <u>132,694</u>	\$ <u>174,159</u>

24. NET INCOME

(1) Interest income

	<u>2025</u>	<u>2024</u>
Bank deposits	\$ 46,021	\$ 32,453
Financial assets at amortized cost	66,032	31,000
Others	<u>18,517</u>	<u>3,134</u>
	<u>\$ 130,570</u>	<u>\$ 66,587</u>

(2) Other income

	<u>2025</u>	<u>2024</u>
Rent income	\$ 184	\$ 18
Dividend income	14,761	15,766
Others	<u>1,313</u>	<u>2,299</u>
	<u>\$ 16,258</u>	<u>\$ 18,083</u>

(3) Other gains and losses

	<u>2025</u>	<u>2024</u>
Net gain arising on financial assets measured at FVTPL	\$ 16,054	\$ 14,465
Net foreign currency exchange loss	(3,358)	(1,603)
Gain on disposal of property, plant and equipment	95	164
Gain on lease modification	17	19
Others	<u>(13)</u>	<u>(266)</u>
	<u>\$ 12,795</u>	<u>\$ 12,799</u>

(4) Financial costs

	<u>2025</u>	<u>2024</u>
Interest expense on bank borrowings	\$ 4,717	\$ 1,871
Interest expense on lease liabilities	1,783	843
Interest expense from installment payments	19,568	2,217
Others	<u>56</u>	<u>75</u>
	<u>\$ 26,124</u>	<u>\$ 5,006</u>

(5) Depreciation and amortization

	<u>2025</u>	<u>2024</u>
Property, plant and equipment	\$ 33,905	\$ 28,128
Right-of-use assets	41,050	32,721
Intangible assets	<u>23,530</u>	<u>20,883</u>
	<u>\$ 98,485</u>	<u>\$ 81,732</u>

An analysis of depreciation by function

Operating costs	\$ 76	\$ 96
Operating expenses	<u>74,879</u>	<u>60,753</u>
	<u>\$ 74,955</u>	<u>\$ 60,849</u>

An analysis of amortization by function

Operating expenses	<u>\$ 23,530</u>	<u>\$ 20,883</u>
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(6) Employee benefits expense

	<u>2025</u>	<u>2024</u>
Post-employment benefits		
Defined contribution plans	\$ 33,419	\$ 28,185
Defined benefit plans (Note 21)	<u>393</u>	<u>24,070</u>
	33,812	52,255
Other employee benefits	<u>1,117,674</u>	<u>895,725</u>
Total employee benefits expense	<u>\$ 1,151,486</u>	<u>\$ 947,980</u>

	<u>2025</u>	<u>2024</u>
Employee benefits expense summarized by function		
Operating cost	\$ 56,513	\$ 51,015
Operating expenses	<u>1,094,973</u>	<u>896,965</u>
	<u>\$ 1,151,486</u>	<u>\$ 947,980</u>

(7) 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 entry-level employees. The amount of employees' and Directors' compensation for the years ended December 31, 2025 and 2024, with resolution of the board of directors on February 25, 2026 and February 27, 2025, were as follows:

Estimate rate

	<u>2025</u>	<u>2024</u>
Compensation of employee	2.0%	2.5%
Compensation of director	1.2%	1.3%

Amount

	<u>2025</u>	<u>2024</u>
	<u>Cash</u>	<u>Cash</u>
Compensation of employee	\$ 27,700	\$ 27,000
Compensation of director	16,000	14,000

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

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

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

25. INCOME TAXES

(1) Income tax recognized in profit or loss

The major components of tax expenses were as follows:

	<u>2025</u>	<u>2024</u>
Current tax		
In respect of the current year	\$ 352,805	\$ 269,189
Surtax on undistributed retained earnings	1,083	594
Adjustments for previous years	(117)	(6,412)
	353,771	263,371
Deferred tax		
In respect of the current year	(16,181)	(10,458)
Income tax expense recognized in profit or loss	<u>\$ 337,590</u>	<u>\$ 252,913</u>

A reconciliation of accounting profit and income tax expense was as follows:

	<u>2025</u>	<u>2024</u>
Profit before income tax	<u>\$ 1,626,218</u>	<u>\$ 1,237,297</u>
Income tax expense calculated at the statutory rate	\$ 371,614	\$ 258,143
Permanent difference	(29,123)	(1,395)
Difference in basic tax payable	-	5,889
Surtax on undistributed retained earnings	1,083	594
Unrecognized deductible temporary difference	24	676
Unrecognized tax loss carryforward	(1,894)	(87)
Investment tax credits	(4,500)	(4,500)
The adjustment of current income tax expenses for previous years	(117)	(6,412)
Others	<u>503</u>	<u>5</u>
Total income tax expense recognized in profit or loss	<u>\$ 337,590</u>	<u>\$ 252,913</u>

(2) Deferred tax balances

Movements of deferred tax assets and deferred tax liabilities were as follows:

2025

	<u>Opening Balance</u>	<u>Recognized in Profit or Loss</u>	<u>Recognized in Other Comprehensive Income</u>	<u>Acquisitions through Business Combinations</u>	<u>Closing Balance</u>
<u>Deferred tax assets</u>					
Temporary differences					
Allowance for inventory valuation losses	\$ 28,847	\$ 16,913	\$ -	\$ -	\$ 45,760
Refund liabilities	2,750	75	-	-	2,825
Loss carryforward	5,282	(1,334)	-	-	3,948
Other	4,729	(2,946)	-	-	1,783
	<u>\$ 41,608</u>	<u>\$ 12,708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,316</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Unrealized foreign exchange gains	\$ 14	\$ 343	\$ -	\$ -	\$ 357
Defined benefit plans	1,112	(72)	494	-	1,534
Property, plant and equipment	6,989	(261)	-	-	6,728
Intangible asset	41,806	(4,146)	-	-	37,660
Other	1,664	663	-	-	2,327
	<u>\$ 51,585</u>	<u>(\$ 3,473)</u>	<u>\$ 494</u>	<u>\$ -</u>	<u>\$ 48,606</u>

2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Acquisitions through Business Combinations	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Allowance for inventory valuation losses	\$ 36,714	(\$ 7,867)	\$ -	\$ -	\$ 28,847
Defined benefit plans	2,225	(1,475)	(750)	-	-
Refund liabilities	-	2,750	-	-	2,750
Loss carryforward	-	5,282	-	-	5,282
Other	1,618	3,111	-	-	4,729
	<u>\$ 40,557</u>	<u>\$ 1,801</u>	<u>(\$ 750)</u>	<u>\$ -</u>	<u>\$ 41,608</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Unrealized foreign exchange gains	\$ 6,178	(\$ 6,164)	\$ -	\$ -	\$ 14
Defined benefit plans	-	1,112	-	-	1,112
Property, plant and equipment	-	(239)	-	7,228	6,989
Intangible asset	-	(3,800)	-	45,606	41,806
Other	1,217	434	-	13	1,664
	<u>\$ 7,395</u>	<u>(\$ 8,657)</u>	<u>\$ -</u>	<u>\$ 52,847</u>	<u>\$ 51,585</u>

(3) Amounts of unused loss carryforward for which deferred tax assets have not been recognized

	December 31, 2025	December 31, 2024
Loss carryforward	<u>\$ 32,589</u>	<u>\$ 43,890</u>

(4) Information about unused loss carryforward

Loss carryforward as of December 31, 2025 comprised of:

Unused Amount	Expiry Year
\$ 14,694	2031
4,705	2032
26,489	2034
<u>6,442</u>	2035
<u>\$ 52,330</u>	

(5) Income tax assessment

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

Name	Year of Assessment
The Company	2023
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.

26. EARNINGS PER SHARE

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

Net Profit for the Year

	<u>2025</u>	<u>2024</u>
Earnings used in the computation of basic/diluted earnings per share	<u>\$ 1,089,800</u>	<u>\$ 833,769</u>

Shares

Units: Thousand shares

	<u>2025</u>	<u>2024</u>
Weighted average number of common stocks used in the computation of basic earnings per share	167,005	159,589
Effect of potentially dilutive common stocks :		
Employees' compensation	274	253
Employee stock options	<u>-</u>	<u>193</u>
Weighted average number of common stocks outstanding in computation of diluted earnings per share	<u>167,279</u>	<u>160,035</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.

27. 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>2024</u>	
	Number of Options (In Thousands)	Weighted Average Exercise Price (\$)
<u>Employee stock options</u>		
Balance, begin of period	636	\$ 14.24
Options exercised	(<u>636</u>)	13.80
Balance, end of period	<u>-</u>	
Options exercisable, end of the period	<u>-</u>	

28. BUSINESS COMBINATIONS

(1) Subsidiaries acquired

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

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

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

	Unicomp
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

	Unicomp
Consideration transferred	\$ 285,000
Plus: Non-controlling interests (80% ownership interest in Unicomp)	1,140,000
Less: Fair value of identifiable net assets acquired	(<u>1,006,445</u>)
Goodwill recognized on acquisitions	<u>\$ 418,555</u>

(5) Net cash outflow on the acquisition of subsidiaries

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

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

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

	<u>Unicomp</u>
Operating revenue	<u>\$ 2,377,647</u>
Net profit	<u>\$ 202,875</u>

Had the abovementioned acquisition of Unicomp been in effect on January 1, 2024, the Group's operating revenues and profit would have been \$2,553,364 thousand and \$208,369 thousand, respectively, from January 1 to December 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.

29. TRANSACTIONS WITH NON-CONTROLLING INTEREST

In January 2025, the Group disposal of its 15% equity interest in DigiCosmos Tech. Co., Ltd., resulting in a decrease in its shareholding ratio from 50% to 35%.

In February 2025, the Group acquired equity interest in Unicomp from non-controlling owners and subscribed to its cash capital increase, resulting in an increase in its shareholding ratio from 20% to 35%.

As the abovementioned transactions did not result in any change in the Group's control over the subsidiaries, the Group accounted for the transaction as an equity transaction.

	<u>DigiCosmos</u>	<u>Unicomp</u>	
Consideration received (paid)	\$ 11,250	(\$ 290,526)	
The amount to be transferred (to) from non-controlling interests based on the carrying amount of the subsidiary's net assets in proportion to the change in ownership interests	(<u>11,446</u>)	<u>257,778</u>	
The difference between equity transaction	(<u>\$ 196</u>)	(<u>\$ 32,748</u>)	
	<u>DigiCosmos</u>	<u>Unicomp</u>	<u>Total</u>
<u>Adjustment account for equity transaction</u>			
Additional paid-in capital- the difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	(\$ 68)	\$ -	(\$ 68)
Additional paid-in capital- recognized changes in ownership interests in 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>)

30. 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.

31. 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:

	December 31, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial Assets</u>				
Measured at amortized cost				
– Foreign corporate bonds	\$ 159,979	\$ 147,480	\$ 101,020	\$ 85,277

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

A. Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at</u>				
<u>FVTPL</u>				
Domestic convertible bonds	\$ 24,506	\$ -	\$ -	\$ 24,506
Domestic listed shares	8,366	-	-	8,366
Fund beneficiary certificates	146,222	-	78,653	224,875
Limited partnership investment	-	-	6,286	6,286
Total	<u>\$ 179,094</u>	<u>\$ -</u>	<u>\$ 84,939</u>	<u>\$ 264,033</u>

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at</u>				
<u>FVTOCI</u>				
Equity investments				
– Domestic listed shares	\$ 225,276	\$ -	\$ -	\$ 225,276
– Domestic unlisted shares	-	-	106,791	106,791
Total	<u>\$ 225,276</u>	<u>\$ -</u>	<u>\$ 106,791</u>	<u>\$ 332,067</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>

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

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

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

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

(3) Categories of financial instruments

	December 31, 2025	December 31, 2024
<u>Financial assets</u>		
Financial assets measured at FVTPL		
Mandatorily measured at FVTPL	\$ 264,033	\$ 323,631
Financial assets measured at amortized cost (Note 1)	10,058,682	8,378,360
Financial assets measured at FVTOCI		
— Investments in equity instruments	332,067	378,446
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	7,380,294	5,751,057

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 notes and trade receivable and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, trade payable, other payables, long-term payable, and guarantee 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 35.

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 in 2025 and 2024 would increase by \$19,440 thousand and \$34,044 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:

	December 31, 2025	December 31, 2024
Interest rate risks at fair value		
— Financial assets	\$ 3,448,100	\$ 2,329,323
— Financial liabilities	1,805,385	673,153
Interest rate risks at cash flows		
— Financial assets	1,938,488	1,498,883

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 in 2025 and 2024 would increase by \$9,692 thousand and \$7,494 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 in 2025 and 2024 would have increased by \$13,202 thousand and \$16,182 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income in would have increased by \$16,603 thousand and \$18,922 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 December 31, 2025 and 2024, the Group's five largest customers accounted all for 34% and 33% 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.

December 31, 2025

	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>Over than 5 Years</u>
<u>Non-derivative financial liabilities</u>			
No interest-bearing liabilities	\$ 5,618,338	\$ -	\$ -
Lease liabilities	38,619	76,691	-
Fixed interest rate liabilities	<u>920,717</u>	<u>869,296</u>	<u>845</u>
	<u>\$ 6,577,674</u>	<u>\$ 945,987</u>	<u>\$ 845</u>

December 31, 2024

	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>Over than 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>-</u>
	<u>\$ 5,406,437</u>	<u>\$ 432,460</u>	<u>\$ -</u>

As of December 31, 2025 and 2024, the Group's unused short-term credit of limit of the bank were \$3,565,000 thousand and \$3,095,000 thousand respectively.

32. 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
YUAN A.I. Tech 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)
Fortune Information Systems Corporation	Other related party (changed to related party effective May 22, 2025)
Fortune Technology Systems Corporation	Other related party (changed to related party effective May 22, 2025)
Genuine C&C Inc.	Other related party (changed to related party effective May 22, 2025)
Pernas Electronics Co., Ltd.	Other related party (changed to related party effective May 22, 2025)

Note: Including companies under their substantive control.

(2) Operating revenue

<u>Line Items</u>	<u>Types of related parties</u>	<u>2025</u>	<u>2024</u>
Sales revenue	Associates	\$ 169	\$ 2,001
	Other related parties	<u>139,376</u>	<u>-</u>
		<u>\$ 139,545</u>	<u>\$ 2,001</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>2025</u>	<u>2024</u>
Associates	\$ 35,751	\$ 20,644
Other related parties	<u>320</u>	<u>-</u>
	<u>\$ 36,071</u>	<u>\$ 20,644</u>

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

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

<u>Line Items</u>	<u>Types of related parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Trade receivable	Associates	\$ 6	\$ 1,935
	Other related parties	<u>123,033</u>	<u>-</u>
		<u>\$ 123,039</u>	<u>\$ 1,935</u>
Long-term receivable	Other related parties	<u>\$ 18,968</u>	<u>\$ -</u>
Other receivables	Associates	<u>\$ -</u>	<u>\$ 65</u>

Interest income

<u>Types of related parties/Name</u>	<u>2025</u>	<u>2024</u>
Other related parties	<u>\$ 2,192</u>	<u>\$ -</u>

(5) Payables to related parties

<u>Line Items</u>	<u>Types of related parties/Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Trade payable	Associates	\$ 5,867	\$ 4,783
	Other related parties	<u>231</u>	<u>-</u>
		<u>\$ 6,098</u>	<u>\$ 4,783</u>

(6) Loans to related parties

<u>Line Items</u>	<u>Types of related parties/Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other receivables	Associates	<u>\$ -</u>	<u>\$ 5,000</u>

Interest income

<u>Types of related parties/Name</u>	<u>2025</u>	<u>2024</u>
Associates	<u>\$ 86</u>	<u>\$ 65</u>

(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:

Types of related parties/Name	December 31, 2025	December 31, 2024
Other related parties / Directors of subsidiary		
Amount endorsed	\$ 645,000	\$ 495,000
Amount utilized (reported as secured borrowings)	\$ -	\$ -

(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 29.

(9) Compensation of key management personnel

	2025	2024
Short-term employee benefits	\$ 128,176	\$ 83,449
Post-employment benefits	635	26,631
	<u>\$ 128,811</u>	<u>\$ 110,080</u>

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

33. PLEDGED ASSETS

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

	December 31, 2025	December 31, 2024
Property, plant and equipment, Net	\$ 145,773	\$ 348,278
Pledged time deposit (Financial assets at amortized cost)	46,032	42,974
	<u>\$ 191,805</u>	<u>\$ 391,252</u>

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

35. 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:

December 31, 2025

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 105,479	31.43 (USD:NTD)	\$ <u>3,315,205</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	117,849	31.43 (USD:NTD)	\$ <u>3,703,994</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>

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

	2025		2024	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	31.18 (USD:NTD)	(\$ <u>3,358</u>)	32.112 (USD:NTD)	(\$ <u>1,603</u>)

36. 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: Table 4.
- E. Trade receivable from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5.
- F. Others: Intercompany relationships and significant intercompany transactions: Table 6.

(2) Information on investees: Table 7.

(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 8.
- 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.

37. 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 and 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>2025</u>				
Revenues from external customers	\$24,207,643	\$ 684,729	\$ -	\$24,892,372
Inter-segment revenues	315,160	31,464	(346,624)	-
Segment revenues	<u>\$24,522,803</u>	<u>\$ 716,193</u>	<u>(\$ 346,624)</u>	<u>\$24,892,372</u>
Segment profit	<u>\$ 1,463,934</u>	<u>\$ 33,027</u>	<u>\$ -</u>	\$ 1,496,961
Non-operating income and expenses				<u>129,257</u>
Profit before income tax				<u>\$ 1,626,218</u>
<u>2024</u>				
Revenues from external customers	\$18,020,400	\$ 455,361	\$ -	\$18,475,761
Inter-segment revenues	181,218	29,300	(210,518)	-
Segment revenues	<u>\$18,201,618</u>	<u>\$ 484,661</u>	<u>(\$ 210,518)</u>	<u>\$18,475,761</u>
Segment profit	<u>\$ 1,123,329</u>	<u>\$ 26,973</u>	<u>\$ -</u>	\$ 1,150,302
Non-operating income and expenses				<u>86,995</u>
Profit before income tax				<u>\$ 1,237,297</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. Therefore, the valuation amounts 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:

	<u>2025</u>	<u>2024</u>
AI - Ready Infrastructure	\$ 6,495,579	\$ 5,407,762
Security Resilience	11,366,066	8,448,090
Cloud Computing & Service	5,724,691	3,483,223
AI Application	1,276,282	1,130,162
Others	<u>29,754</u>	<u>6,524</u>
	<u>\$ 24,892,372</u>	<u>\$ 18,475,761</u>

(4) Geographical information

The Group mainly operates in Taiwan.

The Group categorized the net revenue mainly based on the country in which the customer is located, and non-current assets based on the site of assets.

	<u>Non-current Assets</u>			
	<u>Net revenue from external customers</u>		<u>December 31,</u>	<u>December 31,</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Taiwan	\$ 24,398,424	\$ 18,256,950	\$ 1,513,313	\$ 1,503,344
Others	<u>493,948</u>	<u>218,811</u>	<u>405</u>	<u>1,747</u>
	<u>\$ 24,892,372</u>	<u>\$ 18,475,761</u>	<u>\$ 1,513,718</u>	<u>\$ 1,505,091</u>

Non-current assets do not include financial instruments and deferred tax assets.

(5) Major customer information

There was no single customer which accounted for more than 10% of the Group's total revenue for the year ended December 31, 2025 and 2024.

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEARS ENDED DECEMBER 31, 2025

Table 1

(Amounts 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	\$ 90,000	\$ 90,000	\$ 42,000	3%	2	\$ -	Operating capital	\$ -	—	\$ -	\$ 574,895	\$ 1,149,789	
0	ZOTC	LinkONE Tech Co., Ltd.	Other receivables from related parties	Yes	20,000	20,000	-	3%	2	-	Operating capital	-	—	-	574,895	1,149,789	
1	Zerone Win Investment Co., Ltd.	Techone Global Company Limited	Other receivables from related parties	Yes	66,410	62,860	31,430	3%	2	-	Operating capital	-	Promissory note	31,430	357,615	357,615	
1	Zerone Win Investment Co., Ltd.	Leukocyte-Lab Co. Ltd.	Other receivables from related parties	Yes	5,000	-	-	3%	2	-	Operating capital	-	—	-	357,615	357,615	

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 : The Company's aggregate financing limit shall not exceed 20% of its net worth as stated in its latest financial statement audited or reviewed by CPAs. Zerone Win Investment Co., Ltd.'s aggregate financing limit shall not exceed 40% of its 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 YEARS ENDED DECEMBER 31, 2025

Table 2

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

No. (Note 1)	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 4)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 5)	Actual 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)	\$ 574,895	\$ 130,740	\$ 62,860	\$ -	\$ -	1.09	\$1,149,789	Y	N	Y	
0	ZOTC	Techone Vietnam Technology Company Limited	(2)	574,895	130,740	125,720	-	-	2.19	1,149,789	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 MARKETABLE SECURITIES HELD

DECEMBER 31, 2025

Table 3

(Amounts in Thousands of New Taiwan Dollars)

Holding Company	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Shares/Units/ Par Value	Carrying Values	Percentage of Ownership (%)	Fair Value	
ZOTC	Stock Nextlink Technology Co., Ltd.	—	Financial assets at FVTOCI— non-current	1,000,000	\$ 90,900	4.52	\$ 90,900	

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 to be disclosed based on the principle of materiality

Note 2 : Relevant information about Investments in equity of subsidiaries, associates, see Table 7 & Table 8.

Note 4 : This table discloses only securities with a carrying amount of \$50,000 thousand or more.

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025

Table 4

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

Company Name	Related Party	Nature of Relationship	Transaction details				Abnormal Transaction		Notes/Trade Payable Receivable		Note
			Purchases/Sales	Amount	% to Total	Payment Terms	Unit Prices	Payment Terms	Ending Balance	% to Total	
ZOTC	Fortune Technology Systems Corporation	Other related party	Sales	\$ 106,625	1%	Net 60 days	-	-	\$ 129,223	3%	

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
 DECEMBER 31, 2025

Table 5

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

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss	
					Amount	Actions Taken			
ZOTC	Fortune Technology Systems Corporation	Other related party	Trade receivable	\$ 110,255	5.07	\$ -	-	\$ 4,123	\$ -
			Long-term trade receivable	18,968					

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

Table 6

(Amounts 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	\$ 94,656	Note 5	-
				Trade receivable	30,082	Note 5	-
0	ZOTC	Techone (Shanghai) Co., Ltd.	1	Sales revenue	38,158	Note 5	-
				Cost of goods sold	19,144	Note 5	-
				Trade receivable	12,552	Note 5	-
0	ZOTC	Petacom Technology Co., Ltd.	1	Sales revenue	55,582	Note 5	-
				Cost of goods sold	89,112	Note 5	-
				Trade receivable	15,205	Note 5	-
0	ZOTC	Zerone Win Investment Co., Ltd.	1	Other receivables	42,468	-	-
0	ZOTC	LinkONE Digital Co., Ltd.	1	Sales revenue	21,204	Note 5	-
1	Zerone Win Investment Co., Ltd.	Techone Global Company Limited	3	Other receivables	31,814	-	-

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 YEAR ENDED DECEMBER 31, 2025

Table 7

(Amounts in Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses	Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profits/Losses of Investee	Note
				December 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	\$ 47,522	(\$ 791)	(\$ 675)	Subsidiary
	Zerone Win Investment Co., Ltd.	Taiwan	Investment	800,000	650,000	80,000,000	100.00	893,909	101,785	101,785	Subsidiary
	Asiaone Holdings Ltd.	Republic of Seychelles	Holding company	23,818	23,818	750,000	100.00	35,040	3,313	3,313	Subsidiary
Zotech Co., Ltd.	Yuan A.I. Tech Co., Ltd.	Taiwan	Software Technical Services	2,000	2,000	200,000	23.81	2,007	22	5	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	58,621	13,570	12,321	Sub-subsubsidiary
	PetaCom Technology Co., Ltd.	Taiwan	Services of distribution of information product	77,545	77,545	10,200,000	51.00	92,864	1,854	945	Sub-subsubsidiary
	DigiCosmos Tech. Co., Ltd.	Taiwan	Services of information security consulting	17,500	25,000	1,750,000	35.00	32,960	17,691	6,167	Sub-subsubsidiary
	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	14,656	(6,323)	(6,323)	Sub-subsubsidiary
	TerraONE Tech Co., Ltd.	Taiwan	Distribution for information security products	50,000	50,000	50,000,000	100.00	48,389	(109)	(109)	Sub-subsubsidiary
	Unicomp Information Co., Ltd.	Taiwan	Distribution for information products and related services	575,526	285,000	13,815,790	35.00	578,428	291,086	91,099	Sub-subsubsidiary
	TrustOne Security Inc.	Taiwan	R&D, sale and service of information software	12,160	12,160	12,160,000	32.00	1,819	(3,496)	(1,118)	Associate
	Leukocyte-Lab Co. Ltd.	Taiwan	Information security management and consulting service	19,500	16,500	640,000	25.30	(4,250)	(15,307)	(3,000)	Associate

(Continued)

Investor Company	Investee Company	Location	Main Businesses	Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profits/Losses of Investee	Note
				December 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	\$ 10,693	\$ 10,693	Note 2	70.00	\$ 10,205	(\$ 331)	(\$ 231)	Sub-subsidiary
	Techone Global Company Limited	Thailand	Information commodities trading and technical service for network technology	1,545	1,545	Note 2	34.00	2,452	2,696	917	Sub-subsidiary

(Concluded)

Note 1: Please refer to Table 8 for information on investment in Mainland China.

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

ZERO ONE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025

Table 8

(Amounts 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 December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outward	Inward							
Techone (Shanghai) Co., Ltd.	Information commodities trading and technical service for network technology	\$ 13,488 (RMB 3,000)	(Note 1)	\$ 9,118	\$ -	\$ -	\$ 9,118	\$ 4,070	70%	\$ 2,849	\$ 21,764	\$ -	—

Accumulated Outward Remittance for Investments in Mainland China as of December 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	\$ 4,203,691

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 audited by CPAs on December 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. (7,006,151×60%=4,203,691)

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