

**ZENITRON CORPORATION AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2025 AND 2024**

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Zenitron Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Zenitron Corporation and subsidiaries (the "Group") as at June 30, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

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

Basis for qualified conclusion

As explained in Note 4(3)B, the financial statements of certain insignificant consolidated subsidiaries were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT\$2,425,266 thousand and NT\$2,570,866 thousand, both constituting 12% of the consolidated total assets as at June 30, 2025 and 2024, respectively, total liabilities amounted to NT\$1,432,223 thousand and NT\$1,396,141 thousand, both constituting 9% of the consolidated total liabilities as at June 30, 2025 and 2024, respectively, and the total comprehensive loss amounted to NT\$58,242 thousand, NT\$76,318 thousand, NT\$110,423 thousand and NT\$148,120 thousand, constituting 10%, (31%), 50% and (30%) of the consolidated total comprehensive income for the three months and six months then ended, respectively.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent auditors as described in the *Basis for qualified conclusion* section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Lin, Yi-Fan

Liao, Fu-Ming

For and on behalf of PricewaterhouseCoopers, Taiwan

August 8, 2025

The accompanying consolidated 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 consolidated 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.

ZENITRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	June 30, 2025 AMOUNT	%	December 31, 2024 AMOUNT	%	June 30, 2024 AMOUNT	%
Current assets							
Cash and cash equivalents	6(1)	\$ 2,736,819	13	\$ 1,717,124	9	\$ 1,844,000	8
Financial assets at fair value through	6(2)						
profit or loss - current		48,849	-	42,951	-	22,933	-
Financial assets at fair value through	6(3)						
other comprehensive income -							
current		1,437	-	1,400	-	1,064	-
Notes receivable, net	6(4)	567,215	3	883,436	5	171,792	1
Accounts receivable, net	6(4)	9,042,829	44	8,219,073	41	9,279,809	43
Other receivables		138,766	1	55,646	-	135,624	1
Inventories, net	6(5)	6,864,811	33	7,549,751	38	8,728,241	40
Other current assets		89,774	-	80,426	1	157,949	1
Total current assets		<u>19,490,500</u>	<u>94</u>	<u>18,549,807</u>	<u>94</u>	<u>20,341,412</u>	<u>94</u>
Non-current assets							
Financial assets at fair value through	6(2)						
profit or loss - non-current		52,675	-	56,700	-	61,789	-
Financial assets at fair value through	6(3)						
other comprehensive income - non-							
current		444,028	2	579,841	3	619,840	3
Property, plant and equipment	6(6)	412,304	2	413,892	2	414,241	2
Right-of-use assets	6(7)	48,897	-	66,888	-	88,706	-
Investment property, net	6(9) and 8	50,000	-	50,272	-	35,133	-
Deferred income tax assets		172,677	1	125,445	1	143,168	1
Other non-current assets	8	67,829	1	75,130	-	73,113	-
Total non-current assets		<u>1,248,410</u>	<u>6</u>	<u>1,368,168</u>	<u>6</u>	<u>1,435,990</u>	<u>6</u>
Total assets		<u>\$ 20,738,910</u>	<u>100</u>	<u>\$ 19,917,975</u>	<u>100</u>	<u>\$ 21,777,402</u>	<u>100</u>

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ZENITRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	June 30, 2025		December 31, 2024		June 30, 2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities							
Short-term borrowings	6(10)	\$ 9,365,754	45	\$ 7,767,462	39	\$ 8,719,094	40
Short-term notes and bills payable	6(11)	199,739	1	898,997	5	797,818	4
Notes payable		5,368	-	2,200	-	1,510	-
Accounts payable		4,274,028	21	4,030,442	20	4,963,807	23
Other payables		917,018	4	530,059	3	929,723	4
Current income tax liabilities		98,436	-	34,074	-	33,783	-
Current lease liabilities	6(7)	42,253	-	47,366	-	46,580	-
Long-term liabilities, current portion	6(12)(13)	-	-	5,517	-	62,916	-
Other current liabilities	6(18)	142,714	1	138,800	1	125,761	1
Total current liabilities		<u>15,045,310</u>	<u>72</u>	<u>13,454,917</u>	<u>68</u>	<u>15,680,992</u>	<u>72</u>
Non-current liabilities							
Long-term borrowings	6(13)	-	-	29,483	-	35,000	-
Deferred income tax liabilities		117,281	1	120,737	1	116,359	1
Non-current lease liabilities	6(7)	8,234	-	21,825	-	43,767	-
Other non-current liabilities		50,670	-	54,372	-	60,317	-
Total non-current liabilities		<u>176,185</u>	<u>1</u>	<u>226,417</u>	<u>1</u>	<u>255,443</u>	<u>1</u>
Total liabilities		<u>15,221,495</u>	<u>73</u>	<u>13,681,334</u>	<u>69</u>	<u>15,936,435</u>	<u>73</u>
Equity attributable to owners of parent							
Share capital	6(15)						
Common stock		2,372,412	11	2,372,412	12	2,340,067	11
Certificate of entitlement to new shares from convertible bonds		-	-	-	-	6,051	-
Capital surplus	6(16)						
Capital surplus		1,345,992	7	1,345,992	6	1,309,293	6
Retained earnings	6(17)						
Legal reserve		1,053,246	5	996,108	5	996,108	5
Unappropriated retained earnings		763,772	4	996,813	5	669,550	3
Other equity interest							
Other equity interest		(18,007)	-	525,316	3	519,898	2
Total equity		<u>5,517,415</u>	<u>27</u>	<u>6,236,641</u>	<u>31</u>	<u>5,840,967</u>	<u>27</u>
Significant contingent liabilities and unrecognised contract commitments	9						
Total liabilities and equity		<u>\$ 20,738,910</u>	<u>100</u>	<u>\$ 19,917,975</u>	<u>100</u>	<u>\$ 21,777,402</u>	<u>100</u>

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

ZENITRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2025		2024		2025		2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Operating Revenue	6(18)	\$ 10,230,674	100	\$ 9,628,771	100	\$ 19,280,541	100	\$ 18,194,259	100
Operating Costs	6(5)	(9,508,814)	(93)	(9,062,622)	(94)	(17,819,557)	(92)	(17,161,706)	(94)
Gross Profit		<u>721,860</u>	<u>7</u>	<u>566,149</u>	<u>6</u>	<u>1,460,984</u>	<u>8</u>	<u>1,032,553</u>	<u>6</u>
Operating Expenses	6(22)								
Selling expenses		(288,155)	(3)	(303,913)	(3)	(617,836)	(3)	(561,343)	(3)
General and administrative expenses		(97,535)	(1)	(96,359)	(1)	(210,053)	(1)	(186,613)	(1)
Expected credit impairment gain (loss)	6(4)	(14,483)	-	5,094	-	2,633	-	(3,181)	-
Total operating expenses		(400,173)	(4)	(395,178)	(4)	(825,256)	(4)	(751,137)	(4)
Operating Profit		<u>321,687</u>	<u>3</u>	<u>170,971</u>	<u>2</u>	<u>635,728</u>	<u>4</u>	<u>281,416</u>	<u>2</u>
Non-operating Income and Expenses									
Interest income		5,732	-	8,873	-	6,621	-	10,219	-
Other income	6(19)	12,043	-	11,425	-	56,214	-	21,981	-
Other gains and losses	6(20)	(249,026)	(2)	28,997	-	(203,029)	(1)	102,594	-
Finance costs	6(21)	(83,332)	(1)	(107,179)	(1)	(169,165)	(1)	(206,203)	(1)
Total non-operating income and expenses		(314,583)	(3)	(57,884)	(1)	(309,359)	(2)	(71,409)	(1)
Profit before Income Tax		<u>7,104</u>	<u>-</u>	<u>113,087</u>	<u>1</u>	<u>326,369</u>	<u>2</u>	<u>210,007</u>	<u>1</u>
Income tax benefit (expense)	6(23)	22,575	-	(12,769)	-	(38,298)	-	(29,660)	-
Profit for the Period		<u>\$ 29,679</u>	<u>-</u>	<u>\$ 100,318</u>	<u>1</u>	<u>\$ 288,071</u>	<u>2</u>	<u>\$ 180,347</u>	<u>1</u>
Other comprehensive income									
Components of other comprehensive income that will not be reclassified to profit or loss									
Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(\$ 101,920)	(1)	\$ 98,662	1	(\$ 75,665)	-	\$ 135,883	1
Components of other comprehensive (loss) income that will be reclassified to profit or loss									
Exchange differences on translation of foreign financial statements		(490,813)	(5)	48,151	1	(433,426)	(2)	178,401	1
Other Comprehensive (Loss) Income for the Period		<u>(\$ 592,733)</u>	<u>(6)</u>	<u>\$ 146,813</u>	<u>2</u>	<u>(\$ 509,091)</u>	<u>(2)</u>	<u>\$ 314,284</u>	<u>2</u>
Total comprehensive (loss) income		<u>(\$ 563,054)</u>	<u>(6)</u>	<u>\$ 247,131</u>	<u>3</u>	<u>(\$ 221,020)</u>	<u>-</u>	<u>\$ 494,631</u>	<u>3</u>
Profit attributable to:									
Owners of the parent		<u>\$ 29,679</u>	<u>-</u>	<u>\$ 100,318</u>	<u>1</u>	<u>\$ 288,071</u>	<u>2</u>	<u>\$ 180,347</u>	<u>1</u>
Comprehensive (loss) income attributable to:									
Owners of the parent		<u>(\$ 563,054)</u>	<u>(6)</u>	<u>\$ 247,131</u>	<u>3</u>	<u>(\$ 221,020)</u>	<u>-</u>	<u>\$ 494,631</u>	<u>3</u>
Earnings per Share (in dollars)	6(24)								
Basic earnings per share		<u>\$ 0.13</u>		<u>\$ 0.43</u>		<u>\$ 1.21</u>		<u>\$ 0.77</u>	
Diluted earnings per share		<u>\$ 0.12</u>		<u>\$ 0.42</u>		<u>\$ 1.21</u>		<u>\$ 0.76</u>	

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

ZENITRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent							
		Capital		Retained Earnings			Other Equity Interest		
Notes		Share capital - common stock	Certificate of entitlement to new shares from convertible bonds	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
<u>Six months ended June 30, 2024</u>									
Balance at January 1, 2024		\$ 2,282,388	\$ 44,532	\$ 1,329,391	\$ 941,886	\$ 899,726	\$ 6,971	\$ 262,412	\$ 5,767,306
Net income for the period		-	-	-	-	180,347	-	-	180,347
Other comprehensive income 6(3)		-	-	-	-	-	178,401	135,883	314,284
Total comprehensive income		-	-	-	-	180,347	178,401	135,883	494,631
Appropriations and distribution of 2023 earnings 6(17)									
Cash dividends		-	-	-	-	(420,070)	-	-	(420,070)
Legal reserve		-	-	-	54,222	(54,222)	-	-	-
Cash dividends from capital surplus 6(16)(17)		-	-	(46,675)	-	-	-	-	(46,675)
Disposal of investments in equity instruments designated at fair value through other comprehensive income 6(3)		-	-	-	-	63,769	-	(63,769)	-
Conversion of convertible bonds 6(12)(15)(16)		57,679	(38,481)	26,595	-	-	-	-	45,793
Prior years' expired unclaimed dividends claimed for the period 6(16)		-	-	(18)	-	-	-	-	(18)
Balance at June 30, 2024		\$ 2,340,067	\$ 6,051	\$ 1,309,293	\$ 996,108	\$ 669,550	\$ 185,372	\$ 334,526	\$ 5,840,967
<u>Six months ended June 30, 2025</u>									
Balance at January 1, 2025		\$ 2,372,412	\$ -	\$ 1,345,992	\$ 996,108	\$ 996,813	\$ 224,161	\$ 301,155	\$ 6,236,641
Net income for the period		-	-	-	-	288,071	-	-	288,071
Other comprehensive loss 6(3)		-	-	-	-	-	(433,426)	(75,665)	(509,091)
Total comprehensive income (loss)		-	-	-	-	288,071	(433,426)	(75,665)	(221,020)
Appropriation and distribution of 2024 earnings 6(17)									
Cash dividends		-	-	-	-	(498,206)	-	-	(498,206)
Legal reserve		-	-	-	57,138	(57,138)	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income 6(3)		-	-	-	-	34,232	-	(34,232)	-
Balance at June 30, 2025		\$ 2,372,412	\$ -	\$ 1,345,992	\$ 1,053,246	\$ 763,772	(\$ 209,265)	\$ 191,258	\$ 5,517,415

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

ZENITRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Six months ended June 30	
	Notes	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 326,369	\$ 210,007
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation and amortization	6(22)	42,515	34,398
Expected credit (gain) loss	6(4)	(2,633)	3,181
Net gain on financial assets at fair value through profit or loss	6(2)(20)	(6,045)	(8,472)
Interest expense		169,165	206,203
Interest income		(6,621)	(10,219)
Dividend income	6(19)	(1,744)	(1,697)
(Gain) loss on disposal of property, plant and equipment	6(20)	(132)	174
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		4,172	21,235
Notes and accounts receivable		(504,902)	(1,000,261)
Other receivables		(83,138)	(5,186)
Inventories, net		684,940	664,736
Other current assets		(9,348)	78,272
Changes in operating liabilities			
Notes and accounts payable		246,754	554,005
Other payables		(117,196)	(48,668)
Other current liabilities		3,914	51,730
Other non-current liabilities		(3,702)	(5,122)
Cash inflow generated from operations		742,368	640,856
Interest received		6,621	10,219
Interest paid		(163,216)	(201,053)
Income tax paid		(17,983)	(138,682)
Net cash flows from operating activities		<u>567,790</u>	<u>311,340</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss - non-current		-	(15,778)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	49,707	95,413
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		3,516	3,894
Acquisition of property, plant and equipment	6(6)	(12,768)	(12,461)
Proceeds from disposal of property, plant and equipment		190	-
Decrease in refundable deposits		11,214	1,764
Increase in other non-current assets		(11,830)	(2,521)
Dividends received	6(19)	<u>1,744</u>	<u>1,697</u>
Net cash flows from investing activities		<u>41,773</u>	<u>72,008</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(26)	1,598,292	(115,051)
Decrease in short-term notes and bills payable	6(26)	(699,258)	(100,077)
Repayments of long-term debt	6(26)	(35,000)	-
Proceeds from long-term borrowings	6(26)	-	35,000
Payment of lease liabilities	6(26)	(22,650)	(20,757)
Prior years' expired unclaimed dividends claimed during the period	6(16)	-	(18)
Net cash flows from (used in) financing activities		<u>841,384</u>	<u>200,903</u>
Effect of exchange rate changes		(431,252)	175,277
Net increase in cash and cash equivalents		1,019,695	357,722
Cash and cash equivalents at beginning of period		1,717,124	1,486,278
Cash and cash equivalents at end of period		<u>\$ 2,736,819</u>	<u>\$ 1,844,000</u>

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

ZENITRON CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024

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

1. HISTORY AND ORGANISATION

Zenitron Corporation (the “Company”) was incorporated as a company limited by shares in October 1982. The Company has been listed on the Taiwan Stock Exchange and started trading since August 26, 2002. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the sales of electrical components.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on August 8, 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 and became 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 Group’s financial condition and financial performance based on the Group’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 Group

New standards, interpretations and amendments endorsed by the FSC effective from 2026 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 naturedependent electricity’	January 1, 2026

New Standards, Interpretations and Amendments	Effective date 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
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group'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 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 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

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 MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) 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 Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

Basis for preparation of the current period financial statements and the 2024 consolidated financial statements is the same.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiaries	Main business activities	Ownership (%)			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	Supertronic International Corp. (Supertronic)	Investment business	100	100	100	Note
The Company	Zenicom Corporation (Zenicom)	Sales of electronic components	100	100	100	Note
The Company	Zenitron (HK) Limited (Zenitron (HK))	Sales of electronic components	100	100	100	Note
Zenicom	Zenicom (HK) Limited (Zenicom (HK))	Sales of electronic components	100	100	100	Note
Zenicom	Shanghai Zenicom Industrial Co., Ltd (Shanghai Zenicom)	Sales of electronic components	100	100	100	Note
Zenitron (HK)	Zenitron (Shanghai) International Trading Co., Ltd. (Zenitron (Shanghai))	Sales of electronic components	100	100	100	Note
Zenitron (HK)	Zenitron (Shenzhen) Technology Co., Ltd. (Zenitron (Shenzhen))	Sales of electronic components	100	100	100	Note

Name of investor	Name of subsidiaries	Main business activities	Ownership (%)			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
Zenitron (HK)	Shanghai Zenitron Electronic Trading Co., Ltd. (Shanghai Zenitron)	Sales of electronic components	100	100	100	Note
Zenitron (HK)	ZTHC (Shanghai) Co., Ltd. (ZTHC (Shanghai))	Sales of computer storage device, providing technical service and sales of related components	100	100	100	Note

Note: The individual financial statements of the Company's consolidated subsidiaries as of June 30, 2025 and 2024 were not reviewed by independent auditors, except for Supertronic and Zenitron (HK), whose financial statements were reviewed by independent auditors.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

Pensions

Defined benefit plans

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

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

There was no significant change in the reporting period. Refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand and revolving funds	\$ 328	\$ 351	\$ 375
Checking accounts and demand deposits	2,736,491	1,716,773	1,843,625
	<u>\$ 2,736,819</u>	<u>\$ 1,717,124</u>	<u>\$ 1,844,000</u>

A. The Group 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. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss

	June 30, 2025	December 31, 2024	June 30, 2024
Current items			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 77,774	\$ 63,210	\$ 36,524
Emerging stocks	1,163	1,163	1,163
Non-hedging derivative-redemption of convertible bonds	-	-	6
	78,937	64,373	37,693
Valuation adjustment	(30,088)	(21,422)	(14,760)
	<u>\$ 48,849</u>	<u>\$ 42,951</u>	<u>\$ 22,933</u>
Non-current items			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	\$ 30,000	\$ 30,000	\$ 30,000
Unlisted stocks	33,102	33,102	33,102
	63,102	63,102	63,102
Valuation adjustment	(10,427)	(6,402)	(1,313)
	<u>\$ 52,675</u>	<u>\$ 56,700</u>	<u>\$ 61,789</u>

A. The Group recognised net gain amounting to \$22,303, \$5,747, \$6,045 and \$8,472 on financial assets at fair value through profit or loss for the three months and six months ended June 30, 2025 and 2024, respectively.

B. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

C. Information relating to financial assets at fair value through profit or loss is provided in Note 12(3).

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current items			
Equity instruments			
Emerging stocks	\$ 2,462	\$ 2,462	\$ 2,462
Valuation adjustment	(1,025)	(1,062)	(1,398)
	<u>\$ 1,437</u>	<u>\$ 1,400</u>	<u>\$ 1,064</u>
Non-current items			
Equity instruments			
Listed stocks	\$ 125,612	\$ 141,087	\$ 147,925
Unlisted stocks	<u>118,657</u>	<u>129,061</u>	<u>128,910</u>
	244,269	270,148	276,835
Valuation adjustment	<u>199,759</u>	<u>309,693</u>	<u>343,005</u>
	<u>\$ 444,028</u>	<u>\$ 579,841</u>	<u>\$ 619,840</u>

A. The Group has elected to classify stock investments with steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$445,465, \$581,241 and \$620,904 as at June 30, 2025, December 31, 2024 and June 30, 2024, respectively. Without considering any collateral held or other credit enhancements, until the end of the reporting period, the maximum credit risk in relation to the financial loss arising from unsatisfied performance obligation of the counterparties is the carrying amount of financial assets.

B. The Group sold stock investments at fair value amounting to \$49,707 and \$95,413 which resulted to a cumulative gain on disposal of \$34,232 and \$63,769 during the six months ended June 30, 2025 and 2024, respectively.

C. Amounts recognised in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Three months ended June 30</u>	
	<u>2025</u>	<u>2024</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive (loss) income	(\$ 101,920)	\$ 98,662
Cumulative gains reclassified to retained earnings due to derecognition	(\$ 5,480)	\$ 59,012

		Six months ended June 30	
		2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>			
Fair value change recognised in other comprehensive (loss) income		(\$ 75,665)	\$ 135,883
Cumulative gains reclassified to retained earnings due to derecognition		(\$ 34,232)	(\$ 63,769)

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

E. Information relating to fair value of financial assets at fair value through other comprehensive income is provided in Note 12(3).

(4) Notes and accounts receivable

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable	\$ 567,215	\$ 883,436	\$ 171,792
Accounts receivable	\$ 9,115,366	\$ 8,297,450	\$ 9,351,044
Less: Allowance for uncollectible accounts	(72,537)	(78,377)	(71,235)
	<u>\$ 9,042,829</u>	<u>\$ 8,219,073</u>	<u>\$ 9,279,809</u>

A. The Group uses historical experience and takes into consideration the customers' historical default records, current financial conditions and economic conditions of the industry to estimate expected loss rate in recognising loss allowance. In addition, the Group provides for adequate allowance for uncollectible accounts from individual customers where there is an indication that they are impaired based on specific identification or a credit impairment actually occurred and the customers did not provide any collateral.

B. The ageing analysis of accounts and notes receivable is as follows:

	June 30, 2025		December 31, 2024		June 30, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 8,259,140	\$ 567,215	\$ 7,141,488	\$ 883,436	\$ 8,498,702	\$ 171,792
Up to 30 days	660,082	-	614,097	-	542,352	-
31 to 90 days	134,644	-	435,644	-	250,405	-
Over 91 days	61,500	-	106,221	-	59,585	-
	<u>\$ 9,115,366</u>	<u>\$ 567,215</u>	<u>\$ 8,297,450</u>	<u>\$ 883,436</u>	<u>\$ 9,351,044</u>	<u>\$ 171,792</u>

The above ageing analysis was based on past due date.

- C. As of June 30, 2025, December 31, 2024, June 30, 2024, and January 1, 2024, the balances of receivables (including notes receivable) from contracts with customers amounted to \$9,682,581, \$9,180,886, \$9,522,836 and \$8,521,757, respectively. Without considering any collateral held or other credit enhancements, until the end of the reporting period, the maximum credit risk in relation to the financial loss arising from unsatisfied performance obligation of the counterparties is the carrying amount of financial assets.
- D. The Group considers the characteristic of geographical region, product characteristics, and customer credit rating, applying the simplified approach using the provision matrix based on the loss rate methodology to estimate expected credit loss.
- E. The Group adjusts historical and timely information to assess the default possibility of accounts receivable. As of June 30, 2025, December 31, 2024 and June 30, 2024, the provision matrix and loss rate methodology are as follows:

	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31~90 days past due</u>	<u>Over 91 days past due</u>	<u>Total</u>
<u>June 30, 2025</u>					
Expected loss rate	0.02%-0.18%	0.02%-100%	0.02%-100%	0.18%-100%	
Total accounts receivable	<u>\$ 8,259,140</u>	<u>\$ 660,082</u>	<u>\$ 134,644</u>	<u>\$ 61,500</u>	<u>\$ 9,115,366</u>
	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31~90 days past due</u>	<u>Over 91 days past due</u>	<u>Total</u>
<u>December 31, 2024</u>					
Expected loss rate	0.05%-0.16%	0.05%-0.16%	0.05%-100%	0.05%-100%	
Total accounts receivable	<u>\$ 7,141,488</u>	<u>\$ 614,097</u>	<u>\$ 435,644</u>	<u>\$ 106,221</u>	<u>\$ 8,297,450</u>
	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31~90 days past due</u>	<u>Over 91 days past due</u>	<u>Total</u>
<u>June 30, 2024</u>					
Expected loss rate	0.05%-0.22%	0.05%-0.22%	0.05%-100%	0.05%-100%	
Total accounts receivable	<u>\$ 8,498,702</u>	<u>\$ 542,352</u>	<u>\$ 250,405</u>	<u>\$ 59,585</u>	<u>\$ 9,351,044</u>

- F. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	<u>2025</u>	<u>2024</u>
At January 1	\$ 78,377	\$ 67,236
(Reversal of) provision for impairment loss	(2,633)	3,181
Effect of foreign exchange	(3,207)	818
At June 30	<u>\$ 72,537</u>	<u>\$ 71,235</u>

For provisioned loss for the six months ended June 30, 2025 and 2024, the impairment gains (losses) arising from customers' contracts are \$2,633 and (\$3,181), respectively.

G. Transferred financial assets that are derecognised in their entirety

- (a) As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group had outstanding discounted notes receivable amounting to \$190,295, \$353,140 and \$378,555, respectively. However, as the notes receivable are bank's acceptance bills and are discounted without right of recourse, those discounted notes receivable were deducted directly from notes receivable.
- (b) The Group entered into a factoring agreement with financial institutions to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the accounts receivable but is liable for the losses incurred on any business dispute. The Group meets the condition of financial assets derecognition as it did not provide other collaterals except for issuing a promissory note equal to the facility as the collateral. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognised the transferred accounts receivable, and the related information is as follows:

June 30, 2025					
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Amount advanced	Amount available for advance	Interest rate of amount advanced
Chang Hwa Bank	\$ 427,077	\$ 427,077	\$ 427,077	\$ -	5.00%~5.30%
Bank SinoPac	442,301	442,301	442,301	-	5.00%~5.30%
December 31, 2024					
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Amount advanced	Amount available for advance	Interest rate of amount advanced
Chang Hwa Bank	\$ 643,286	\$ 643,286	\$ 643,286	\$ -	5.40%~5.89%
Bank SinoPac	752,178	752,178	752,178	-	5.40%~5.89%
June 30, 2024					
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Amount advanced	Amount available for advance	Interest rate of amount advanced
Chang Hwa Bank	\$ 576,088	\$ 576,088	\$ 576,088	\$ -	6.09%~6.29%
Bank SinoPac	633,670	\$ 633,670	633,670	-	6.09%~6.29%

H. Transferred financial assets that are not derecognised in their entirety

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group had outstanding discounted notes receivable amounting to \$293,456, \$379,867 and \$0, respectively. As the notes receivable are bank's acceptance bills and are discounted with right of recourse, those discounted notes receivable were shown as short-term borrowings.

- I. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

June 30, 2025			
	Cost	Allowance for valuation loss	Book value
Merchandise inventories	\$ 7,531,217	(\$ 950,646)	\$ 6,580,571
Inventories in transit	284,240	-	284,240
	<u>\$ 7,815,457</u>	<u>(\$ 950,646)</u>	<u>\$ 6,864,811</u>
December 31, 2024			
	Cost	Allowance for valuation loss	Book value
Merchandise inventories	\$ 8,099,544	(\$ 1,158,992)	\$ 6,940,552
Inventories in transit	609,199	-	609,199
	<u>\$ 8,708,743</u>	<u>(\$ 1,158,992)</u>	<u>\$ 7,549,751</u>
June 30, 2024			
	Cost	Allowance for valuation loss	Book value
Merchandise inventories	\$ 9,879,960	(\$ 1,293,956)	\$ 8,586,004
Inventories in transit	142,237	-	142,237
	<u>\$ 10,022,197</u>	<u>(\$ 1,293,956)</u>	<u>\$ 8,728,241</u>

The cost of inventories recognised as expense for the period:

Three months ended June 30		
	2025	2024
Cost of goods sold	\$ 9,631,391	\$ 8,932,058
(Gain on reversal of) loss on decline in market value	(122,577)	130,564
	<u>\$ 9,508,814</u>	<u>\$ 9,062,622</u>
Six months ended June 30		
	2025	2024
Cost of goods sold	\$ 17,967,471	\$ 16,946,263
(Gain on reversal of) loss on decline in market value	(147,914)	215,443
	<u>\$ 17,819,557</u>	<u>\$ 17,161,706</u>

The gain on reversal of decline in market value for the three months and six months ended June 30, 2025 were due to the Group's disposal of slow-moving inventory.

(6) Property, plant and equipment

	Land	Buildings and structures	Transportation equipment	Office equipment	Total
<u>At January 1, 2025</u>					
Cost	\$ 252,592	\$ 411,050	\$ 58,127	\$ 137,528	\$ 859,297
Accumulated depreciation	-	(291,386)	(45,148)	(108,871)	(445,405)
	<u>\$ 252,592</u>	<u>\$ 119,664</u>	<u>\$ 12,979</u>	<u>\$ 28,657</u>	<u>\$ 413,892</u>
<u>2025</u>					
Opening net book amount as at January 1	\$ 252,592	\$ 119,664	\$ 12,979	\$ 28,657	\$ 413,892
Additions	-	-	8,270	4,498	12,768
Disposals	-	-	-	(58)	(58)
Depreciation charge	-	(3,026)	(2,344)	(5,220)	(10,590)
Net exchange differences	-	(2,768)	(407)	(533)	(3,708)
Closing net book amount as at June 30	<u>\$ 252,592</u>	<u>\$ 113,870</u>	<u>\$ 18,498</u>	<u>\$ 27,344</u>	<u>\$ 412,304</u>
<u>At June 30, 2025</u>					
Cost	\$ 252,592	\$ 404,413	\$ 62,601	\$ 133,437	\$ 853,043
Accumulated depreciation	-	(290,543)	(44,103)	(106,093)	(440,739)
	<u>\$ 252,592</u>	<u>\$ 113,870</u>	<u>\$ 18,498</u>	<u>\$ 27,344</u>	<u>\$ 412,304</u>
	Land	Buildings and structures	Transportation equipment	Office equipment	Total
<u>At January 1, 2024</u>					
Cost	\$ 252,592	\$ 408,462	\$ 49,558	\$ 132,592	\$ 843,204
Accumulated depreciation	-	(283,854)	(40,381)	(109,029)	(433,264)
	<u>\$ 252,592</u>	<u>\$ 124,608</u>	<u>\$ 9,177</u>	<u>\$ 23,563</u>	<u>\$ 409,940</u>
<u>2024</u>					
Opening net book amount as at January 1	\$ 252,592	\$ 124,608	\$ 9,177	\$ 23,563	\$ 409,940
Additions	-	-	8,244	4,217	12,461
Disposals	-	-	-	(174)	(174)
Depreciation charge	-	(3,069)	(2,220)	(3,970)	(9,259)
Net exchange differences	-	958	62	253	1,273
Closing net book amount as at June 30	<u>\$ 252,592</u>	<u>\$ 122,497</u>	<u>\$ 15,263</u>	<u>\$ 23,889</u>	<u>\$ 414,241</u>
<u>At June 30, 2024</u>					
Cost	\$ 252,592	\$ 410,486	\$ 58,016	\$ 137,178	\$ 858,272
Accumulated depreciation	-	(287,989)	(42,753)	(113,289)	(444,031)
	<u>\$ 252,592</u>	<u>\$ 122,497</u>	<u>\$ 15,263</u>	<u>\$ 23,889</u>	<u>\$ 414,241</u>

The Group has no property, plant and equipment pledged to others as collateral.

(7) Lease arrangements – lessee

	June 30, 2025	December 31, 2024	June 30, 2024
Right-of-use assets:			
Buildings and structures	\$ 48,897	\$ 66,888	\$ 88,706
Lease liabilities:			
Current	\$ 42,253	\$ 47,366	\$ 46,580
Non-current	8,234	21,825	43,767
	\$ 50,487	\$ 69,191	\$ 90,347

- A. The Group leases various assets including buildings and structures. Rental contracts are typically made for periods of 2 to 4 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 12 months or less comprise transportation equipment, buildings and structures. Low-value assets comprise office equipment. Right-of-use assets and lease liabilities were not recognised for these leases.
- C. The depreciation charges on right-of-use assets are as follows:

	Three months ended June 30	
	2025	2024
Buildings and structures	\$ 11,714	\$ 11,605
	Six months ended June 30	
	2025	2024
Buildings and structures	\$ 23,842	\$ 21,786

- D. For the three months and six months ended June 30, 2025 and 2024, the additions to right-of-use assets were \$8,600, \$19,593, \$10,480 and \$19,652, respectively.
- E. Except for the depreciation charge, the information on profit or loss in relation to lease contracts is as follows:

	Three months ended June 30	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 679	\$ 1,131
Expense on short-term leases and leases of low-value assets	1,626	2,656
	Six months ended June 30	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,521	\$ 2,242
Expense on short-term leases and leases of low-value assets	3,346	5,477

- F. For the three months and six months ended June 30, 2025 and 2024, the Group's total cash outflow for leases were \$12,944, \$15,136, \$27,517 and \$28,476, respectively.

(8) Lease arrangements — lessor

For the three months and six months ended June 30, 2025 and 2024, the Group recognised rent income in the amounts of \$1,892, \$1,880, \$3,775 and \$3,736, respectively, based on the operating lease agreement, which does not include variable lease payments.

(9) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>January 1, 2025</u>			
Cost	\$ 32,466	\$ 29,941	\$ 62,407
Accumulated depreciation and impairment	-	(12,135)	(12,135)
	<u>\$ 32,466</u>	<u>\$ 17,806</u>	<u>\$ 50,272</u>
<u>2025</u>			
Opening net book amount as at January 1	\$ 32,466	\$ 17,806	\$ 50,272
Depreciation charge	-	(272)	(272)
Closing net book amount as at June 30	<u>\$ 32,466</u>	<u>\$ 17,534</u>	<u>\$ 50,000</u>
<u>June 30, 2025</u>			
Cost	\$ 32,466	\$ 29,941	\$ 62,407
Accumulated depreciation and impairment	-	(12,407)	(12,407)
	<u>\$ 32,466</u>	<u>\$ 17,534</u>	<u>\$ 50,000</u>
	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>January 1, 2024</u>			
Cost	\$ 32,466	\$ 29,941	\$ 62,407
Accumulated depreciation and impairment	(15,410)	(11,592)	(27,002)
	<u>\$ 17,056</u>	<u>\$ 18,349</u>	<u>\$ 35,405</u>
<u>2024</u>			
Opening net book amount as at January 1	\$ 17,056	\$ 18,349	\$ 35,405
Depreciation charge	-	(272)	(272)
Closing net book amount as at June 30	<u>\$ 17,056</u>	<u>\$ 18,077</u>	<u>\$ 35,133</u>
<u>June 30, 2024</u>			
Cost	\$ 32,466	\$ 29,941	\$ 62,407
Accumulated depreciation and impairment	(15,410)	(11,864)	(27,274)
	<u>\$ 17,056</u>	<u>\$ 18,077</u>	<u>\$ 35,133</u>

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

	Three months ended June 30	
	2025	2024
Rental income from investment property	\$ 721	\$ 731
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 136	\$ 136
	Six months ended June 30	
	2025	2024
Rental income from investment property	\$ 1,424	\$ 1,436
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 272	\$ 272

- B. The fair values of the investment property held by the Group was \$102,275, \$108,381 and \$111,080 as of June 30, 2025, December 31, 2024, and June 30, 2024, respectively, which were based on the trading prices of nearby areas.

- C. Refer to Note 8 for further information on investment property pledged to others as collateral.

(10) Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured borrowings	\$ 9,365,754	\$ 7,767,462	\$ 8,719,094
Interest rate range	1.95%~5.21%	1.94%~5.99%	1.85%~6.38%

- A. For the three months and six months ended June 30, 2025 and 2024, the interest expense recognised in profit or loss amounted to \$67,920, \$89,148, \$139,097 and \$175,475, respectively.

- B. As of June 30, 2025, December 31, 2024, and June 30, 2024, except that the Group provided collaterals for the financing facility of short-term borrowings shown in Note 8, the Group also issued guaranteed notes as collateral in the amount of \$20,547,634, \$19,489,608 and \$19,591,541, respectively.

(11) Short-term notes and bills payable

	June 30, 2025	December 31, 2024	June 30, 2024
Short-term notes and bills payable	\$ 200,000	\$ 900,000	\$ 800,000
Discount on short-term notes and bills payable	(261)	(1,003)	(2,182)
	\$ 199,739	\$ 898,997	\$ 797,818
Coupon rate	2.00%~2.02%	2.00%~2.10%	2.00%~2.10%

The abovementioned commercial paper was secured by financial institutions.

(12) Bonds payable

	June 30, 2024
Bonds payable	\$ 63,000
Less: Discount on bonds payable	(84)
	62,916
Less: Bonds payable, current portion	(62,916)
	\$ -

There was no such situation as of June 30, 2025 and December 31, 2024.

A. The issuance of domestic convertible bonds by the Company

(a) The terms of the fourth domestic unsecured convertible bonds issued by the Company are as follows:

- i. The Company issued \$600,000, 0% fourth domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature three years from the issue date (August 3, 2021~ August 3, 2024) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on August 3, 2021.
- ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue (November 4, 2021) to 40 days before the maturity date (June 24, 2024), except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- iii. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and the conversion price is NT\$29. Since the Company distributed cash dividends, the conversion price should be adjusted at the ex-dividend date in accordance with Article 11 of the terms of the bonds. On July 16, 2022, and July 17, 2023, the Company adjusted the conversion price to NT\$26.15 and NT\$23.96 (in dollars), respectively.
- iv. The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue (November 4, 2021) to 40 days before the maturity date (June 24, 2024), or (ii) the outstanding balance of the bonds is less than 10% of the total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.
- v. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

- (b) For the six months ended June 30, 2024, the bonds totaling \$46,000 had been converted into 1,920 thousand shares of common stock. Accordingly, the Group recognised capital surplus of \$32,391, and reduced capital surplus - share options by \$5,796.
- (c) As of the due date of the bonds, the bonds totaling \$600,000 (face value) had been converted into 23,416 thousand shares of common stock. Accordingly, the Company recognised capital surplus of \$431,803 and reduced capital surplus - share options by \$75,604. The aforementioned procedure has been completed.
- (d) As of the due date of the bonds, there were no convertible bonds repurchased by the Company from the Taipei Exchange.
- B. Regarding the issuance of convertible bonds, the equity conversion options of the fourth domestic unsecured convertible bonds were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 1.46%.

(13) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Long-term bank borrowings	Borrowing period is from May 13, 2024 to May 13, 2029;			
Unsecured borrowings	interest is repayable monthly; principal is repayable monthly from June 13, 2025.	0.50%	None	\$ 35,000
Less: Current portion				(5,517)
				<u>\$ 29,483</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>June 30, 2024</u>
Long-term bank borrowings	Borrowing period is from May 13, 2024 to May 13, 2029;			
Unsecured borrowings	interest is repayable monthly.	0.50%	None	<u>\$ 35,000</u>

- A. There was no such situation as of June 30, 2025.
- B. For the three months and six months ended June 30, 2025 and 2024, the interest expense recognised in profit or loss amounted to \$110, \$23, \$154 and \$23, respectively.

(14) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, 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.

The subsidiary, Zenitron (HK), calculates pension benefits on the basis of the length of service and the hourly wages at the time of resignation or retirement date when employees under the defined benefit plans meet the requirement such as reaching the pension age in accordance with the local regulation.

- (b) The pension costs under the defined benefit pension plans of the Group for the three months and six months ended June 30, 2025 and 2024 were \$318, \$457, \$643 and \$630, respectively.
- (c) Expected contributions to the defined benefit pension plan of the Group for the year ending December 31, 2025 amount to \$1,680.

B. (a) Effective July 1, 2005, the Company and Zenicom have 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 and its domestic subsidiary contribute monthly an amount not lower than 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 plans of the Group for the three months and six months ended June 30, 2025 and 2024 were \$4,489, \$4,577, \$9,129 and \$9,197 respectively.

- (b) The overseas subsidiaries, Zenitron (HK), Zenicom (HK), Zenitron (Shanghai), Zenitron (Shenzhen), ZTHC (Shanghai), Shanghai Zenitron and Shanghai Zenicom have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the local pension regulations are based on a certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, aforementioned companies have no further obligations. For the three months and six months ended June 30, 2025 and 2024, the amount of pension expenses that were recognised were \$10,848, \$10,859, \$22,303 and \$21,201, respectively.

C. The overseas subsidiary, Supertronic, has no employees, thus, it does not have a pension plan.

(15) Share capital

- A. As of June 30, 2025, the Company's authorised capital was \$3,500,000, consisting of 350,000 thousand shares of ordinary stock (including 20,000 thousand shares reserved for employee stock options), and the paid-in capital was \$2,372,412 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. Movements in the number of the Company's ordinary shares (including certificate of entitlement to new shares from convertible bonds) outstanding are as follows:

	2025	2024
	Shares (in thousands)	Shares (in thousands)
At January 1	237,241	232,692
Shares converted from bonds	-	1,920
At June 30	237,241	234,612

- C. Information related to the conversion of the bonds into common shares of the Company for the six months ended June 30, 2024 is provided in Note 6(12).

(16) Capital surplus

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 Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2025			
	Share premium	Share options	Others	Total
At January 1 (same as June 30)	\$ 1,263,867	\$ -	\$ 82,125	\$ 1,345,992
	2024			
	Share premium	Share options	Others	Total
At January 1	\$ 1,233,513	\$ 13,735	\$ 82,143	\$ 1,329,391
Cash dividends from capital surplus	(46,675)	-	-	(46,675)
Conversion of convertible bonds	32,391	(5,796)	-	26,595
Prior years' expired unclaimed dividends claimed during the period	-	-	(18)	(18)
At June 30	\$ 1,219,229	\$ 7,939	\$ 82,125	\$ 1,309,293

(17) Retained earnings

- A. In accordance with 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, and setting aside or reversal of special reserve in accordance with related laws, if any. The remaining earnings are the distributable earnings for the year.
- B. Dividend policy:
- (a) The distribution of dividends shall be above 50% of the current year's distributable earnings and the cash dividends distributed shall not be lower than 20% of the current actual earnings distributed.
- (b) The Board of Directors is authorised to distribute all or part of the dividends and bonus in cash through a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors which shall be reported to the shareholders during their meeting.
- (c) When the Company has no deficit, the Board of Directors is authorised to distribute all or part of the legal reserve (for the part that exceeds 25% of paid-in capital) and capital surplus if it meets the requirements under the Company Act in cash through a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors which shall be reported to the shareholders during their meeting.
- C. 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.
- D. 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.
- E. The appropriations of 2024 and 2023 earnings as resolved by the shareholders on June 13, 2025 and June 12, 2024, respectively, are as follows:

	2024		2023	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	\$ 57,138		\$ 54,222	
Cash dividends	498,206	\$ 2.10	420,070	\$ 1.80
	<u>\$ 555,344</u>		<u>\$ 474,292</u>	
			2023	
			Amount	Cash payment per share (in dollars)
Cash dividends from capital surplus			<u>\$ 46,675</u>	\$ 0.20

(18) Operating revenue

	Three months ended June 30	
	2025	2024
Revenue from contracts with customers	\$ 10,230,674	\$ 9,628,771
	Six months ended June 30	
	2025	2024
Revenue from contracts with customers	\$ 19,280,541	\$ 18,194,259

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following geographical regions:

Three months ended				
June 30, 2025	China	Taiwan	Others	Total
Revenue from external customer contracts	\$ 8,597,982	\$ 979,787	\$ 652,905	\$ 10,230,674
Three months ended				
June 30, 2024	China	Taiwan	Others	Total
Revenue from external customer contracts	\$ 8,220,672	\$ 945,111	\$ 462,988	\$ 9,628,771
Six months ended				
June 30, 2025	China	Taiwan	Others	Total
Revenue from external customer contracts	\$ 16,040,886	\$ 2,040,841	\$ 1,198,814	\$ 19,280,541
Six months ended				
June 30, 2024	China	Taiwan	Others	Total
Revenue from external customer contracts	\$ 15,446,899	\$ 1,821,774	\$ 925,586	\$ 18,194,259

B. Contract liabilities (shown as ‘other current liabilities’)

As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group has recognised revenue-related contract liabilities in the amounts of \$135,101, \$89,015 and \$97,208, respectively.

(19) Other income

	Three months ended June 30	
	2025	2024
Advertising income	\$ 3,048	\$ 3,769
Rent income	1,892	1,880
Dividend income	1,720	1,697
Other income	5,383	4,079
	<u>\$ 12,043</u>	<u>\$ 11,425</u>
	Six months ended June 30	
	2025	2024
Advertising income	\$ 6,866	\$ 4,479
Rent income	3,775	3,736
Dividend income	1,744	1,697
Other income	43,829	12,069
	<u>\$ 56,214</u>	<u>\$ 21,981</u>

(20) Other gains and losses

	Three months ended June 30	
	2025	2024
Foreign exchange (losses) gains	(\$ 271,474)	\$ 23,346
Gains on financial assets at fair value through profit or loss	22,303	5,747
Gains (losses) on disposals of property, plant and equipment	158 (82)
Others	(13)	(14)
	<u>(\$ 249,026)</u>	<u>\$ 28,997</u>
	Six months ended June 30	
	2025	2024
Foreign exchange (losses) gains	(\$ 209,183)	\$ 94,322
Gains on financial assets at fair value through profit or loss	6,045	8,472
Gains (losses) on disposals of property, plant and equipment	132 (174)
Others	(23)	(26)
	<u>(\$ 203,029)</u>	<u>\$ 102,594</u>

(21) Finance costs

	Three months ended June 30	
	2025	2024
Interest expense		
Bank borrowings	\$ 68,030	\$ 89,171
Other interest expense	15,302	18,008
	<u>\$ 83,332</u>	<u>\$ 107,179</u>

	Six months ended June 30	
	2025	2024
Interest expense		
Bank borrowings	\$ 139,251	\$ 175,498
Other interest expense	29,914	30,705
	<u>\$ 169,165</u>	<u>\$ 206,203</u>

(22) Expenses by nature

	Three months ended June 30	
	2025	2024
Employee benefit expense		
Salary expenses	\$ 173,539	\$ 191,637
Labour and health insurance fees	13,437	13,476
Pension costs	15,655	15,893
Other personnel expenses	10,911	10,811
	<u>213,542</u>	<u>231,817</u>
Depreciation	17,189	16,428
Amortisation	4,543	1,591
	<u>\$ 235,274</u>	<u>\$ 249,836</u>

	Six months ended June 30	
	2025	2024
Employee benefit expense		
Salary expenses	\$ 405,417	\$ 370,024
Labour and health insurance fees	28,865	27,891
Pension costs	32,075	31,028
Other personnel expenses	21,492	23,015
	<u>487,849</u>	<u>451,958</u>
Depreciation	34,704	31,317
Amortization	7,811	3,081
	<u>\$ 530,364</u>	<u>\$ 486,356</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 3%~12% for employees' compensation and shall not be higher than 3% for directors' remuneration.
- B. The Company's directors' remuneration and employees' compensation accounted as operating expenses were as follows:

	Three months ended June 30	
	2025	2024
Directors' remuneration	\$ 2,000	\$ 4,000
Employees' compensation	2,000	5,000
	<u>\$ 4,000</u>	<u>\$ 9,000</u>

	Six months ended June 30	
	2025	2024
Directors' remuneration	\$ 8,000	\$ 6,000
Employees' compensation	12,000	8,000
	<u>\$ 20,000</u>	<u>\$ 14,000</u>

- C. For the six months ended June 30, 2025 and 2024, the employees' compensation and directors' remuneration were estimated and accrued based on a certain percentage of distributable profit of current year as of the end of reporting period.
- D. The directors' remuneration and employees' compensation for 2024 as resolved by the Board of Directors on February 25, 2025 were in agreement with those amounts recognised in the financial statements. The employees' compensation will be distributed in the form of cash.
- E. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Income taxes

A. Income tax (benefit) expense

	Three months ended June 30	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 33,666	\$ 36,823
Prior year income tax over estimation	(12,415)	(899)
Total current tax	21,251	35,924
Deferred tax:		
Origination and reversal of temporary differences	(43,826)	(23,155)
Income tax (benefit) expense	<u>(\$ 22,575)</u>	<u>\$ 12,769</u>
	Six months ended June 30	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 101,401	\$ 48,470
Prior year income tax over estimation	(12,415)	(899)
Total current tax	88,986	47,571
Deferred tax:		
Origination and reversal of temporary differences	(50,688)	(17,911)
Income tax expense	<u>\$ 38,298</u>	<u>\$ 29,660</u>

- B. The Company's and domestic subsidiary's, Zenicom's income tax returns through 2021 and 2023, respectively, have been assessed and approved by the Tax Authority.
- C. The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

(24) Earnings per share

Three months ended June 30, 2025			
	Profit after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 29,679	237,241	\$ 0.13
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 29,679	237,241	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	353	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 29,679	237,594	\$ 0.12
Three months ended June 30, 2024			
	Profit after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 100,318	234,094	\$ 0.43
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 100,318	234,094	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	225	
Convertible bonds	218	3,147	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 100,536	237,466	\$ 0.42

Six months ended June 30, 2025			
	Profit after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 288,071	237,241	\$ 1.21
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 288,071	237,241	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	557	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 288,071	237,798	\$ 1.21
Six months ended June 30, 2024			
	Profit after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 180,347	233,546	\$ 0.77
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 180,347	233,546	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	445	
Convertible bonds	510	3,695	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 180,857	237,686	\$ 0.76

(25) Supplemental cash flow information

	Six months ended June 30	
	2025	2024
<u>Convertible bonds payable</u>		
Conversion of bonds payable	\$ -	\$ 19,198
Capital surplus of bonds payable conversion	-	26,595
Conversion of convertible bonds payable	-	(45,793)
Cash paid during the period	<u>\$ -</u>	<u>\$ -</u>
<u>Others</u>		
Cash dividends declared but yet to be paid	\$ 498,206	\$ 420,070
Cash dividends from capital surplus	-	46,675
	<u>\$ 498,206</u>	<u>\$ 466,745</u>

(26) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings (including current portion)	Lease liabilities	Liabilities from financing activities-gross
January 1, 2025	\$ 7,767,462	\$ 898,997	\$ 35,000	\$ 69,191	\$ 8,770,650
Changes in cash flow from financing activities	1,598,292	(699,258)	(35,000)	(22,650)	841,384
Increase in lease liabilities during the period	-	-	-	10,480	10,480
Changes in other non-cash items (Note)	-	-	-	(6,534)	(6,534)
June 30, 2025	<u>\$ 9,365,754</u>	<u>\$ 199,739</u>	<u>\$ -</u>	<u>\$ 50,487</u>	<u>\$ 9,615,980</u>

	Short-term borrowings	Short-term notes and bills payable	Bonds payable (including current portion)	Long-term borrowings (including current portion)	Lease liabilities	Liabilities from financing activities-gross
January 1, 2024	\$ 8,834,145	\$ 897,895	\$ 108,068	\$ -	\$ 87,534	\$ 9,927,642
Changes in cash flow from financing activities	(115,051)	(100,077)	-	35,000	(20,757)	(200,885)
Increase in lease liabilities during the period	-	-	-	-	19,652	19,652
Changes in other non-cash items (Note)	-	-	(45,152)	-	3,918	(41,234)
June 30, 2024	<u>\$ 8,719,094</u>	<u>\$ 797,818</u>	<u>\$ 62,916</u>	<u>\$ 35,000</u>	<u>\$ 90,347</u>	<u>\$ 9,705,175</u>

Note: The above mainly pertain to the effect of conversion of bonds and rate exchange from lease liabilities.

7. RELATED PARTY TRANSACTIONS

Key management compensation

	Three months ended June 30	
	2025	2024
Salaries, short-term employee benefits and post-employment benefits	\$ 28,200	\$ 28,309
	Six months ended June 30	
	2025	2024
Salaries, short-term employee benefits and post-employment benefits	\$ 52,786	\$ 43,626

8. PLEDGED ASSETS

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

Pledged assets	Book value			Purpose
	June 30, 2025	December 31, 2024	June 30, 2024	
Investment property	\$ 2,593	\$ 2,632	\$ 2,671	Short-term borrowings
Guarantee deposits paid (shown as 'other non-current assets')	-	10,000	10,000	Court deposits
	<u>\$ 2,593</u>	<u>\$ 12,632</u>	<u>\$ 12,671</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

As of June 30, 2025, significant commitments were as follows:

As a requirement for the release of imported goods before duty and customs clearance, the Group has applied for customs guarantee with certain banks in the amount of \$20,000.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital risk management

There was no significant change in the reporting period. Refer to Note 12 in the consolidated financial statements for the year ended December 31, 2024.

(2) Financial instruments

A. Financial instruments by category

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 101,524</u>	<u>\$ 99,651</u>	<u>\$ 84,722</u>
Financial assets at fair value through other comprehensive income			
Designation of equity instruments	<u>\$ 445,465</u>	<u>\$ 581,241</u>	<u>\$ 620,904</u>
Financial assets at amortised cost / receivables			
Cash and cash equivalents	\$ 2,736,819	\$ 1,717,124	\$ 1,844,000
Notes receivable	567,215	883,436	171,792
Accounts receivable	9,042,829	8,219,073	9,279,809
Other receivables	138,766	55,646	135,624
Guarantee deposits paid (shown as other non-current assets)	<u>47,226</u>	<u>58,440</u>	<u>59,150</u>
	<u>\$ 12,532,855</u>	<u>\$ 10,933,719</u>	<u>\$ 11,490,375</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 9,365,754	\$ 7,767,462	\$ 8,719,094
Short-term notes and bills payable	199,739	898,997	797,818
Notes payable	5,368	2,200	1,510
Accounts payable	4,274,028	4,030,442	4,963,807
Other accounts payable	917,018	530,059	929,723
Bonds payable (including current portion)	-	-	62,916
Long-term borrowings (including current portion)	-	35,000	35,000
Guarantee deposits received (shown as other non-current liabilities)	<u>1,273</u>	<u>1,273</u>	<u>1,273</u>
	<u>\$ 14,763,180</u>	<u>\$ 13,265,433</u>	<u>\$ 15,511,141</u>
Lease liabilities	<u>\$ 50,487</u>	<u>\$ 69,191</u>	<u>\$ 90,347</u>

B. Financial risk management policies

There was no significant change in the reporting period. Refer to Note 12 in the consolidated financial statements for the year ended December 31, 2024.

C. Significant financial risks and degrees of financial risks

There was no significant change in the reporting period. Refer to Note 12 in the consolidated financial statements for the year ended December 31, 2024, except for the items explained below:

Market risk

Foreign exchange risk

(a) The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, RMB and HKD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	June 30, 2025				
	Foreign currency		Book value		Sensitivity analysis
	amount (In thousands)	Exchange rate	(In thousands of NTD)	Degree of variation	Effect on profit or loss
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$ 191,269	29.25	\$ 5,594,618	1%	\$ 55,946
RMB:NTD	81,797	4.07	332,914	1%	3,329
USD:HKD (Note)	231,904	7.85	6,783,192	1%	67,832
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	\$ 183,131	29.35	\$ 5,374,895	1%	\$ 53,749
USD:HKD (Note)	199,796	7.85	5,864,013	1%	58,640
USD:RMB (Note)	6,353	7.16	186,461	1%	1,865
JPY:HKD (Note)	186,649	0.05	39,196	1%	392
(Foreign currency: functional currency)	December 31, 2024				
	Foreign currency		Book value		Sensitivity analysis
	amount (In thousands)	Exchange rate	(In thousands of NTD)	Degree of variation	Effect on profit or loss
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$ 151,894	32.74	\$ 4,973,010	1%	\$ 49,730
RMB:NTD	111,074	4.45	494,279	1%	4,943
USD:HKD (Note)	179,944	7.77	5,891,367	1%	58,914
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	\$ 101,970	32.84	\$ 3,348,695	1%	\$ 33,487
USD:HKD (Note)	153,421	7.77	5,038,346	1%	50,383
USD:RMB (Note)	5,381	7.19	176,712	1%	1,767

June 30, 2024

(Foreign currency: functional currency)	Sensitivity analysis				
	Foreign currency amount (In thousands)	Exchange rate	Book value (In thousands of NTD)	Degree of variation	Effect on profit or loss
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$ 169,794	32.40	\$ 5,501,326	1%	\$ 55,013
JPY:NTD	335,915	0.20	67,183	1%	672
USD:HKD (Note)	198,310	7.81	6,425,244	1%	64,252
HKD:USD (Note)	677,142	0.13	2,796,596	1%	27,966
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	\$ 128,103	32.50	\$ 4,163,348	1%	\$ 41,633
USD:HKD (Note)	187,139	7.81	6,082,018	1%	60,820
USD:RMB (Note)	5,073	7.13	164,873	1%	1,649

Note: The functional currencies of certain consolidated entities are not NTD, thus, this information must be considered when reporting. For example, when a subsidiary's functional currency is RMB, the subsidiary's segments that are involved with USD must be taken into consideration.

(b) The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2025 and 2024, amounted to (\$271,474), \$23,346, (\$209,183) and \$94,322, respectively.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market refers to a market in which transactions for an asset or liability take place with enough frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks and OTC stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market, convertible bonds, beneficiary certificates and the Group's call options of convertible bonds is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(9).

C. Financial instruments not measured at fair value

- (a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables and long-term borrowings are approximate to their fair values.

	June 30, 2024			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable (including current portion)	\$ 62,916	\$ -	\$ 62,915	\$ -

There was no such situation as of June 30, 2025 and December 31, 2024.

- (b) The methods and assumptions of fair value estimate are as follows:

Bonds payable: They are measured at present value, which is calculated based on the cash flow expected to be paid and discounted using a market rate prevailing at the balance sheet date.

D. Financial and non-financial instruments measured at fair value

- (a) The related information on financial and non-financial instruments measured at fair value by level based on the nature, characteristics and risks of the assets and liabilities are as follows:

June 30, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Listed stocks	\$ 48,214	\$ -	\$ -	\$ 48,214
Emerging stocks	635	-	-	635
Beneficiary certificates	-	-	22,725	22,725
Unlisted stocks	-	-	29,950	29,950
Financial assets at fair value through other comprehensive income				
Listed stocks	298,571	-	-	298,571
Emerging stocks	1,437	-	-	1,437
Unlisted stocks	-	-	145,457	145,457
	<u>\$ 348,857</u>	<u>\$ -</u>	<u>\$ 198,132</u>	<u>\$ 546,989</u>

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value				
through profit or loss				
Listed stocks	\$ 42,332	\$ -	\$ -	\$ 42,332
Emerging stocks	619	-	-	619
Beneficiary certificates	-	-	23,181	23,181
Unlisted stocks	-	-	33,519	33,519
Financial assets at fair value				
through other comprehensive				
income				
Listed stocks	425,366	-	-	425,366
Emerging stocks	1,400	-	-	1,400
Unlisted stocks	-	-	154,475	154,475
	<u>\$ 469,717</u>	<u>\$ -</u>	<u>\$ 211,175</u>	<u>\$ 680,892</u>
June 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value				
through profit or loss				
Listed stocks	\$ 22,463	\$ -	\$ -	\$ 22,463
Emerging stocks	470	-	-	470
Beneficiary certificates	-	-	28,613	28,613
Unlisted stocks	-	-	33,176	33,176
Financial assets at fair value				
through other comprehensive				
income				
Listed stocks	471,301	-	-	471,301
Emerging stocks	1,064	-	-	1,064
Unlisted stocks	-	-	148,539	148,539
	<u>\$ 495,298</u>	<u>\$ -</u>	<u>\$ 210,328</u>	<u>\$ 705,626</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. For the instruments the Group used market quoted prices as their fair values (that is, Level 1), the Group uses the closing price as market quoted price.
- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

- iii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk, etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- iv. The Group considers adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- E. For the six months ended June 30, 2025 and 2024, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the six months ended June 30, 2025 and 2024:

	2025	2024
	Non-derivative instrument	Non-derivative instrument
At January 1	\$ 211,175	\$ 194,314
Increase during the period	-	15,778
Recorded as unrealised gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	1,386	1,303
(Losses) profit recognised in profit or loss	(4,025)	63
Proceeds from capital reduction	(3,516)	(3,894)
Effect of exchange rate changes	(6,888)	2,764
At June 30	<u>\$ 198,132</u>	<u>\$ 210,328</u>

- G. Investment segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information on significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at June 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 58,197	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value
Unlisted shares	117,210	Most recent non-active market price	Not applicable	Not applicable	Not applicable
Beneficiary certificates	<u>22,725</u> <u>\$ 198,132</u>	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 67,215	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value
Unlisted shares	120,779	Most recent non-active market price	Not applicable	Not applicable	Not applicable
Beneficiary certificates	<u>23,181</u> <u>\$ 211,175</u>	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value
	Fair value at June 30, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 61,280	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value
Unlisted shares	120,435	Most recent non-active market price	Not applicable	Not applicable	Not applicable
Beneficiary certificates	<u>28,613</u> <u>\$ 210,328</u>	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 3.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 4.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 5.
- F. Significant inter-company transactions during the reporting periods: Refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 7.

(3) Information on investments in Mainland China

- A. Basic information: Refer to table 8.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to Notes 13(1) A, B, D, E and F.

14. SEGMENT INFORMATION

(1) General information

The Group operates business only in a single industry. The Board of Directors who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Segment information

The pre-tax net income is used to measure the operating segment profit and performance of the operating segments. The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Three months ended June 30	
	2025	2024
Segment revenue	\$ 10,230,674	\$ 9,628,771
Segment income	\$ 7,104	\$ 113,087
Segment income, including:		
Depreciation and amortisation	\$ 21,732	\$ 18,019
	Six months ended June 30	
	2025	2024
Segment revenue	\$ 19,280,541	\$ 18,194,259
Segment income	\$ 326,369	\$ 210,007
Segment income, including:		
Depreciation and amortization	\$ 42,515	\$ 34,398

(3) Reconciliation for segment income (loss)

- A. The revenue from external customers reported to the Board of Directors is measured in a manner consistent with that in the statement of comprehensive income.
- B. The Group's Board of Directors assesses performance of operating segments and allocates resources based on pre-tax net income; thus, reconciliation is not needed.

Table 1

Zenitron Corporation and Subsidiaries

Loans to others

Six months ended June 30, 2025

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the six months ended June 30,		Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short- term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
					2025 (Note 3)	Balance at June 30, 2025 (Note 8)							Item	Value			
0	Zenitron Coporation	Zenicom Corporation	Other receivables	Yes	\$ 98,460	\$ 87,750	\$ 58,500	5.00%	2	\$ -	Operating capital	\$ -	-	\$ -	\$ 2,206,966	\$ 2,206,966	
0	Zenitron Coporation	Zenitron (HK) Limited	Other receivables	Yes	663,100	585,000	585,000	5.00%	2	-	Operating capital	-	-	-	2,206,966	2,206,966	
0	Zenitron Coporation	ZTHC (Shanghai) Co., Ltd.	Other receivables	Yes	1,091,520	406,600	-	-	2	-	Operating capital	-	-	-	2,206,966	2,206,966	
1	ZTHC (Shanghai) Co., Ltd.	Zenitron (Shanghai) International Trading Co., Ltd.	Other receivables	Yes	594,490	245,461	-	-	2	-	Operating capital	-	-	-	681,144	681,144	
1	ZTHC (Shanghai) Co., Ltd.	Zenitron (Shenzhen) Technology Co., Ltd.	Other receivables	Yes	45,730	40,910	20,455	3.10%	2	-	Operating capital	-	-	-	681,144	681,144	
2	Shanghai Zenitron Electronic Trading Co., Ltd.	ZTHC (Shanghai) Co., Ltd.	Other receivables	Yes	63,084	-	-	-	2	-	Operating capital	-	-	-	167,878	167,878	
2	Shanghai Zenitron Electronic Trading Co., Ltd.	Zenitron (Shanghai) International Trading Co., Ltd.	Other receivables	Yes	64,022	57,274	57,274	3.10%	2	-	Operating capital	-	-	-	167,878	167,878	
3	Supertronic International Corp.	Zenitron Coporation	Other receivables	Yes	199,530	176,100	164,360	0.00%	2	-	Operating capital	-	-	-	5,542,374	5,542,374	
4	Zenitron (Shenzhen) Technology Co., Ltd.	Zenitron (Shanghai) International Trading Co., Ltd.	Other receivables	Yes	45,730	40,910	-	-	2	-	Operating capital	-	-	-	179,610	179,610	

Note 1: The numbers filled in for the loans 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 name of account in which the loans are recognised, such as receivables–related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: The maximum outstanding balance of loans to others for the year.

Note 4: The nature of the loan as follows:

- (1)‘1’ for business transaction.
- (2)‘2’ for short-term financing.

Note 5: The amount of business transactions when nature of the loan is 1, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Purpose of loan when nature of loan is 2, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company’s “Procedures for Provision of Loans”, the calculation and amount are as follows:

- (1) Limit on loans granted to a single party is 40% of the creditor company’s net assets based on the latest financial statements.
- (2) Ceiling on total loans granted is 40% of the creditor company’s net assets based on the latest financial statements.
- (3) Limit on loans granted between foreign companies which the Company directly or indirectly holds 100% of their voting shares is 200% of the creditor company’s net assets based on the latest financial statements.

Note 8: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”, the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Zenitron Corporation and Subsidiaries

Provision of endorsements and guarantees to others

Six months ended June 30, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of June 30, 2025 (Note 4)	Outstanding endorsement/ guarantee amount at June 30, 2025 (Note 5)	Actual amount drawn down (Note 6)	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 (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name												
0	Zenitron Coporation	Zenitron (HK) Limited	2	\$ 8,276,123	\$ 2,337,983	\$ 1,866,600	\$ 970,891	\$ -	33.83%	\$ 8,276,123	Y	N	N	
0	Zenitron Coporation	ZTHC (Shanghai) Co., Ltd.	2	8,276,123	1,119,215	670,035	122,730	-	12.14%	8,276,123	Y	N	Y	
0	Zenitron Coporation	Zenitron (Shanghai) International Trading Co., Ltd.	2	8,276,123	2,042,857	1,684,603	478,414	-	30.53%	8,276,123	Y	N	Y	
0	Zenitron Coporation	Zenitron (Shenzhen) Technology Co., Ltd.	2	8,276,123	1,073,810	731,400	147,219	-	13.26%	8,276,123	Y	N	Y	
0	Zenitron Coporation	Zenicom Corporation	2	8,276,123	100,000	100,000	10,000	-	1.81%	8,276,123	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: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:
(1) Having business relationship.
(2) The endorser/guarantor parent company owns directly or indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: The calculation for and amount of limit on endorsements/guarantees are as follows: (If any contingent loss is recognised in the financial statements, the recognised amount should be indicated)
(1) Limit on endorsements/guarantees provided for a single party is 150% of the Company’s net assets.
(2) Ceiling on total amount of endorsements/guarantees is 150% of the Company’s net assets.

Note 4: The year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Once endorsement/guarantee contracts or promissory notes are signed/issued by the endorser/guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities.
And all other events involve endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

Note 6: The actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Zenitron Corporation and Subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
June 30, 2025

Table 3

Expressed in NTD
(Except as otherwise indicated)

					As of June 30, 2025				
Securities held by	Marketable securities (Note 1)		Relationship with the securities issuer (Note 2)	General ledger account	Number of shares (Share/Unit)	Book value (Note 3)	Ownership (%)	Fair value	Footnote (Note 4)
Zenitron Corporation	Stock	Yeong Guan Group	-	Current financial assets at fair value through profit or loss	153,834	\$ 3,684,324	0.12	\$ 3,684,324	
Zenitron Corporation	Stock	GIGA-BYTE Technology Co., Ltd.	-	Current financial assets at fair value through profit or loss	50,000	14,150,000	0.01	14,150,000	
Zenitron Corporation	Stock	QUANTA COMPUTER INC.	-	Current financial assets at fair value through profit or loss	15,000	4,117,500	0.00	4,117,500	
Zenitron Corporation	Stock	WIN Semiconductors Corp.	-	Current financial assets at fair value through profit or loss	5,000	433,500	0.00	433,500	
Zenitron Corporation	Stock	Wistron NeWeb Corporation	-	Current financial assets at fair value through profit or loss	10,000	1,215,000	0.00	1,215,000	
Zenitron Corporation	Stock	Actron Technology Corporation	-	Current financial assets at fair value through profit or loss	64,000	7,488,000	0.06	7,488,000	
Zenitron Corporation	Stock	King Yuan Electronics Co.	-	Current financial assets at fair value through profit or loss	15,000	1,530,000	0.00	1,530,000	
Zenitron Corporation	Stock	AZUREWAVE TECHNOLOGIES, INC.	-	Current financial assets at fair value through profit or loss	10,000	590,000	0.01	590,000	
Zenitron Corporation	Stock	AURAS Technology Co., Ltd.	-	Current financial assets at fair value through profit or loss	2,000	1,282,000	0.00	1,282,000	
Zenitron Corporation	Stock	MEDIATEK INC	-	Current financial assets at fair value through profit or loss	10,000	12,500,000	0.00	12,500,000	
Zenitron Corporation	Stock	Orient Pharma Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	39,462	1,436,811	0.02	1,436,811	
Zenitron Corporation	Stock	ADLINK TECHNOLOGY INC.	-	Non-current financial assets at fair value through other comprehensive income	4,886,592	298,570,771	2.25	298,570,771	
Zenitron Corporation	Stock	Quadlink Technology Inc.	-	Non-current financial assets at fair value through other comprehensive income	500,000	1,142,184	3.45	1,142,184	
Zenitron Corporation	Stock	MEAN WELL ENTERPRISES CO., LTD.	-	Non-current financial assets at fair value through other comprehensive income	299,732	87,259,600	0.15	87,259,600	
Zenitron Corporation	Stock	Enteligent Inc.	-	Non-current financial assets at fair value through profit or loss	799,761	29,950,077	3.48	29,950,077	
Zenitron Corporation	Beneficiary certificate	Corporate Venture Capital Alliance Innovation Fund	-	Non-current financial assets at fair value through profit or loss	-	22,725,076	-	22,725,076	
Zenicom Corporation	Stock	Yeong Guan Group	-	Current financial assets at fair value through profit or loss	51,087	1,223,534	0.04	1,223,534	
Zenicom Corporation	Stock	Orient Pharma Co., Ltd.	-	Current financial assets at fair value through profit or loss	17,454	635,500	0.01	635,500	
Supertronic International Corp	Stock	Capital Investment Development Corp.	-	Non-current financial assets at fair value through other comprehensive income	1,080,000	57,055,002	3.57	57,055,002	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 ‘Financial instruments’.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Zenitron 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
Six months ended June 30, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty (Note 2)	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote (Note 3)
Zenitron Coporation	Zenitron (HK) Limited	1	Sales	(\$ 2,093,883)	(26)	Approximately 60~90 days after monthly billings	Selling price is based on initial cost plus necessary profit	Approximately 30~120 days after monthly billings for third parties	\$ 1,020,931	24	
Zenitron (HK) Limited	Zenitron Coporation	2	Purchases	2,093,883	20	Approximately 60~90 days after monthly billings	Approximately the same as the normal price	Approximately 10~75 days after monthly billings for third parties	(1,020,931)	(34)	
Zenitron Coporation	Zenitron (Shanghai) International Trading Co., Ltd.	1	Sales	(300,333)	(4)	Approximately 60~90 days after monthly billings	Selling price is based on initial cost plus necessary profit	Approximately 30~120 days after monthly billings for third parties	53,923	1	
Zenitron (Shanghai) International Trading Co., Ltd.	Zenitron Coporation	2	Purchases	300,333	24	Approximately 60~90 days after monthly billings	Approximately the same as the normal price	Approximately 10~75 days after monthly billings for third parties	(53,923)	(28)	
Zenitron (HK) Limited	Zenitron (Shenzhen) Technology Co., Ltd.	3	Sales	(191,602)	(2)	Approximately 60~90 days after monthly billings	Selling price is based on initial cost plus necessary profit	Approximately 30~120 days after monthly billings for third parties	48,460	1	
Zenitron (Shenzhen) Technology Co., Ltd.	Zenitron (HK) Limited	3	Purchases	191,602	46	Approximately 60~90 days after monthly billings	Approximately the same as the normal price	Approximately 10~75 days after monthly billings for third parties	(48,460)	(42)	
Zenitron (HK) Limited	Zenitron (Shanghai) International Trading Co., Ltd.	3	Sales	(267,384)	(2)	Approximately 60~90 days after monthly billings	Selling price is based on initial cost plus necessary profit	Approximately 30~120 days after monthly billings for third parties	48,334	1	
Zenitron (Shanghai) International Trading Co., Ltd.	Zenitron (HK) Limited	3	Purchases	267,384	22	Approximately 60~90 days after monthly billings	Approximately the same as the normal price	Approximately 10~75 days after monthly billings for third parties	(48,334)	(25)	

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the ‘Unit price’ and ‘Credit term’ columns.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Zenitron Corporation and Subsidiaries

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

Six months ended June 30, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty (Note 2)	Balance as at	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			June 30, 2025 (Note 1)		Amount	Action taken		
<u>Accounts receivable</u>								
Zenitron Coporation	Zenitron (HK) Limited	1	\$ 1,020,931	6.10	\$ -	-	\$ 292,500	\$ -
<u>Other receivables</u>								
Zenitron Coporation	Zenitron (HK) Limited	1	605,665	-	-	-	-	-
Supertronic International Corp.	Zenitron Coporation	2	164,360	-	-	-	-	-

Note 1: Fill in separately the balances of accounts receivable–related parties, notes receivable–related parties, other receivables–related parties....

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Table 6

Zenitron Corporation and Subsidiaries

Significant inter-company transactions during the reporting period

Six months ended June 30, 2025

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Zenitron Coporation	Zenitron (HK) Limited	1	Sales	\$ 2,093,883	Selling price has no obvious difference from the third parties	11
0	Zenitron Coporation	Zenitron (HK) Limited	1	Accounts receivable	1,020,931	60~90 days after monthly billings	5
0	Zenitron Coporation	Zenitron (HK) Limited	1	Other receivables	605,665	In accordance with mutual agreements	3
0	Zenitron Coporation	Zenitron (Shanghai) International Trading Co., Ltd.	1	Sales	300,333	Selling price has no obvious difference from the third parties	2
1	Zenitron (HK) Limited	Zenitron (Shanghai) International Trading Co., Ltd.	3	Sales	267,384	Selling price has no obvious difference from the third parties	1

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to:
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Table 7

Zenitron Corporation and Subsidiaries

Information on investees

Six months ended June 30, 2025

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2025			Net profit of the investee for the six months ended June 30, 2025 (Note 2(2))	Investment income recognised by the Company for the six months ended June 30, 2025 (Note 2(3))	Footnote
				Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares (in thousand)	Ownership (%)	Book value			
Zenitron Coporation	Zenicom Corporation	Taiwan	Trading of electronic components and assembly	\$ 205,854	\$ 205,854	16,520	100%	\$ 173,143	(\$ 630)	(\$ 630)	Subsidiary
Zenitron Coporation	Zenitron (HK) Limited	Hong Kong	Trading of electronic components and assembly	590,565	590,565	22,373	100%	973,518	381,462	381,462	Subsidiary
Zenitron Coporation	Supertronic International Corp.	B. V. I.	Reinvested holding company	28,749	28,749	100	100%	2,771,187	1,875	1,875	Subsidiary
Zenicom Corporation	Zenicom (HK) Limited	Hong Kong	Trading of electronic components and assembly	104,759	104,759	23,800	100%	109,509	1,555	1,555	Subsidiary

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1) The columns of ‘Investee’, ‘Location’, ‘Main business activities’, Initial investment amount’ and ‘Shares held as at June 30, 2025’ should fill orderly in the Company’s (public company’s) information on investees and every directly or indirectly controlled investee’s investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the ‘footnote’ column.

(2) The ‘Net profit of the investee for the six months ended June 30, 2025’ column should fill in amount of net profit of the investee for this year.

(3) The ‘Investment income recognised by the Company for the six months ended June 30, 2025’ column should fill in the Company (public company) recognised investment income of its direct subsidiary and recognised investment income of its investee accounted for using the equity method for this year. When filling in recognised investment income of its direct subsidiary, the Company (public company) should confirm that direct subsidiary’s net profit for this year has included its investment income which shall be recognised by regulations.

Zenitron Corporation and Subsidiaries

Information on investments in Mainland China

Six months ended June 30, 2025

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, 2025	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	Net income (loss) of investee for the six months ended June 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2025 (Note 2)	Book value of investments in Mainland China as of June 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Zenitron (Shanghai) International Trading Co., Ltd.	Trading of electronic components and assembly	\$ 157,730	(2)	\$ 97,270	\$ -	\$ -	\$ 97,270	\$ 10,594	100%	\$ 10,594	\$ 195,914	\$ -	
ZTHC (Shanghai) Co., Ltd.	Selling computer memory equipment and related components and providing technical support	116,601	(2)	116,601	-	-	116,601	8,286	100%	8,286	340,572	-	
Zenitron (Shenzhen) Technology Co., Ltd.	Trading of electronic components and assembly	93,080	(2)	32,620	-	-	32,620	(7,021)	100%	(7,021)	89,805	-	
Shanghai Zenitron Electronic Trading Co., Ltd.	Trading of electronic components and assembly	94,760	(2)	-	-	-	-	(607)	100%	(607)	83,939	-	
Shanghai Zenicom Industrial Co., Ltd.	Trading of electronic components and assembly	8,839	(1)	8,839	-	-	8,839	(123)	100%	(123)	4,563	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	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
Zenitron Corporation	\$ 255,330	\$ 461,651	\$ 3,310,449

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China.

(2) Through investing in Zenitron (HK) Limited, an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others

Note 2: Basis for investment income (loss) recognition is the financial statements that are prepared by investee companies.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.