

ZINWELL CORPORATION
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2024 AND 2023

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

ZINWELL CORPORATION
DECEMBER 31, 2024 AND 2023 PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS' REPORT
TABLE OF CONTENTS

<u>Contents</u>	<u>Page/Number/Index</u>
1. Cover Page	1
2. Table of Contents	2 ~ 3
3. Independent Auditors' Report	4 ~ 9
4. Parent Company Only Balance Sheets	10 ~ 11
5. Parent Company Only Statements of Comprehensive Income	12
6. Parent Company Only Statements of Changes in Equity	13
7. Parent Company Only Statements of Cash Flows	14
8. Notes to the Parent Company Only Financial Statements	15 ~ 59
(1) HISTORY AND ORGANIZATION	15
(2) THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION	15
(3) APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS	15 ~ 16
(4) SUMMARY OF MATERIAL ACCOUNTING POLICIES	17 ~ 25
(5) CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND	25 ~ 26

KEY SOURCES OF ASSUMPTION UNCERTAINTY

(6) DETAILS OF SIGNIFICANT ACCOUNTS	26 ~ 48
(7) RELATED PARTY TRANSACTIONS	48 ~ 49
(8) PLEDGED ASSETS	50
(9) SIGNIFICANT CONTINGENT LIABILITIES AND	50 ~ 51

UNRECOGNISED CONTRACT COMMITMENTS

(10) SIGNIFICANT DISASTER LOSS	51
(11) SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE	51
(12) OTHERS	51 ~ 59
(13) SUPPLEMENTARY DISCLOSURES	59
(14) SEGMENT INFORMATION	59

9. Statements of Major Accounting Items

Cash and Cash Equivalents	Statement 1
Accounts Receivable	Statement 2
Statement of Inventories	Statement 3
Investments Accounted for Using Equity Method	Statement 4
Accounts Payable	Statement 5
Operating Revenue	Statement 6
Operating Costs	Statement 7
Manufacturing Expense	Statement 8
Operating Expenses	Statement 9

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Zinwell Corporation

Opinion

We have audited the accompanying parent company only balance sheets of Zinwell Corporation (the "Company") as of December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and 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 parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants 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 judgement, were of most significance in our audit of the parent company only financial statements for 2024. These

matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2024 are stated as follows:

Valuation of inventory

Description

For the accounting policies of inventory, please refer to Note 4(12); and for the accounting estimates and assumption uncertainty of inventory, please refer to Note 5. For details of the allowance for inventory valuation losses, please refer to Note 6(5).

The Company is mainly engaged in sales of digital cable and communication products. Due to rapid technological innovation, the short lifecycle of electronic products and intense competition in the market, there is a higher risk of inventory losses due to market value decline or obsolescence. Since the valuation of obsolete and slow-moving inventory is subject to the management's judgement, and the abovementioned matters also exist in the subsidiaries of the Company (shown as Investments accounted for using equity method), we consider inventory valuation of the Company and its subsidiaries.

as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of accounting policies and procedures in relation to inventory valuation, including the classification of aged, damaged and obsolete inventory.
2. Reviewed the Company's annual counting plan and conducted their physical counts on inventories to evaluate the control effectiveness on inventory classification.
3. Validated the inventory classification and the amount of net realisable value, including to obtain net realisable value reports of inventory, assess the computational logic of the system report, test related supporting documents, recalculate the loss of

inventory and further evaluate the rationality.

Impairment assessment of accounts receivable

Description

For the accounting policies of accounting receivable, please refer to Note 4(8); and for the accounting estimates and assumptions uncertainty of impairment on accounts receivable, please refer to Note 5. For details of impairment on accounts receivable, please refer to Note 6(4).

The Company assessed the credit risk of accounts receivable under many factors, such as customers' financial position, internal rating criteria and historical transaction data. The management evaluated their expected credit impairment loss based on the result of the assessment. Since the above assessment is subjected to management's judgement, and accounts receivable and its valuation is significant to the parent company only financial statements, we consider impairment assessment of accounts receivable as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding of and tested the management procedures over credit risk of the Company, including the assessment and management of the credit limits of customers and the assessment process of the expected credit impairment losses.
2. Regarding significant amount of overdue accounts receivable, investigated the reason for non-collection or tested the collection after balance sheet date.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company 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 Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 the 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only 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 Company'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 Company'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 parent company only 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only 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 Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 parent company only financial statements of the current period 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.

Liang Yi Chang

Wen, Ya-Fang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 5, 2025

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ZINWELL CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	1,239,349	17	\$	1,407,794	17
1136	Current financial assets at amortised cost-current	6(3)		400,000	5		-	-
1150	Notes receivable, net	6(4)		395	-		148	-
1170	Accounts receivable, net	6(4)		546,417	7		1,639,697	20
1200	Other receivables			11,252	-		29,351	-
1220	Current income tax assets			4,798	-		1,747	-
130X	Inventories	6(5)		624,223	9		617,634	7
1410	Prepayments	6(6)		23,133	-		6,773	-
11XX	Total current Assets			2,849,567	38		3,703,144	44
Non-current assets								
1517	Financial assets at fair value through other comprehensive income	6(2)		220	-		270	-
1550	Investments accounted for using equity method	6(7)		1,951,393	27		2,046,142	24
1600	Property, plant and equipment	6(8) and 8		2,173,517	29		2,262,852	27
1755	Right-of-use assets	6(9)		624	-		3,015	-
1760	Investment property - net	6(10)		175,852	3		180,367	2
1780	Intangible assets	6(11)		11,152	-		12,024	-
1840	Deferred tax assets	6(25)		221,463	3		232,023	3
1900	Other non-current assets	6(12) and 8		19,752	-		28,774	-
15XX	Total non-current assets			4,553,973	62		4,765,467	56
1XXX	Total assets		\$	7,403,540	100	\$	8,468,611	100

(Continued)

ZINWELL CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2024		December 31, 2023			
			Notes	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(13)	\$	-	-	\$	350,000	4
2130	Current contract liabilities	6(19)		664,229	9		199,636	2
2150	Notes payable			45,007	1		93,470	1
2170	Accounts payable			160,870	2		1,036,403	12
2180	Accounts payable - related parties	7		665,538	9		243,100	3
2200	Other payables	6(14)		324,482	4		296,685	4
2280	Lease liabilities - current			627	-		2,406	-
2310	Advance receipts			60,293	1		29,920	-
2399	Other current liabilities - others			8	-		8	-
21XX	Total current liabilities			1,921,054	26		2,251,628	26
Non-current liabilities								
2570	Deferred tax liabilities	6(25)		31,483	1		55,001	1
2580	Lease liabilities - non-current			-	-		634	-
2640	Net defined benefit liabilities - non-current	6(15)		27,204	-		79,880	1
2670	Other non-current liabilities - others	6(7)		6,687	-		5,729	-
25XX	Total non-current liabilities			65,374	1		141,244	2
2XXX	Total Liabilities			1,986,428	27		2,392,872	28
	Share capital	6(16)						
3110	Ordinary share capital			3,176,890	43		3,176,890	38
	Capital surplus	6(17)						
3200	Capital surplus			549,692	8		549,692	6
	Retained earnings	6(18)						
3310	Legal reserve			1,347,331	18		1,347,331	16
3320	Special reserve			133,156	2		133,156	2
3350	Unappropriated retained earnings			322,781	4		1,028,174	12
	Other equity interest	6(19)						
3400	Other equity interest	6(2)	(	112,738)	(2)	(	159,504)	(2)
3XXX	Total equity			5,417,112	73		6,075,739	72
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9						
	Significant subsequent events	11						
3X2X	Total liabilities and equity		\$	7,403,540	100	\$	8,468,611	100

The accompanying notes are an integral part of these parent company only financial statements.

ZINWELL CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except loss per share amounts)

			Year ended December 31			
	Items	Notes	2024		2023	
			AMOUNT	%	AMOUNT	%
4000	Operating income	6(19) and 7	\$ 2,610,480	100	\$ 5,816,835	100
5000	Operating costs	6(5)(24) and 7	(2,867,629)	(110)	(5,263,513)	(91)
5900	Net operating margin		(257,149)	(10)	(553,322)	9
	Operating expenses	6(24) and 7				
6100	Marketing expenses		(90,588)	(3)	(90,201)	(1)
6200	Management expenses		(147,143)	(6)	(156,226)	(3)
6300	Research and development expenses		(227,218)	(9)	(212,310)	(4)
6450	Expected credit impairment loss	12(2)	(10,099)	-	(19,489)	-
6000	Total operating expenses		(475,048)	(18)	(478,226)	(8)
6900	Operating (loss) profit		(732,197)	(28)	(75,096)	1
	Non-operating income and expenses					
7100	Interest income	6(20)	41,678	2	29,114	1
7010	Other income	6(21)	59,431	2	93,689	2
7020	Other gains and losses	6(22)	42,320	2	18,127	-
7050	Finance costs	6(23)	(1,317)	-	(9,253)	-
7070	Share of loss of associates and joint ventures accounted for using equity method, net	6(7)	(142,165)	(6)	(261,505)	(5)
7000	Total non-operating revenue and expenses		(53)	-	(129,828)	(2)
7900	Loss before income tax		(732,250)	(28)	(54,732)	(1)
7950	Income tax benefit(expense)	6(25)	15,738	1	17,398	-
8200	Loss for the year		(\$ 716,512)	(27)	(\$ 72,130)	(1)
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	6(15)	\$ 13,899	-	(\$ 5,311)	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(2)	(50)	-	66	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	(2,780)	-	1,062	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		11,069	-	(4,183)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements	6(19)	46,816	2	(26,414)	(1)
8360	Components of other comprehensive income that will be reclassified to profit or loss		46,816	2	(26,414)	(1)
8300	Other comprehensive income(loss) for the year		\$ 57,885	2	(\$ 30,597)	(1)
8500	Total comprehensive loss for the year		(\$ 658,627)	(25)	(\$ 102,727)	(2)
9750	Basic loss per share	6(26)	(\$ 2.26)		(\$ 0.23)	
9850	Diluted loss per share	6(26)	(\$ 2.26)		(\$ 0.23)	

The accompanying notes are an integral part of these parent company only financial statements.

ZINWELL CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

				Retained Earnings			Other equity interest		
							Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings			Total equity
2023									
Balance at January 1, 2023		\$3,176,890	\$ 562,860	\$1,346,300	\$ 117,161	\$1,121,579	(\$ 131,745)	(\$ 1,411)	\$ 6,191,634
Loss for the year		-	-	-	-	(72,130)	-	-	(72,130)
Other comprehensive income (loss)		-	-	-	-	(4,249)	(26,414)	66	(30,597)
Total comprehensive income (loss)	6(18)	-	-	-	-	(76,379)	(26,414)	66	(102,727)
Appropriation and distribution of retained earnings									
Legal reserve appropriated		-	-	1,031	-	(1,031)	-	-	-
Special reserve appropriated		-	-	-	15,995	(15,995)	-	-	-
Changes in equity of subsidiaries	6(17)(27)	-	(13,168)	-	-	-	-	-	(13,168)
Balance at December 31, 2023		\$3,176,890	\$ 549,692	\$1,347,331	\$ 133,156	\$1,028,174	(\$ 158,159)	(\$ 1,345)	\$ 6,075,739
2024									
Balance at January 1, 2024		\$3,176,890	\$ 549,692	\$1,347,331	\$ 133,156	\$1,028,174	(\$ 158,159)	(\$ 1,345)	\$ 6,075,739
Loss for the year		-	-	-	-	(716,512)	-	-	(716,512)
Other comprehensive income (loss)		-	-	-	-	11,119	46,816	(50)	57,885
Total comprehensive income (loss)		-	-	-	-	(705,393)	46,816	(50)	(658,627)
Balance at December 31, 2024		\$3,176,890	\$ 549,692	\$1,347,331	\$ 133,156	\$ 322,781	(\$ 111,343)	(\$ 1,395)	\$ 5,417,112

The accompanying notes are an integral part of these parent company only financial statements.

ZINWELL CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 732,250)	(\$ 54,732)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including investment property and right-of-use assets)	6(8)(9)(10)(24)	184,085	179,972
Amortizations expense	6(24)	6,723	7,571
Expected credit impairment loss	12(2)	10,099	19,489
Interest expense	6(23)	1,317	9,253
Interest income	6(20)	(41,678)	(29,114)
Dividend income	6(21)	(6)	(4)
Losses (gains) on disposal of property, plant and equipment	6(22)	2,760	(210)
Share of profit or loss of subsidiaries and associates accounts for using equity method	6(7)	142,165	261,505
Unrealized profit from inter-company transactions		363	6,359
Changes in operating assets and liabilities			
Changes in operating assets			
Notes and accounts receivable (including related parties)		1,082,934	473,245
Other receivables		18,099	9,586
Inventories	(	( 6,589)	(192,771)
Prepayments	(	( 16,360)	(1,005)
Changes in operating liabilities			
Current contract liabilities		464,593	150,335
Notes and accounts payable (including related parties)	(	( 501,558)	(64,888)
Other payables		30,418	20,059
Advance receipts		30,373	(43,306)
Net defined benefit liabilities	(	( 38,777)	(20,090)
Cash inflow generated from operations		636,711	1,246,572
Interest received		41,678	26,589
Interest paid	(	( 1,317)	(9,253)
Dividends received		6	4
Income tax paid	(	( 3,051)	(1,541)
Net cash flows from operating activities		674,027	1,262,371
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in current financial assets at amortised cost	(	( 400,000)	-
Acquisition of property, plant and equipment	6(28)	(90,287)	(74,838)
Proceeds from disposal of property, plant and equipment		3,744	3,277
Acquisition of investments accounted for using equity method	6(7) and 7	-	(225,809)
Acquisition of intangible assets	6(28)	(4,276)	(5,355)
Decrease in guarantee deposits paid		765	864
Net cash flows used in investing activities	(	( 490,054)	(301,861)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(29)	-	1,000,000
Repayment of short-term borrowings	6(29)	(350,000)	(1,100,000)
Payments of principal portion of lease liabilities	6(29)	(2,413)	(2,363)
Decrease in guarantee deposits received	6(29)	(5)	(400)
Net cash flows used in financing activities	(	( 352,418)	(102,763)
Net (decrease) increase in cash and cash equivalents	(	( 168,445)	(857,747)
Cash and cash equivalents at beginning of year		1,407,794	550,047
Cash and cash equivalents at end of year		\$ 1,239,349	\$ 1,407,794

The accompanying notes are an integral part of these parent company only financial statements.

ZINWELL CORPORATION
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

- (1) Zinwell Corporation (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) in 1981. The Company is primarily engaged in research and development, manufacturing and sales of Digital Cable / Satellite / Terrestrial receiving equipment, Broadcast and Broadband Communication equipment, IPTV receiving equipment, Wireless equipment, etc.
- (2) The common shares of the Company have been listed on the Taiwan Stock Exchange since September 2001.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These parent company only financial statements were authorized for issuance by the Board of Directors on March 5, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

- (1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS[®]") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

- (2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025
The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.	

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2025
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2025
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for IFRS 18 to be assessed, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

- A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and liabilities at fair value through other comprehensive income.
 - (b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the Company’s parent company only financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair

value are translated using the historical exchange rates at the dates of the initial transactions.

- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

- (a) The operating results and financial position of all the reinvested entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in

operations (including time deposits with contract period less than 3 months) are classified as cash equivalents.

(6) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For debt instruments measured financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition

after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(11) Leasing arrangements (lessor) – operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(13) Investments accounted for using equity method / subsidiaries and associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealised gains or losses on transactions between the Company and its subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- E. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- F. When changes in an associate's equity that are not recognised in profit or loss or other

comprehensive income of the associate and such changes not affecting the Company's ownership percentage of the associate, the Company recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

- G. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- H. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- I. When the Company disposes its investment in an associate, if it loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- J. Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit (loss) of the current period and other comprehensive income in the non-consolidated financial statements shall be equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the non-consolidated financial statements shall be equal to equity attributable to owners of the parent in the consolidated financial statements.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if

appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5～55 years
Machinery and equipment	2～10 years
Research and development equipment	2～ 8 years
Office equipment	3～ 8 years
Miscellaneous equipment	2～8 years

(15) Leasing arrangements (lessee) — right-of-use assets / lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments, less any lease incentives receivable.
- C. At the commencement date, the right-of-use asset is stated at cost which was the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(16) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 40～55 years.

(17) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1～6 years .

(18) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(19) Borrowings

Borrowings comprise short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(20) Accounts and notes payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term accounts and notes payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(22) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurement arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating

restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' and directors' remuneration

Employees' remuneration and directors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as change in estimation. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(23) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(24) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(25) Revenue recognition

Sales of goods

- A. The Company manufactures and sells digital cable and communication products. Sales are recognised when control of the products has transferred, being when the products are delivered to the buyer, the buyer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the buyer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- B. The sales usually are made with a credit term of 90-120 days, which is consistent with market practice. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.
- C. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(26) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for the related costs for which the grants are intended to compensate.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of

inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation. Please refer to Note 6 for details of inventory valuation. As of December 31, 2024, the carrying amount of inventories was NT\$624,223.

B. Impairment assessment of accounts receivable

The assessment of accounts receivable impairment relies on the Company's judgement and assumption about the recoverable amount of the accounts receivable in the future, taking into account various factors such as client's financial status, the Company's internal credit rating, transaction history and others which might affect the client's repayment ability. Where there is suspicion of recoverability, the Company needs to individually assess the possible recoverable amount and recognise reasonable impairment. The assessment of impairment depends on reasonable expectation about future events on the basis of the conditions existing at the balance sheet date. The estimation may differ from the actual result and may lead to material changes. Please refer to Note 6 for impairment assessment of accounts receivable.

As of December 31, 2024, the carrying amount of accounts receivable was NT\$546,417.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and revolving funds	\$ 1,360	\$ 1,479
Checking accounts and demand deposits	787,989	822,540
Time deposits	450,000	583,775
	<u>\$ 1,239,349</u>	<u>\$ 1,407,794</u>

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Details of the Company's time deposits pledged to others as collateral and reclassified as other non-current assets are provided in Note 8.

(2) Financial assets at fair value through other comprehensive income - non-current

<u>Items</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Equity instruments		
Listed stocks	\$ 97	\$ 97
Unlisted stocks	1,518	1,518
Valuation adjustments	(1,395)	(1,345)
	<u>\$ 220</u>	<u>\$ 270</u>

A. The Company has elected to classify equity instrument investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. As of December 31, 2024 and 2023, the fair value of such investments were NT\$220 and NT\$270, respectively.

B. Amounts recognized in profit or loss and other comprehensive income of the equity instruments at fair value through other comprehensive income are as follows:

	Years ended December 31	
	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 50)	\$ 66
Dividend income recognised in profit or loss held at end of period	\$ 6	\$ 4

C. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.

D. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(3) Financial assets at amortised cost

	December 31, 2024	December 31, 2023
Time deposits maturing over three months	\$ 400,000	\$ -

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Years ended December 31	
	2024	2023
Interest income	\$ 3,252	\$ -

B. As at December 31, 2024 and 2023, without taking into account other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company were carrying amount.

C. The Company has no financial assets at amortised cost pledged to others as collateral.

(4) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	\$ 395	\$ 148
Accounts receivable	\$ 571,526	\$ 1,664,671
Less: Allowance for loss	(25,109)	(24,974)
	\$ 546,417	\$ 1,639,697

A. None of the Company's notes receivable are overdue. Accounts receivable ageing analysis was based on past due date. Please refer to Note 12(2) for details of related credit risk information.

B. As of December 31, 2024 and 2023, accounts and notes receivable were all from contracts with customers. As of January 1, 2023, the total amount of receivables from contracts with customers amounted to NT\$1,910,444, and the loss allowance amounted to NT\$5,485.

C. As of December 31, 2024 and 2023, without taking into account other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes and accounts receivable were NT\$546,812 and \$1,639,845, respectively.

D. The Company has no notes and accounts receivable pledged to others as collateral.

(5) Inventories

2024			
	Cost	Allowance for valuation loss	Carrying value
Raw materials and supplies	\$ 754,186	(\$ 305,089)	\$ 449,097
Work in progress	204,340	(55,602)	148,738
Finished goods	36,428	(11,205)	25,223
Merchandise	304	(132)	172
Inventory in transit – raw materials and supplies	993	-	993
	<u>\$ 996,251</u>	<u>(\$ 372,028)</u>	<u>\$ 624,223</u>

2023			
	Cost	Allowance for valuation loss	Carrying value
Raw materials and supplies	\$ 642,922	(\$ 185,053)	\$ 457,869
Work in progress	175,061	(36,735)	138,326
Finished goods	29,653	(12,022)	17,631
Merchandise	231	(7)	224
Inventory in transit – raw materials and supplies	3,584	-	3,584
	<u>\$ 851,451</u>	<u>(\$ 233,817)</u>	<u>\$ 617,634</u>

The cost of inventories recognised as expense for the year:

Years ended December 31		
	2024	2023
Cost of goods sold	\$ 2,635,344	\$ 5,186,120
Losses on decline in market value	138,211	71,950
Unallocated overhead expense	72,219	-
Conversion costs	20,246	6,920
Losses on disposal of inventory	2,308	-
Others	(699)	(1,477)
	<u>\$ 2,867,629</u>	<u>\$ 5,263,513</u>

(6) Prepayments

	December 31, 2024	December 31, 2023
Prepayment for purchases	\$ 18,415	\$ 44
Other prepaid expense	4,718	6,729
	<u>\$ 23,133</u>	<u>\$ 6,773</u>

(7) Investments accounted for using equity method

	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Amount</u>	<u>Ownership (%)</u>	<u>Amount</u>	<u>Ownership (%)</u>
Subsidiaries:				
ZINWELL HOLDING (SAMOA) CORPORATION	\$ 1,715,671	100%	\$ 1,794,394	100%
AkiraNET Co.	235,722	54.40%	251,748	54.40%
ZINWELL CORPORATION (H.K.) LIMITED	(4,732)	100%	(3,769)	100%
Associates:				
ITAS Technology Corp.	-	38.11%	-	38.11%
Urmap. Inc.	-	28.07%	-	28.07%
	<u>1,946,661</u>		<u>2,042,373</u>	
Add: Reclassification of credit balance of investment accounted for using equity method (shown as other non-current liabilities)	<u>4,732</u>		<u>3,769</u>	
	<u>\$ 1,951,393</u>		<u>\$ 2,046,142</u>	

- A. Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2024 for the information regarding the Company's subsidiaries.
- B. For the years ended December 31, 2024 and 2023, based on the investees' financial statements audited by independent auditors of the same reporting periods, the share of profit (loss) of the subsidiaries accounted for equity method was a loss of \$142,165 and a loss of \$261,505, respectively.
- C. The Board of Directors of the Company resolved to increase its capital in AkiraNET Co. by cash in the amount of \$225,809 on August 8, 2023. After the capital increase, the Company's shareholding ratio was 54.40%. The abovementioned capital increase had been registered.
- D. Since the Company has no intention to continue investing in its associates, ITAS Technology Corp. and Urmap. Inc., the losses recognised under a limit of the carrying amount of the equity investments. As of the date of the auditor's report, the dissolution and liquidation process of ITAS Technology Corp. is still ongoing, and Urmap Inc. has ceased operation.

(8) Property, plant and equipment

2024

	Land	Buildings and structures	Machinery and equipment	R&D Equipment	Office equipment	Molding and other equipment	Constuction in progress and equipment under acceptance	Total
At January 1								
Cost	\$728,663	\$ 1,400,890	\$ 817,546	\$ 313,695	\$ 63,583	\$ 196,382	\$ -	\$3,520,759
Accumulated depreciation	-	(340,790)	(433,772)	(291,481)	(43,640)	(148,224)	-	(1,257,907)
	<u>\$728,663</u>	<u>\$ 1,060,100</u>	<u>\$ 383,774</u>	<u>\$ 22,214</u>	<u>\$ 19,943</u>	<u>\$ 48,158</u>	<u>\$ -</u>	<u>\$2,262,852</u>
Opening net carrying amount	\$728,663	\$ 1,060,100	\$ 383,774	\$ 22,214	\$ 19,943	\$ 48,158	\$ -	\$2,262,852
Additions	-	342	14,572	1,497	1,053	32,036	44,848	94,348
Transfer	-	(82)	4,036	1,524	-	6,004	(11,564)	(82)
Disposals	-	-	(6,426)	(13)	(6)	(59)	-	(6,504)
Depreciation charge	-	(72,419)	(73,927)	(6,740)	(4,811)	(19,200)	-	(177,097)
Closing net carrying amount	<u>\$728,663</u>	<u>\$ 987,941</u>	<u>\$ 322,029</u>	<u>\$ 18,482</u>	<u>\$ 16,179</u>	<u>\$ 66,939</u>	<u>\$ 33,284</u>	<u>\$2,173,517</u>
At December 31								
Cost	\$728,663	\$ 1,401,150	\$ 794,092	\$ 313,195	\$ 64,457	\$ 231,121	\$ 33,284	\$3,565,962
Accumulated depreciation	-	(413,209)	(472,063)	(294,713)	(48,278)	(164,182)	-	(1,392,445)
	<u>\$728,663</u>	<u>\$ 987,941</u>	<u>\$ 322,029</u>	<u>\$ 18,482</u>	<u>\$ 16,179</u>	<u>\$ 66,939</u>	<u>\$ 33,284</u>	<u>\$2,173,517</u>

2023

	Land	Buildings and structures	Machinery and equipment	R&D Equipment	Office equipment	Molding and other equipment	Constuction in progress and equipment under acceptance	Total
At January 1, 2023								
Cost	\$728,663	\$ 1,398,779	\$ 776,624	\$ 310,539	\$ 63,940	\$ 179,272	\$ 9,032	\$3,466,849
Accumulated depreciation	-	(268,613)	(365,485)	(285,188)	(39,508)	(134,288)	-	(1,093,082)
	<u>\$728,663</u>	<u>\$ 1,130,166</u>	<u>\$ 411,139</u>	<u>\$ 25,351</u>	<u>\$ 24,432</u>	<u>\$ 44,984</u>	<u>\$ 9,032</u>	<u>\$2,373,767</u>
Opening net carrying amount	\$728,663	\$ 1,130,166	\$ 411,139	\$ 25,351	\$ 24,432	\$ 44,984	\$ 9,032	\$2,373,767
Additions	-	2,112	35,858	4,454	2,600	13,602	6,522	65,148
Transfer	-	-	11,516	-	-	4,038	(15,554)	-
Disposals	-	-	(972)	(34)	(1,993)	(68)	-	(3,067)
Depreciation charge	-	(72,178)	(73,767)	(7,557)	(5,096)	(14,398)	-	(172,996)
Closing net carrying amount	<u>\$728,663</u>	<u>\$ 1,060,100</u>	<u>\$ 383,774</u>	<u>\$ 22,214</u>	<u>\$ 19,943</u>	<u>\$ 48,158</u>	<u>\$ -</u>	<u>\$2,262,852</u>
At December 31, 2023								
Cost	\$728,663	\$ 1,400,890	\$ 817,546	\$ 313,695	\$ 63,583	\$ 196,382	\$ -	\$3,520,759
Accumulated depreciation	-	(340,790)	(433,772)	(291,481)	(43,640)	(148,224)	-	(1,257,907)
	<u>\$728,663</u>	<u>\$ 1,060,100</u>	<u>\$ 383,774</u>	<u>\$ 22,214</u>	<u>\$ 19,943</u>	<u>\$ 48,158</u>	<u>\$ -</u>	<u>\$2,262,852</u>

Note 1: Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

Note 2: No interest expense was capitalised on property, plant and equipment.

(9) Leasing arrangements — lessee

- A. The Company leases various assets including, buildings and business vehicles. Rental contracts are typically made for periods of 2 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of no more than 12 months include certain dormitories and instruments.
- C. The movements of right-of-use assets of the Company are as follows:

	2024		
	Buildings	Business vehicles	Total
At January 1	\$ 2,263	\$ 752	\$ 3,015
Depreciation charge	(1,940)	(451)	(2,391)
At December 31	<u>\$ 323</u>	<u>\$ 301</u>	<u>\$ 624</u>

	2023		
	Buildings	Business vehicles	Total
At January 1	\$ 316	\$ 1,203	\$ 1,519
Additions	3,880	-	3,880
Depreciation charge	(1,933)	(451)	(2,384)
At December 31	<u>\$ 2,263</u>	<u>\$ 752</u>	<u>\$ 3,015</u>

- D. The information on profit and loss accounts relating to lease contracts is as follows:

	Years ended December 31	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 32	\$ 62
Expense on short-term lease contracts	1,515	1,653

- E. For the years ended December 31, 2024 and 2023, the Company's total cash outflow for leases were \$3,960 and \$4,078, respectively.

(10) Investment property

	2024		
	Land	Buildings and structures	Total
At January 1			
Cost	\$ 106,837	\$ 179,508	\$ 286,345
Accumulated depreciation	-	(105,978)	(105,978)
	<u>\$ 106,837</u>	<u>\$ 73,530</u>	<u>\$ 180,367</u>
Opening net carrying amount	\$ 106,837	\$ 73,530	\$ 180,367
Reclassifications	-	82	82
Depreciation charge	-	(4,597)	(4,597)
Closing net carrying amount	<u>\$ 106,837</u>	<u>\$ 69,015</u>	<u>\$ 175,852</u>
At December 31			
Cost	\$ 106,837	\$ 179,590	\$ 286,427
Accumulated depreciation	-	(110,575)	(110,575)
	<u>\$ 106,837</u>	<u>\$ 69,015</u>	<u>\$ 175,852</u>
	2023		
	Land	Buildings and structures	Total
At January 1			
Cost	\$ 106,837	\$ 179,508	\$ 286,345
Accumulated depreciation	-	(101,386)	(101,386)
	<u>\$ 106,837</u>	<u>\$ 78,122</u>	<u>\$ 184,959</u>
Opening net carrying amount	\$ 106,837	\$ 78,122	\$ 184,959
Depreciation charge	-	(4,592)	(4,592)
Closing net carrying amount	<u>\$ 106,837</u>	<u>\$ 73,530</u>	<u>\$ 180,367</u>
At December 31			
Cost	\$ 106,837	\$ 179,508	\$ 286,345
Accumulated depreciation	-	(105,978)	(105,978)
	<u>\$ 106,837</u>	<u>\$ 73,530</u>	<u>\$ 180,367</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Years ended December 31	
	2024	2023
Rental income from investment property	\$ 13,199	\$ 12,251
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 5,626	\$ 5,412

B. The maturity analysis of the lease payments under the operating leases is as follows

	Years ended December 31	
	2024	2023
Less than one year	\$ 11,812	\$ 12,711
The next two years	402	11,802
More than two years	-	417
	\$ 12,214	\$ 24,930

C. The fair value of the investment property held by the Company as at December 31, 2024 and 2023 were \$211,491 and \$208,708, respectively. The fair value of the investment property was estimated with reference to the market prices of the investment property in neighboring areas, which is categorised within Level 3 in the fair value hierarchy.

D. Information on investment property pledged to others as collateral is provided in Note 8.

(11) Intangible assets

	2024	2023
	Computer software	Computer software
At January 1		
Cost	\$ 31,740	\$ 27,910
Accumulated amortization	(19,716)	(13,186)
	\$ 12,024	\$ 14,724
Opening net carrying amount	\$ 12,024	\$ 14,724
Additions	4,276	3,830
Reclassifications	1,525	-
Amortisation charge	(6,673)	(6,530)
Closing net carrying amount	\$ 11,152	\$ 12,024
At December 31		
Cost	\$ 37,541	\$ 31,740
Accumulated amortisation	(26,389)	(19,716)
	\$ 11,152	\$ 12,024

A. Details of amortization on intangible assets are as follows:

	Years ended December 31	
	2024	2023
Operating costs	\$ 330	\$ 381
Operating expenses	6,343	6,149
	<u>\$ 6,673</u>	<u>\$ 6,530</u>

B. The Company has no pledged intangible assets to others as collateral.

(12) Other non-current assets

	December 31, 2024	December 31, 2023
Prepayment for equipment	\$ 13,561	\$ 21,768
Guarantee deposits paid	6,006	6,771
Others	185	235
	<u>\$ 19,752</u>	<u>\$ 28,774</u>

Details of the Company's financial assets pledged to others as collateral are provided in Note 8.

(13) Short-term borrowings (As of December 31, 2024: None.)

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	<u>\$ 350,000</u>	1.76%	Note 8

(14) Other payables

	December 31, 2024	December 31, 2023
Accrued salaries and bonuses	\$ 211,976	\$ 204,984
Commissions and royalties payable	21,041	21,656
Accrued labor and health insurance fees	12,640	13,963
Payables for service expenses	1,837	2,321
Equipment payable	92	2,713
Others	76,896	51,048
	<u>\$ 324,482</u>	<u>\$ 296,685</u>

(15) Pensions

A. Defined benefits plans

(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	\$ 168,060	\$ 179,523
Fair value of plan assets	(140,856)	(99,643)
Net defined benefit liabilities	<u>\$ 27,204</u>	<u>\$ 79,880</u>

(c) Movements in net defined benefit liabilities are as follows:

	2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Balance at January 1, 2024	\$ 179,523	(\$ 99,643)	\$ 79,880
Current service cost	392	-	392
Interest expense (income)	2,154	(1,196)	958
	<u>182,069</u>	<u>(100,839)</u>	<u>81,230</u>
Remeasurements:			
Change in financial assumptions	(3,834)	-	(3,834)
Experience adjustments	2,052	(12,117)	(10,065)
	<u>(1,782)</u>	<u>(12,117)</u>	<u>(13,899)</u>
Pension fund contribution	-	(37,323)	(37,323)
Paid pension	(12,227)	9,423	(2,804)
Balance at December 31, 2024	<u>\$ 168,060</u>	<u>(\$ 140,856)</u>	<u>\$ 27,204</u>

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Balance at January 1, 2023	\$ 234,510	(\$ 139,851)	\$ 94,659
Current service cost	573	-	573
Interest expense (income)	3,049	(1,818)	1,231
	<u>238,132</u>	<u>(141,669)</u>	<u>96,463</u>
Remeasurements:			
Change in financial assumptions	1,134	-	1,134
Experience adjustments	4,568	(391)	4,177
	<u>5,702</u>	<u>(391)</u>	<u>5,311</u>
Pension fund contribution	-	(18,444)	(18,444)
Paid pension	(64,311)	60,861	(3,450)
Balance at December 31, 2023	<u>\$ 179,523</u>	<u>(\$ 99,643)</u>	<u>\$ 79,880</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2024	2023
Discount rate	1.60%	1.20%
Future salary increases	2.40%	2.40%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with the 6th Period Taiwan Life Tables.

(f) Because the main actuarial assumption changed, the present value of defined benefit

obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligation	(\$ 2,314)	\$ 2,377	\$ 1,989	(\$ 1,949)
	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 2,811)	\$ 2,892	\$ 2,458	(\$ 2,404)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

- (g) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2025 amount to \$1,888.
- (h) As of December 31, 2024, the weighted average duration of that retirement plan is 6 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$ 43,557
1-2 year(s)	15,162
2-5 years	37,738
Over 5 years	50,432
	<u>\$ 146,889</u>

B. Defined contribution plans

Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2024 and 2023 were \$29,585 and \$30,436, respectively.

(16) Share capital

As of December 31, 2024 and 2023, the Company’s authorized capital was \$3,990,000, consisting of 399,000 thousand shares of ordinary stock, including 20,000 thousand shares were retained for employee options, shares of warrant, warrant preferred stock and warrant bond conversion. The paid-in capital was \$3,176,890 for both periods. The outstanding common stock at beginning and end of years were both 317,689 thousand shares, with a par value of \$10 (in dollars) per share. All

proceeds from shares issued have been collected.

(17) Capital surplus

- A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
- B. In 2021, the Company's subsidiary, AkiraNET Co., engaged Coherent Logix Incorporated to develop software and chips and authorised relevant intellectual property, and issued share options according to the contract (according to the appraisal report, the fair value was US\$3,551 thousand). According to the above appraisal report, AkiraNET Co. recognised capital surplus in the amount of \$98,412 (approximately US\$3,551 thousand). However, the share options had expired in August 2023 and the Company increased capital surplus in the amount of \$54,530 in proportion to its ownership.

2024					
	Additional paid-in capital in excess of par, ordinary share	Changes in ownership interests in subsidiaries	Differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries	Other	Total
At January 1 (Same as December 31)	\$ 503,594	\$ 42,340	\$ 2,142	\$ 1,616	\$ 549,692
2023					
	Additional paid-in capital in excess of par, ordinary share	Changes in ownership interests in subsidiaries	Differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries	Other	Total
At January 1	\$ 503,594	\$ 978	\$ 2,142	\$ 56,146	\$ 562,860
Changes in ownership interests in subsidiaries	-	41,362	-	(54,530)	(13,168)
At December 31	\$ 503,594	\$ 42,340	\$ 2,142	\$ 1,616	\$ 549,692

(18) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Subsequently, the Company shall set aside special reserve from the net decreased amount of other stockholders' equity in the current period. The appropriation of the total distributable amount (that is, the distributable amount for the period along with accumulated unappropriated earnings from prior years) should be proposed by the Board of Directors and voted on by the shareholders at the shareholders' meeting. According to the dividend policy adopted by the Board of Directors, cash dividends shall account for at least 8% of the total dividends distributed.

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate 1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- (c) The Company has provisioned special reserve on initial application of IFRSs in the amount of \$57,817. In addition, for the years ended December 31, 2024 and 2023, the Company did not reverse special reserve to undistributed earnings due to use, disposal or reclassification of related resources. As of December 31, 2024 and 2023, the amount of special reserve on initial application was \$57,817.
- D. (a) On June 14, 2023, the Company's shareholders resolved the appropriation of 2022 earnings, and legal reserve and special reserve were appropriated in the amounts of \$1,031 and \$15,995, respectively.
- (b) On June 12, 2024, the shareholders of the Company resolved not to distribute dividends since there were no earnings for the year ended December 31, 2023.
- (c) On March 5, 2025, the Board of Directors of the Company proposed not to distribute dividends due to there were no earnings for the year ended December 31, 2024.

Information about the appropriation of retained earnings of the Company as proposed by the Board of Directors and resolved by the shareholders' will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(19) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services at a point in time in the following major product lines and generated related revenue in each reportable segment:

	Years ended December 31	
	2024	2023
Digital cable and telecommunication products	\$ 2,607,893	\$ 5,814,410
Others	2,587	2,425
	<u>\$ 2,610,480</u>	<u>\$ 5,816,835</u>

B. Contract liabilities

The Company has recognised the following revenue-related contract liabilities:

	December 31, 2024	December 31, 2023	January 1, 2023
Sales contracts	<u>\$ 664,229</u>	<u>\$ 199,636</u>	<u>\$ 49,301</u>

(a) For the years ended December 31, 2024 and 2023, the changes in the Company's contract liabilities were due to the customer's operation changes with industrial needs, various transaction terms of each customer and the timing differences between the advance sales receipts made according to the contract and the Company's performance obligations satisfied.

(b) Revenue recognised that was included in the contract liability balance at the beginning of the year:

	Years ended December 31	
	2024	2023
Sales contracts	<u>\$ 102,386</u>	<u>\$ 35,749</u>

(20) Interest income

	Years ended December 31	
	2024	2023
Interest income from bank deposits	\$ 29,145	\$ 16,578
Interest income from financial assets at amortised cost	3,252	-
Other interest income	9,281	12,536
	<u>\$ 41,678</u>	<u>\$ 29,114</u>

(21) Other income

	Years ended December 31	
	2024	2023
Rental income	\$ 13,199	\$ 12,251
Revenue from product development	10,956	19,160
Gains from reversal of litigation compensation payable	-	4,225
Others	35,276	58,053
	<u>\$ 59,431</u>	<u>\$ 93,689</u>

(22) Other gains and losses

	Years ended December 31	
	2024	2023
Foreign exchange gains	\$ 49,677	\$ 22,508
Losses on disposals of property, plant and equipment	(2,760)	(210)
Depreciation charge of investment property	(4,597)	(4,592)
Others	-	421
	<u>\$ 42,320</u>	<u>\$ 18,127</u>

(23) Finance costs

	Years ended December 31	
	2024	2023
Interest expense		
-Bank borrowing	\$ 1,285	\$ 9,191
-Lease contracts	32	62
	<u>\$ 1,317</u>	<u>\$ 9,253</u>

(24) Expenses by nature

	2024		
	Operating Cost	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 360,565	\$ 269,911	\$ 630,476
Labor and health insurance fees	43,121	23,829	66,950
Pension costs	17,049	13,886	30,935
Directors' business remunerations	-	7,100	7,100
Other personnel expenses	18,756	7,513	26,269
Depreciation expenses	154,746	24,742	179,488
Amortisation expenses	380	6,343	6,723

	2023		
	Land	Buildings and structures	Total
Employee benefit expense			
Wages and salaries	\$ 380,685	\$ 268,319	\$ 649,004
Labor and health insurance fees	44,587	23,690	68,277
Pension costs	18,107	14,133	32,240
Directors' business remunerations	-	7,800	7,800
Other personnel expenses	21,741	9,091	30,832
Depreciation expenses	150,042	25,338	175,380
Amortisation expenses	1,422	6,149	7,571

Note 1: In 2024 and 2023, the average number of the Company's employees was 1,107 and 1,155, respectively, of whom the number of directors who did not concurrently serve as employees was 4.

Note 2: The Company's average employee benefit expenses in 2024 and 2023 were \$684 and \$678, respectively; the average salaries and wages in 2024 and 2023 were \$572 and \$564, respectively; the average employee salary adjustment in 2024 was 1.42%.

Note 3: The Company's remuneration policy is based on the principle of equal pay for equal work. The Company determines differentiated remuneration, adjusts salary, and issues bonuses based on each employee's position, performance, and contribution while regularly reviewing the employees' overall remuneration every year to ensure the competitiveness in the labor market.

Note 4: The remuneration may be paid to directors and managers when they perform duties related to the Company's business. The amount is based on their participation in the Company's operations and the value of their contributions. In accordance with the Company's Articles of Incorporation, the board of directors is authorized to determine their remuneration according to the general level in the industry. Managers' overall remuneration includes salary, bonuses, and benefits, and is determined mainly based on the salary levels in the market, the performance evaluation indicators suggested by the Remuneration Committee, and individuals' contribution to the Company's overall operations.

1. In accordance with the Company's Articles of Incorporation, after cumulative losses are deducted from the Company's profit for the year, if there is a balance, no less than 3% of the balance shall be appropriated for employee compensation and not be greater than 3% for director remuneration.
2. The Company had no estimated amount of employee and directors' business remuneration in 2024 and 2023.

The 2023 employees' remuneration and directors' remuneration were \$0, respectively, as resolved by the Board of Directors, which were consistent with the amounts recognized in the 2023 financial statements.

Information on employee remuneration and the remuneration of directors approved by the Company's Board of Directors is available on the "Market Observation Post System" .

(25) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31	
	2024	2023
Deferred tax:		
Origination and reversal of temporary differences	(\$ 15,738)	\$ 17,398

(b) The income tax charge (credit) relating to components of other comprehensive income is as follows:

	Years ended December 31	
	2024	2023
Remeasurement of defined benefit obligations	\$ 2,780	(\$ 1,062)

B. Reconciliation between income tax (benefit) expense and accounting profit

	Years ended December 31	
	2024	2023
Tax calculated based on loss before tax and statutory tax rate	(\$ 146,450)	(\$ 10,947)
Effects from items disallowed by tax regulation	5,213	(369)
Change in assessment to realisation of deferred tax assets	14,740	(19,196)
Temporary differences not recognized as deferred tax assets	-	47,910
Taxes loss not recognized as deferred tax assets	110,759	-
Income tax (benefit) expense	(\$ 15,738)	\$ 17,398

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses were as follows:

	2024			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
<u>Deferred tax assets:</u>				
Temporary differences:				
Unrealised inventory loss	\$ 46,762	\$ 27,642	\$ -	\$ 74,404
Pension costs	5,601	(5,601)	-	-
Remeasurements of defined benefit obligations	10,579	-	(2,780)	7,799
Tax difference in doubtful accounts	7,456	(475)	-	6,981
Unused compensated absences	6,682	(97)	-	6,585
Unrealised exchange loss	14,509	(14,509)	-	-
Tax losses	140,434	(14,740)	-	125,694
	<u>232,023</u>	<u>(7,780)</u>	<u>(2,780)</u>	<u>221,463</u>
<u>Deferred tax liabilities:</u>				
Temporary differences:				
Income from investment accounted for using equity method	(\$ 55,001)	\$ 25,228	\$ -	(\$ 29,773)
Unrealised exchange gain	-	(116)	-	(116)
Pension costs	-	(1,594)	-	(1,594)
	<u>(55,001)</u>	<u>23,518</u>	<u>-</u>	<u>(31,483)</u>
	<u>\$ 177,022</u>	<u>\$ 15,738</u>	<u>(\$ 2,780)</u>	<u>\$ 189,980</u>

		2023		
		Recognised in profit or loss	Recognised in other comprehensive income	
	January 1			December 31
<u>Deferred tax assets:</u>				
Temporary differences:				
Unrealised inventory loss	\$ 32,372	\$ 14,390	\$ -	\$ 46,762
Pension costs	9,619	(4,018)	-	5,601
Remeasurements of defined benefit obligations	9,517	-	1,062	10,579
Tax difference in doubtful accounts	4,114	3,342	-	7,456
Unused compensated absences	6,535	147	-	6,682
Unrealised exchange loss	4,524	9,985	-	14,509
Unrealised litigation loss	845	(845)	-	-
Tax losses	185,224	(44,790)	-	140,434
	<u>252,750</u>	<u>(21,789)</u>	<u>1,062</u>	<u>232,023</u>
<u>Deferred tax liabilities:</u>				
Temporary differences:				
Income from investment accounted for using equity method	(\$ 59,392)	\$ 4,391	\$ -	(\$ 55,001)
	<u>\$ 193,358</u>	<u>(\$ 17,398)</u>	<u>\$ 1,062</u>	<u>\$ 177,022</u>

D. According to the Act for Industrial Innovation, details of the amount the Company is entitled as investment tax credit and unrecognised deferred tax assets amount are as follows:

December 31, 2024					
Qualifying items	Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
Research and development	2023	\$ 120,553	\$ 120,553	\$ 120,553	2025

December 31, 2023					
Qualifying items	Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
Research and development	2020~2022	\$ 348,001	\$ 252,022	\$ 252,022	2024

E. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2024				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2019~2024	\$ 1,434,644	\$ 1,392,962	\$ 764,501	2029~2034

December 31, 2023				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2018~2023	\$ 1,152,847	\$ 928,897	\$ 226,735	2028~2033

F. As of December 31, 2024 and 2023, the Company had deductible temporary differences of unrecognised deferred income tax assets in the amounts of \$350,328 and \$334,301, respectively.

G. The income tax returns of the Company through 2022 have both been assessed and approved by the Tax Authority.

(26) Losses per share

Year ended December 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic / Diluted losses per share</u>			
Losses attributable to the parent	(\$ 716,512)	317,689	(\$ 2.26)

Year ended December 31, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic / Diluted losses per share</u>			
Losses attributable to the parent (Note)	(\$ 72,130)	317,689	(\$ 0.23)

Note: For the year ended December 31, 2023, the Company had operating losses. If the impact of employees' compensation was included, it may cause an anti-dilutive effect and thus it was not included in the calculation of diluted losses per share.

(27) Transactions with non-controlling interest (Year ended December 31, 2024: None.)

The Company did not participate in the capital increment raised by a subsidiary proportionally to its interest to the subsidiary.

A. The subsidiary, AkiraNET Co., had increased its capital by issuing new shares on June 15, 2023 and August 25, 2023, respectively. As the Company did not acquire shares proportionately, the shareholding ratio was increased by 6.48%. For the year ended December 31, 2023, the transaction resulted in an increase in the non-controlling interest by \$123,359 and a decrease in the equity attributable to owners of the parent by \$13,168.

B. The effect of changes in interests in AkiraNET Co. on the equity attributable to the Company for the year ended December 31, 2023 is shown below:

	<u>2023</u>
Cash	\$ 110,191
Increase in the book value of non-controlling interests	(123,359)
Capital surplus - recognition of the differences in the changes in ownership interests in subsidiaries	(\$ 13,168)

(28) Supplemental cash flow information

Investing activities with partial cash payments:

	<u>Years ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Acquisition of property, plant and equipment	\$ 94,348	\$ 65,148
Add: Ending balance of advance payment	13,561	20,243
Less: Opening balance of advance payment	(20,243)	(9,466)
Add: Opening balance of equipment payable	2,713	1,626
Less: Ending balance of equipment payable	(92)	(2,713)
Cash paid during the year	<u>\$ 90,287</u>	<u>\$ 74,838</u>

	<u>Years ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Acquisition of intangible assets	\$ 5,801	\$ 3,830
Add: Ending balance of advance payment	-	1,525
Less: Opening balance of advance payment	(1,525)	-
Cash paid during the year	<u>\$ 4,276</u>	<u>\$ 5,355</u>

(29) Changes in liabilities from financing activities

	2024			
	Short-term borrowings	Guarantee deposits received	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$ 350,000	\$ 1,960	\$ 3,040	\$ 355,000
Changes in cash flow from financing activities	(350,000)	(5)	(2,413)	(352,418)
Interest expense from lease liability paid (Note)	-	-	(32)	(32)
Changes in other non-cash items	-	-	32	32
At December 31	<u>\$ -</u>	<u>\$ 1,955</u>	<u>\$ 627</u>	<u>\$ 2,582</u>

	2023			
	Short-term Borrowings	Guarantee deposits received	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$ 450,000	\$ 2,360	\$ 1,523	\$ 453,883
Changes in cash flow from financing activities	(100,000)	(400)	(2,363)	(102,763)
Interest expense from lease liability paid (Note)	-	-	(62)	(62)
Changes in other non-cash items	-	-	3,942	3,942
At December 31	<u>\$ 350,000</u>	<u>\$ 1,960</u>	<u>\$ 3,040</u>	<u>\$ 355,000</u>

Note: Shown as operating cash flows.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Name of related parties	Relationship with the Company
ZINWELL CORPORATION (H.K.) LIMITED (ZINWELL H.K.)	The Company's subsidiary
AkiraNET Co.	The Company's subsidiary
Zinwell Corporation (Shenzhen) Co., Ltd. (Zinwell Shenzhen)	The Company's second-tier subsidiary

A. Accounts payable

	December 31, 2024	December 31, 2023
ZINWELL H.K.	<u>\$ 665,538</u>	<u>\$ 243,100</u>

B. Purchases

	Year ended December 31	
	2024	2023
Purchases of goods:		
ZINWELL H.K.	\$ 971,048	\$ 1,345,924

After the Company sells raw materials through ZINWELL H.K. to Zinwell Shenzhen for processing and production into finished goods, the Company repurchases the finished goods through ZINWELL H.K. through the triangular trade and sells them to the Company's customers. The Company's sales of raw materials to the related parties and the repurchases of finished goods are priced at cost and cost plus agreed gross profit, respectively. Accounts receivable and accounts payable arising from the abovementioned transactions were paid to the related parties first based on the financial condition, then any remainder was collected or paid monthly in net amount after offsetting receivables against payables between the Company and the related parties. As for the amounts of the transactions with ZINWELL H.K., the sales revenue and purchases related to the processing of removal materials, which are double counting, are deducted as per regulations. The Company's amounts of the transactions with ZINWELL H.K. for the years ended December 31, 2024 and 2023 were \$592,899 and \$1,627,921, respectively.

C. Property transactions (Year ended December 31, 2024: None.)

Acquisition of financial assets – participation in the subscription of cash capital increase

	Accounts	No. of shares (in thousands)	Consideration for the year ended
			December 31, 2023
AkiraNET Co.	Investments accounted for using equity method	22,581	\$ 225,809

Please refer to Notes 6(7) and 6(27) for details of the Company's cash capital increase in AkiraNET Co.

D. Please refer to Note 13 for details of loans to/ from related parties and endorsements and guarantees provided to related parties.

(2) Key management compensation

	Years ended December 31	
	2024	2023
Salaries and other short-term employee benefit	\$ 30,021	\$ 31,855
Post-employment benefits	848	938
	<u>\$ 30,869</u>	<u>\$ 32,793</u>

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

Pledged asset	Book value		Purpose
	December 31, 2024	December 31, 2023	
Property, plant and equipment			
- Land	\$ 370,734	\$ 370,734	Collaterals for short-term borrowings
- Buildings	563,394	598,105	Collaterals for short-term borrowings
Investment properties			
- Land	63,369	63,369	Collaterals for short-term borrowings
- Buildings	61,975	66,206	Collaterals for short-term borrowings
Guarantee deposits paid			
- Time deposits (shown as other non-current assets)			Guarantees for natural gas
	1,320	1,000	
	<u>\$ 1,060,792</u>	<u>\$ 1,099,414</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

- (1) The Company entered into a royalty contract with MPEG LA, LLC, InterDigital CE Patent Holdings, SAS, Dolby Laboratories Inc. and HDMI Licensing Administrator, Inc., wherein the Company should pay royalties according to contract price.
- (2) The construction company, Shang-Ho Construction Co., Ltd. who undertook the construction of the Company's plant in Chiayi City, disagreed with the proceeds from construction reduction of doors and windows, and filed a litigation to the Taiwan New Taipei District Court that the Company should pay the dispute proceeds for the construction in the amount of \$4,625 as well as the interest. In September 2021, after the first instance, the court rendered a judgement that the Company should pay \$4,225 plus interest. The Company had accrued litigation loss and other payables in the amount of \$4,225. The Company disagreed with the judgement and filed for litigation. On May 18, 2023, the Supreme Court rendered a final judgement that the Company did not need to pay the aforementioned dispute proceeds, which resulted in gains from reversal of litigation compensation payable of \$4,225. Please refer to Note 6(21) for details.
- (3) The construction company, Shang-Ho Construction Co., Ltd., who undertook the construction of the Company's plant in Chiayi City, claimed that the construction design layout had negligence, resulting in damage and loss on adjacent land, modifications and additional works and construction delays, which affected the construction method and increased construction cost. In February 2020, it filed a litigation to the Taiwan New Taipei District Court, alleging that the Company should pay the dispute proceeds for the construction in the amount of \$37,626 and the interest. In February 2025, after the first instance, the court rendered a judgement that the Company did not need to pay the above payment.

According to the judgement, Shang-Ho Construction Co., Ltd. can file an appeal to the New Taipei District Court within 20 days after the service of the first-instance verdict, or the case will be affirmed and not subject to appeal. As of March 5, the Company did not receive any notice relating to the appeal.

The Company will carefully follow the judicial process to handle this lawsuit. However, due to the nature of unpredictability of legal cases, the possible losses could not be accurately estimated.

Furthermore, even though the litigation is still pending with the court, it had no significant effects on the Company's operations, finance and business.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as total debt divided by total capital. Total debt is calculated as total liabilities listed on the parent company only balance sheet. Total capital is calculated as 'equity' as shown in the parent company only balance sheet plus total debt.

During the year ended December 31, 2024, the Company's strategy was unchanged from 2023. The gearing ratios at December 31, 2024 and 2023 were 27% and 28%, respectively.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 220	\$ 270
Financial assets at amortised cost		
Cash and cash equivalents	1,239,349	1,407,794
Notes receivable	395	148
Accounts receivable	546,417	1,639,697
Other receivables	11,252	29,351
Guarantee deposits paid	6,006	6,771
	<u>\$ 1,803,639</u>	<u>\$ 3,084,031</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ -	\$ 350,000
Notes payable	45,007	93,470
Accounts payable (including related parties)	826,408	1,279,503
Other payables	324,482	296,685
Guarantee deposits received	1,955	1,960
	<u>\$ 1,197,852</u>	<u>\$ 2,021,618</u>
Lease liability	<u>\$ 627</u>	<u>\$ 3,040</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from recognized assets and liabilities.
- ii. Management has set up a policy that the Company shall hedge its entire foreign exchange risk exposure with the Company treasury.
- iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities

denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2024			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 29,159	32.79	\$ 956,124
GBP:NTD	1,008	41.17	41,499
EUR:NTD	228	34.15	7,786
<u>Investments accounted for using equity method</u>			
USD:NTD	\$ 49,000	32.79	\$ 1,715,671
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 24,149	32.79	\$ 791,846
<u>Investments accounted for using equity method</u>			
HKD:NTD	\$ 6,000	4.22	\$ 4,732
-			
December 31, 2023			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 68,884	30.73	\$ 2,116,805
GBP:NTD	887	39.19	34,762
EUR:NTD	250	34.03	8,508
<u>Investments accounted for using equity method</u>			
USD:NTD	\$ 49,000	30.73	\$ 1,794,394
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 39,936	30.73	\$ 1,227,233
<u>Investments accounted for using equity method</u>			
HKD:NTD	\$ 6,000	3.93	\$ 3,769

- iv. Total exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2024 and 2023, amounted to \$49,677 and \$22,508, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2024				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 9,561	\$	-
GBP:NTD	1%	415		-
EUR:NTD	1%	78		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 7,918	\$	-
Year ended December 31, 2023				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 21,168	\$	-
GBP:NTD	1%	348		-
EUR:NTD	1%	85		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 12,272	\$	-

Price risk

The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. The Company is not exposed to significant price risk.

Cash flow and fair value interest rate risk

If the Company's borrowings are issued at variable rate, it will expose the Company to cash flow interest rate risk; borrowings issued at fixed rates expose the Company to fair value

interest rate risk. On December 31, 2024 and 2023, the Company's borrowings were denominated in New Taiwan dollars. As the borrowings were mainly issued at fixed rate, the interest risk had no significant effects to the Company.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Company manages their credit risk taking into consideration the entire group's concern. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. The Company adopts the assumptions under IFRS 9. There has been a significant increase in credit risk on the financial assets since initial recognition when the contract payments were past due over 30 days.
- iv. In accordance with the historical collection experience, the default occurs when the contract payments are past due over 181 days.
- v. The Company eliminates the amount which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. On December 31, 2024 and 2023, the amount of the Company's debt right with recourse which had provisioned losses at full amount to \$224,739 and \$214,775, respectively.
- vi. The Company took into consideration the forecast ability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2024 and 2023, the provision matrix was as follows:

	Without past due	Up to 1-90 days	Up to 91~180 days	Over 181 days	Total
<u>December 31, 2024</u>					
Expected loss rate	0.26%	9.63%	24.40%	100%	
Total book value	<u>\$ 402,207</u>	<u>\$ 160,467</u>	<u>\$ 332</u>	<u>\$ 8,520</u>	<u>\$ 571,526</u>
Loss allowance	<u>\$ 1,051</u>	<u>\$ 15,457</u>	<u>\$ 81</u>	<u>\$ 8,520</u>	<u>\$ 25,109</u>

	Without past due	Up to 1-90 days	Up to 91~180 days	Over 181 days	Total
<u>December 31, 2023</u>					
Expected loss rate	0.29%	1.43%	50.33%	100%	
Total book value	<u>\$ 1,334,139</u>	<u>\$ 313,276</u>	<u>\$ 1,198</u>	<u>\$ 16,058</u>	<u>\$ 1,664,671</u>
Loss allowance	<u>\$ 3,833</u>	<u>\$ 4,480</u>	<u>\$ 603</u>	<u>\$ 16,058</u>	<u>\$ 24,974</u>

vii. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable and overdue receivables are as follows:

	<u>2024</u>		
	Accounts receivable	Other non-current assets, others	Total
At January 1	\$ 24,974	\$ 214,775	\$ 239,749
Provision for impairment loss	135	9,964	10,099
At December 31	<u>\$ 25,109</u>	<u>\$ 224,739</u>	<u>\$ 249,848</u>

	<u>2023</u>		
	Accounts receivable	Other non-current assets, others	Total
At January 1	\$ 5,485	\$ 214,775	\$ 220,260
Provision for impairment loss	19,489	-	19,489
At December 31	<u>\$ 24,974</u>	<u>\$ 214,775</u>	<u>\$ 239,749</u>

(c) Liquidity risk

- Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities.
- Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Company treasury. Company treasury invests surplus cash in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.
- The Company has the following undrawn borrowing facilities:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Floating rate		
Expiring within one year	<u>\$ 2,029,812</u>	<u>\$ 1,637,400</u>

- The Company's non-derivative financial liabilities are analysed based on the remaining period at the balance sheet date to the contractual maturity date. Except for the following,

the Company's undiscounted contractual cash flows of non-derivative financial liabilities were approximate to their book value and will be matured in 1 year, the remaining undiscounted cash flows:

December 31, 2024	Within 1 year	Between 1 and 2 years	Total
<u>Non-derivative financial liabilities</u>			
Lease liabilities	\$ 651	-	651

December 31, 2023	Within 1 year	Between 1 and 2 years	Total
<u>Non-derivative financial liabilities</u>			
Short-term borrowings	\$ 350,650	\$ -	\$ 350,650
Lease liabilities	2,437	636	3,073

The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The fair value levels of the financial instruments and non-financial instruments measured using the valuation technique are defined as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date. An active market refers to a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs, other than quoted market prices within level 1 that are observable, either directly or indirectly for assets or liabilities.

Level 3: Unobservable inputs for assets or liabilities. The Company's equity instrument investments without active markets belong to this level. Fair value information of investment property at cost is provided in Note 6(9).

B. For information on the fair value of investment property measured at cost, please refer to Note 6 (9).

C. Financial instruments not measured at fair value

The carrying amounts of the Company's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets, guarantee deposits paid, notes payable, accounts payable, other payables, and guarantee deposits received) are reasonable approximations of the fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets is as follows:

Financial and non-financial instruments measured at fair value are categorised by level on the basis of the nature, characteristics, risks and fair value levels, of which financial assets at fair value through other comprehensive income-equity securities was measured by level 1 recurring fair value measurements. As of December 31, 2024 and 2023, the amount was \$220 and \$270,

respectively.

The methods and assumptions the Company used to measure fair value are as follows:

- i. Where the Company uses market quoted prices as the fair value input (i.e. Level 1), the tools are classified based on the characteristics as follows:

	<u>Listed shares</u>
Quoted prices in the market	Closing price
ii. Except for the above-mentioned financial instruments with active markets, the fair value of other financial instruments is obtained through valuation techniques or with reference to the quoted prices of counterparties. For the fair value obtained through the valuation techniques, the Company refers to the current fair value of other financial instruments with similar conditions and characteristics, the discounted cash flow method, or other valuation techniques, including calculations using models based on the market information available at the parent company only balance sheet date (e.g. the yield curve published by Taipei Exchange and the average quoted price of Reuters commercial paper benchmark).	
iii. The output of the valuation model is the estimated value, and the valuation techniques may not reflect all the relevant factors of the financial instruments held by the Company. Therefore, the estimated value of the valuation models will be appropriately adjusted according to additional parameters, such as model risk or liquidity risk. According to the Company's fair value valuation model, management policies, and relevant control procedures, management believes that valuation adjustments are appropriate and necessary to properly express the fair value of financial and non-financial instruments in the parent company only balance sheet. The price information and parameters used in the evaluation process are carefully evaluated and appropriately adjusted according to current market conditions.	
iv. The Company has included credit risk valuation adjustments in the calculation of the fair value of financial instruments to reflect a counterparty's credit risk and the Company's credit quality, respectively.	

E. There were no transfers between Level 1 and Level 2 in 2024 and 2023.

F. There are no changes in Level 3 in 2024 and 2023

G. There was no transfer to or out of Level 3 in 2024 and 2023.

H. In the Company's valuation process for fair value classified as Level 3, the finance department is responsible for independent fair value verification for financial instruments, uses data from independent sources to make the valuation results close to the market level, and confirms that the source of the data is independent, reliable, consistent with other resources, and representative of the executable price, while regularly updating the inputs, data, and other necessary fair value

adjustments to ensure that the valuation results are reasonable.

- I. The valuation model was adopted by the Company after careful evaluation, but using different valuation models may result in different valuation results.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Endorsements/guarantees provided to others: Please refer to table 2.
- C. Securities held at the end of the period (excluding investment in subsidiaries, associates, and joint ventures): Please refer to table 3.
- D. Securities acquired or sold amounting to at least NT\$300 million or 20% of the paid-in capital: None.
- E. Acquisition of real estate amounting to at least NT\$300 million or 20% of the paid-in capital: None.
- F. Disposal of real estate amounting to at least NT\$300 million or 20% of the paid-in capital: None.
- G. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Please refer to table 4.
- H. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Please refer to table 5.
- I. Trading in derivative instruments: None.
- J. Business relations and important transactions between parent company and subsidiaries and among subsidiaries and amounts: Please refer to table 6.

(2) Information on investees

Information on name and location of investees (excluding investees in mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 8.
- B. Significant transactions with investees in mainland China, either directly or indirectly, through a business in a third region: Please refer to tables 1, 4, 5, and 6.

(4) Major shareholders information

The Company does not have a single shareholder holding 5% or more of the Company's shares.

14. SEGMENT INFORMATION

Not applicable.

ZINWELL CORPORATION AND SUBSIDIARIES

Loans to others

Year ended December 31, 2024

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the	Balance at	Actual	Interest	Nature of loan	Amount of	Reason for short- term financing	Allowance	Collateral		Limit on loans	Ceiling on total	Note
					year ended December 31, 2024	December 31, 2024	amount drawn down	rate range		transactions with the borrower		for Creditor Counterparty doubtful accounts	Name	Value	granted to a single party (Note 2)	loans granted (Note 2)	
1	ZINWELL HOLDING (SAMOA) CORPORATION	Zinwell Corporation (Shenzhen) Co., Ltd.	Other receivables	Y	\$ 361,273	\$ 327,900	\$ 327,900	3%~5%	Short-term financing	\$ -	Revolving funds	\$ -	-	\$ -	\$ 1,715,671	\$ 5,147,013	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: In accordance with the Company's Operating Procedures of Fund Lending, limit on total loans to others is 40% of the Company's net assets, and limit on loans to a single party is 20% of the Company's net assets when nature of loan is short-term financing.

Limit on loans granted by subsidiaries to a single party is 100% of creditor's net assets, and limit on total loans to others is 300% of the creditor's net assets.

Table 1

ZINWELL CORPORATION AND SUBSIDIARIES

Provision of endorsements and guarantees to others

Year ended December 31, 2024

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2024	Outstanding endorsement/ guarantee amount at December 31, 2024	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the Endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Note
		Company name	Relationship with the counterparty											
0	Zinwell Corporation	ZINWELL CORPORATION (H.K.) LIMITED	Note 2	\$ 541,711	\$ 100,000	\$ 100,000	\$ 7,148	\$ -	2%	\$ 2,708,556	Y	N	N	
0	Zinwell Corporation	ZINWELL HOLDING (SAMOA) CORPORATION	Note 2	541,711	363,950	363,950	-	-	7%	2,708,556	Y	N	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.

Note 3: In accordance with the Company's Procedures for Provision of Endorsements and Guarantees, limit on total endorsements to others is 50% of the Company's net assets, and limit on endorsements to a single party is 20% of the Company's total endorsements.

ZINWELL CORPORATION AND SUBSIDIARIES
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

		Relationship with the securities issuer	General ledger account	Ending Balance				Note
Securities held by	Marketable securities			No. of shares	Book value	Percentage of ownership	Fair Value	
Zinwell Corporation	Listed stocks—Transcom, Inc.	None	Non-current investments in equity instruments measured at fair value through other comprehensive income	1,775	\$ 220	-	\$ 220	
Zinwell Corporation	Unlisted shares and non-emerging stocks—Winds Four	"	"	14	-	18.92%	-	
Zinwell Corporation	Unlisted shares and non-emerging stocks—Essence Technology Solution, Inc.	"	"	29,785	-	1.1%	-	

Table 3

ZINWELL CORPORATION AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Year ended December 31, 2024

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Compared to third party transactions		Notes/accounts receivable (payable)		
			Purchases (sales)	Amount (Note)	Percentage of total purchases (sales)	Credit term	Unit Price	Credit term	Balance at December 31, 2024	Percentage of total notes/accounts receivable (payable)	Note
Zinwell Corporation	ZINWELL CORPORATION (H.K.) LIMITED	Subsidiary	Purchases	\$ 971,048	44	Net receipt and payment of the amount after monthly offset of claims and obligations	Not applicable	Not applicable	(\$ 665,538)	(76)	Note 1
ZINWELL CORPORATION (H.K.) LIMITED	Zinwell Corporation	Parent company	Sales	(971,048)	(100)	"	"	"	665,538	100	"
ZINWELL CORPORATION (H.K.) LIMITED	Zinwell Corporation (Shenzhen) Co., Ltd.	Affiliate	Purchases	708,302	46	"	"	"	(639,329)	(98)	Note 2
Zinwell Corporation (Shenzhen) Co., Ltd.	ZINWELL CORPORATION (H.K.) LIMITED	Affiliate	Sales	(708,302)	(100)	"	"	"	639,329	100	"

Note 1: Aforementioned purchases and sales transactions amount was net purchases less repeated purchases and sales.

As for the accounts receivable and payable thereof, the Company makes payments to the related party first depending on the related party' funding status, and then receives or pays the net amount after credits and debts are offset on a monthly basis.

Note 2: The repeated purchases and sales for the year ended December 31, 2024 amounted to \$592,899. Considering the financial situation of the related party, ZINWELL CORPORATION (H.K.) LIMITED still had payables outstanding amounting to \$639,329 to Zinwell Corporation (Shenzhen) Co., Ltd., as of December 31, 2024.

Table 4

ZINWELL CORPORATION AND SUBSIDIARIES

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

December 31, 2024

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2024	Turnover rate (Note 1)	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 2)	Allowance for Creditor Counterparty doubtful accounts
					Amount	Action taken		
ZINWELL CORPORATION (H.K.) LIMITED	Zinwell Corporation	Parent company	\$ 665,538	-	\$ -	-	\$ 104,615	\$ -
Zinwell Corporation (Shenzhen) Co., Ltd.	ZINWELL CORPORATION (H.K.) LIMITED	Affiliate	639,329	-	-	-	49,013	-
ZINWELL HOLDING (SAMOA) CORPORATION	Zinwell Corporation (Shenzhen) Co., Ltd.	Subsidiary	327,900	-	-	-	-	-

Note 1: The payment due is a net balance of set-off.
Note 2: Information collected as of February 27, 2025.

ZINWELL CORPORATION AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
Year ended December 31, 2024

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction		Transaction terms	Percentage of consolidated total operating revenues or total assets
				General ledger account	Amount		
0	Zinwell Corporation	ZINWELL CORPORATION (H.K.) LIMITED	1	Accounts payable	\$ 665,538	Note 3	9%
0	Zinwell Corporation	ZINWELL CORPORATION (H.K.) LIMITED	1	Purchases	971,048	"	37%
1	ZINWELL CORPORATION (H.K.) LIMITED	Zinwell Corporation (Shenzhen) Co., Ltd.	3	Accounts payable	639,329	"	9%
1	ZINWELL CORPORATION (H.K.) LIMITED	Zinwell Corporation (Shenzhen) Co., Ltd.	3	Purchases	708,302	"	27%
2	ZINWELL HOLDING (SAMOA) CORPORATION	Zinwell Corporation (Shenzhen) Co., Ltd.	3	Other receivables	327,900	-	4%
2	ZINWELL HOLDING (SAMOA) CORPORATION	Zinwell Corporation (Shenzhen) Co., Ltd.	3	Interest income	5,542	-	-

Note 1: (1)Parent company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: (1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Payables arising from transactions with related party were paid first based on the financial condition of the related party then any remainder was collected or paid monthly in net amount after offsetting receivables against payables.

ZINWELL CORPORATION AND SUBSIDIARIES

Information on investees

Year ended December 31, 2024

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net income of invest for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Note
				Balance as at December 31, 2024	Balance as at December 31, 2023	No. of shares	Ownership (%)	Book value			
Zinwell Corporation	ZINWELL CORPORATION (H.K.) LIMIED	Hong Kong	General investments holding	\$ 25,338	\$ 25,338	6,000,000	100.00	(\$ 4,732)	(\$ 600)	(\$ 600)	Subsidiary
Zinwell Corporation	ZINWELL HOLDING (SAMOA) CORPORATION	Samoa	Reinvestment company	1,606,710	1,606,710	49,000,000	100.00	1,715,671	(125,538)	(125,538)	Subsidiary
Zinwell Corporation	AkiraNET Co.	Taiwan	Information software service	543,709	543,709	54,370,924	54.40	235,722	(29,461)	(16,027)	Subsidiary
Zinwell Corporation	Urmap Inc.	Cayman Islands	Information software and data processing service	22,000	22,000	666,280	28.07	-	-	-	- Investee accounted for using equity method (Note 1)
Zinwell Corporation	ITAS Technology Corp.	Taiwan	Other telecommunication and communication business	61,367	61,367	762,250	38.11	-	-	-	- Investee accounted for using equity method (Note 2)

Note 1: Urmap Inc. had ceased operating.

Note 2: On April 22, 2019, the shareholders of ITAS Technology Corp. resolved to dissolve. As of reporting date, the registration for the dissolution was still in process.

Table 7

ZINWELL CORPORATION AND SUBSIDIARIES

Information on investments in Mainland China

Year ended December 31, 2024

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee as of December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2024 (Note 2)	Book value of investments in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Zinwell Corporation (Shenzhen) Co., Ltd.	System accessories, low-noise block down converter, digital set-top box, wireless communication system accessories, satellite TV ground receiving accessories, digital satellite TV set-top box and RF transmission accessories	\$ 1,301,763	1	\$ 1,301,763	\$ -	\$ -	\$ 1,301,763	(\$ 163,697)	100	(\$ 163,697)	\$ 1,272,103	\$ -	Note 2
Zinwell Electronic Co., Ltd.	Electronic signal receiving, amplifying and splitting equipment	16,900	2	16,900	-	-	16,900	-	100	-	-	-	Note 3
Shanghai Broadband Digital	Producing and selling digital TV set	39,857	3	-	-	-	-	-	40	-	-	-	Note 3

Note 1: Coding explanation of investment methods:

(1) Indirect investment in Mainland China through the existing company (ZINWELL HOLDING (SAMOA) CORPORATION) located in the third area.

(2) Indirect investment in Mainland China through the existing company (ZINWELL CORPORATION (HK.) LIMITED) located in the third area.

(3) Through the loan granted by ZINWELL CORPORATION (H.K.) LIMITED to invest HKD\$3,775 thousand.

Note 2: The basis for investment income (loss) on Zinwell Corporation (Shenzhen) Co., Ltd. recognised is the financial statements audited by the parent company's independent auditor.

Note 3: The investee had ceased operation.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Zinwell Corporation	\$ 1,318,663	\$ 1,342,971	\$ 3,368,821

Table 8

ZINWELL CORPORATION
CASH AND CASH EQUIVALENTS
DECEMBER 31, 2024

Expressed in thousands of NTD

Statement 1

Item	Summary	Amount
Cash on hand		\$ 1,360
Checking accounts deposits — NTD		1,818
Demand deposits — NTD		332,156
— USD	USD 12,346 thousand, conversion rate 32.79	404,820
— GBP	GBP 1,007 thousand, conversion rate 41.17	41,437
— EUR	EUR 223 thousand, conversion rate 34.15	7,615
— Others		143
		789,349
Time deposits — NTD		450,000
		\$ 1,239,349

ZINWELL CORPORATION
ACCOUNTS RECEIVABLE
DECEMBER 31, 2024

Expressed in thousands of NTD

Statement 2

Customer name	Amount	Note
Accounts receivable		
Customer A	\$ 260,238	
Customer B	106,748	
Customer C	89,301	
Others	115,239	Note
	571,526	
Less: Allowance for losses	(25,109)	
	<u>\$ 546,417</u>	

Note: The balance of each customer has not exceed 5% of the total accounts receivable.

ZINWELL CORPORATION
INVENTORIES
DECEMBER 31, 2024

Expressed in thousands of NTD

Statement 3

Item	Amount		Note
	Cost	Market price	
Raw materials and supplies	\$ 754,186	\$ 451,516	Raw materials used the replacement cost as market value
Work in progress	204,340	202,616	The market value of inventories is the net realisable value
Finished goods	36,428	26,712	"
Merchandise	304	644	"
Inventory in transit	993	993	"
	996,251	<u>\$ 682,481</u>	
Less: Allowance for inventory valuation loss	(<u>372,028</u>)		
	<u>\$ 624,223</u>		

ZINWELL CORPORATION
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024

Expressed in thousands of NTD

Statement 4

Name	Opening balance		Additions		Reductions		Investment income (losses)	Cumulative translation adjustments	Other adjustments	Ending balance			Net equity		Collateral or endorsement provided
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount				Number of shares	Shareholding ratio	Amount	Unit price (NTD)	Total price	
ZINWELL HOLDING (SAMOA) CORPORATION	49,000,000	\$ 1,870,545		\$ -	-	\$ -	(\$ 125,539)	\$ -	\$ -	49,000,000	100.00%	\$ 1,745,006	\$ 35.01	\$ 1,715,671	None
Add: Cumulative translation adjustments		(76,151)		-		-	-	46,816	-			(29,335)			
		<u>1,794,394</u>		-		-	(125,539)	<u>46,816</u>	-			<u>1,715,671</u>			
AkiraNET Co.	54,370,924	<u>251,748</u>	-	-	-	-	(16,026)	-	-	54,370,924	54.40%	<u>235,722</u>	4.34	235,722	"
		<u>251,748</u>		-		-	(16,026)	-	-			<u>235,722</u>			
ZINWELL CORPORATION (H.K.) LIMITED	6,000,000	(7,314)	-	-	-	-	(600)	-	(363)	6,000,000	100.00%	(8,277)	-	-	"
Add: Cumulative translation adjustments		3,545		-		-	-	-	-			3,545			
Add: Reclassified to "other liabilities – others"		<u>3,769</u>		-		-	-	-	963			<u>4,732</u>			
		-		-	-	-	(600)	-	600			-			
ITAS Technology Corp.	762,250	31,054	-	-	-	-	-	-	-	762,250	38.11%	31,054	-	-	"
Less: Impairment loss		(31,054)		-		-	-	-	-			(31,054)			
		-		-		-	-	-	-			-			
Urmap Inc.	666,280	(987)	-	-	-	-	-	-	-	666,280	28.07%	(987)	-	-	"
Add: Cumulative translation adjustments		<u>987</u>		-		-	-	-	-			<u>987</u>			
		-		-		-	-	-	-			-			
		<u>\$ 2,046,142</u>		<u>\$ -</u>		<u>\$ -</u>	<u>(\$ 142,165)</u>	<u>\$ 46,816</u>	<u>\$ 600</u>			<u>\$ 1,951,393</u>			

ZINWELL CORPORATION
ACCOUNTS PAYABLE
DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 5

Name of suppliers	Amount	Note
Non-related parties		
Supplier A	\$ 48,262	
Supplier B	11,054	
Others	<u>101,554</u>	Note
	<u>160,870</u>	
Accounts payable – related parties		
ZINWELL CORPORATION (H.K.)		
LIMITED	<u>665,538</u>	
	<u>\$ 826,408</u>	

Note: The balance of each customer has not exceed 5% of the total accounts receivable.

ZINWELL CORPORATION
OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 6

<u>Items</u>	<u>Quantity</u>	<u>Amount</u>	<u>Note</u>
Net sales revenue			
Digital communication products and components	Note	\$ 2,607,893	
Others		2,587	
		<u>\$ 2,610,480</u>	

Note: Due to the wide variety of the products, it is difficult to statistical classification of the products.

ZINWELL CORPORATION
OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 7

Items	Amount
Raw materials and supplies at the beginning	\$ 646,506
Add: Material purchased during the period	646,888
Less: Raw materials and supplies at the end	(755,179)
Sales of raw materials and supplies	(71,860)
Raw materials and supplies scrapped	(2,303)
Gain on physical inventory for raw materials and supplies	3
Raw materials consumed in this period	464,055
Direct labor	249,870
Overhead	531,041
Manufacturing cost	1,244,966
Add: Work in progress at the beginning	175,061
Purchased work in progress	3,280
Transfer from finished goods	198,331
Less: Work in progress at the end	(204,340)
Sales of work in progress	(1,894)
Sales of work in progress (OEM)	(12,543)
Work in progress scrapped	(5)
Transfer to owner-occupied	(64,195)
Cost of finished goods	1,338,661
Add: Finished goods at the beginning	29,653
Purchased finished goods	1,543,092
Less: Finished goods at the end	(36,428)
Sales of finished goods (OEM)	(7,703)
Transferred to work in progress	(198,331)
Transfer to owner-occupied	(35,215)
Manufacturing and selling costs	2,633,729

ZINWELL CORPORATION
OPERATING COSTS (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 7

Items	Amount
Merchandise at the beginning	231
Add: Merchandise purchased during the period	199
Less: Merchandise inventory at the end	(304)
Transfer to owner-occupied	(46)
Cost of purchasing and selling	\$ 80
Cost of services	\$ 20,246
 Cost of raw materials and supplies and work in progress sold	 \$ 73,754
Inventory losses on decline in market value	138,211
Inventory loss on disposal	2,308
Gains on physical inventory	(3)
Income from of sales of scraps	(696)
Other cost	\$ 213,574
Operating cost	\$ 2,867,629

ZINWELL CORPORATION
MANUFACTURING EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 8

Item	Amount	Note
Indirect labor	\$ 165,781	
Depreciation expense	154,746	
Insurance expense	46,600	
Utilities expenses	41,232	
Others	122,682	Note
	<u>\$ 531,041</u>	

ZINWELL CORPORATION
OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 9

Items	Selling expenses	Administrative expenses	Research and development expenses	Total
Wages and salaries	\$ 38,680	\$ 83,738	\$ 168,479	\$ 290,897
Freight	27,405	37	74	27,516
Insurance expense	4,313	9,192	14,576	28,081
Depreciation expense	269	16,483	7,990	24,742
Import/export expense	927	-	-	927
Others (Note)	18,994	37,693	36,099	92,786
	<u>\$ 90,588</u>	<u>\$ 147,143</u>	<u>\$ 227,218</u>	<u>\$ 464,949</u>

Note: The balance of each expense account has not exceeded 5% of the operating expenses.