

*(Translation — In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)*

## **PHIHONG TECHNOLOGY CO., LTD.**

### **2025 ANNUAL SHAREHOLDERS' MEETING MINUTES**

#### **(Translation)**

**Time:** Tuesday, June 10, 2025 at 9:00 a.m.

**Place:** Fullon Hotel Taoyuan Airport Access MRT A8

(3F., No. 2, Fuxing 1st Rd., Guishan Dist., Taoyuan City)

**Total Outstanding Shares of PHIHONG TECHNOLOGY CO., LTD.:** 431,208,416 shares.

**Total Shares Represented by Shareholders Present In Person or by Proxy:** 294,579,606 shares.

**Percentage of Outstanding Share Held By Shareholders Present In Person or By Proxy:** 68.31%

**Board Members Present:**

Chung-Ming Lin,

Kuan-Hong Lin (Representative of Kuan Feng Investment Ltd.),

Wei-Feng Chiang (Representative of Kuan Feng Investment Ltd.),

Fei-Hong Lin,

Yu-Yuan Hong (Independent Director, Chairman of the Audit Committee),

Kuei-Hung Lin (Independent Director),

Chung-Shu Wu (Independent Director),

Hui-Mei Kang (Independent Director).

A total of 8 directors attended the meeting in person, constituting more than half of the 9 board seats.

**Attendance:** Zhi-Yi Chang, Yi-Ding Huang (CPAs, Deloitte & Touche),

Zheng-Xian Lin (Lin & Associates Law Firm).

**Chairman:** Chung-Ming Lin

**Recorder:** Pei-Yi Li

**Commencement:** The aggregate number of shares present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

**Chairman's address:** Omitted

#### **I. Report:**

1. 2024 Business Report. [\(Please refer to Attachment 1\)](#)

2. Audit Committee's Review Report of the 2024 final account books and statements.

[\(Please refer to Attachment 2\)](#)

3. Report on the amendments to the "Ethical Corporate Management Best Practice Principles".  
[\(Please refer to Attachment 3\)](#)

4. Report on the distribution of remuneration of employees and remuneration of Directors for 2024.

**Description:** (1)The distribution of remuneration of employees and remuneration of Directors for 2024 was resolved and approved by the Board on March 11, 2025.

(2)The remuneration of employees and the remuneration of Directors for 2024 were NT\$22,840,011 and NT\$4,568,002, respectively, which were all distributed in cash.

## **II. Ratification:**

### **1. The 2024 Financial Statements are submitted for ratification.**

**(Proposed by the Board of Directors)**

**Description:** (1) The 2024 Business Report and Financial Statements were approved by the Board on March 11, 2025, and the financial statements were audited by CPAs Chang, Chih-I and Hong, Kuo-Tien from Deloitte & Touche.

(2) The Audit Committee reviewed the final account books and statements and issued the Review Report.

(3) The following books and statements are enclosed:

1. 2024 Business Report. [\(Please refer to Attachment 1\)](#)
2. 2024 Consolidated Financial Statements and Parent Company Only Financial Statements. [\(Please refer to Attachment 4~5\)](#)

### **Voting Results:**

<b>Voting Results</b> (including votes casted electronically)		<b>Percentage of outstanding share held by shareholders present in person or by proxy</b>
In favor votes	276,738,546 votes	94.86%
Against votes	498,838 votes	0.17%
Invalid votes	0 votes	0.00%
Invalidly cast or abstained votes	14,495,307 votes	4.96%

**Approved,** that the above proposal be and hereby were accepted as submitted.

**2. The proposal for the earnings distribution for 2024 is submitted for ratification.**

**(Proposed by the board of directors)**

**Description:** (1) The net profit after tax in 2024 was NT\$206,325,397, and the accumulated earnings at the beginning of the period were NT\$186,548,121, plus the remeasurement of the defined benefit plan of NT\$6,497,600; according to the Articles of Incorporation and relevant laws and regulations, appropriate 10% as the legal reserve in the amount of NT\$21,282,300, reverse the special reserve in the amount of NT\$136,659,286, and the distributable earnings were NT\$514,748,104.

(2) According to Article 21-1, the distributable earnings in 2024 in the amount of NT\$514,748,104 were less than 15% of the paid-in capital; therefore, the Company does not intend to distribute earnings.

(3) The “Table of Earning Distribution for 2024” is enclosed. [\(Please refer to Attachment 6\)](#)

**Voting Results:**

<b>Voting Results</b> (including votes casted electronically)		<b>Percentage of outstanding share held by shareholders present in person or by proxy</b>
In favor votes	276,816,740 votes	94.88%
Against votes	561,870 votes	0.19%
Invalid votes	0 votes	0.00%
Invalidly cast or abstained votes	14,354,081 votes	4.92%

**Approved,** that the above proposal be and hereby were accepted as submitted.

**III. Discussion:**

**1. The proposal for the amendments to the “Articles of Incorporation” is submitted for determination.**

**(Proposed by the Board of Directors)**

**Description:** In response to business requirements and according to Order Jin-Guan-Zheng-Fa-Zi No. 1130385442 dated November 8, 2024, the Company

intends to amend partial provisions of the “Articles of Incorporation”; for the comparison table of the amendments. [\(Please refer to Attachment 7\)](#)

**Voting Results:**

<b>Voting Results</b> (including votes casted electronically)		<b>Percentage of outstanding share held by shareholders present in person or by proxy</b>
In favor votes	276,853,484 votes	94.89%
Against votes	516,911 votes	0.17%
Invalid votes	0 votes	0.00%
Invalidly cast or abstained votes	14,362,296 votes	4.92%

**Approved**, that the above proposal be and hereby were accepted as submitted.

**IV. Election:**

**1. The by-election of a Director is submitted for election.**

**(Proposed by the Board of Directors)**

**Description:**

- (1) According to Article 13 of the Articles of Incorporation, the Company shall have 9 to 11 Directors, and there are currently 9 Directors (including 4 Independent Directors).
- (2) To enhance corporate governance and improve the operating efficacy of the Board, the Company intends to conduct the by-election of a Director. The candidate nomination system is adopted for the election of the Director, and the Director shall be elected by the shareholders’ meeting from the list of candidates. The new Director shall assume the position on the date elected, with a term of office from June 10, 2025 to June 8, 2026. The list of Director candidates was resolved and approved by the Board. [\(Please refer to Attachment 8\)](#)
- (3) Regulations for Elections of Directors. [\(Please refer to Appendix 4 of the Handbook\)](#)

**Election Result:**

The following individual was duly elected:

<b>Title</b>	<b>Name</b>	<b>Elected voting number</b>
Director	Chen Chun-Cheng	274,871,956 Votes

**V. Extempore Motion: None.**

There is no questions to extemporary motions raised by the shareholders.

**VI. Meeting Adjourned: There being no further motions raised, the Chairman declared the meeting duly adjourned.**

(Note : The content of the speech recorded in the Annual General Meeting minutes is a summary. The actual situation of the speech is subject to the on-site video and audio recording.)

## **【Attachment 1】 Business Report**

**Dear shareholders,**

In 2024, as indicators of inflationary pressure gradually eased, central banks in some European and emerging markets, as well as the U.S. Federal Reserve, successively initiated interest rate reduction cycles. Amid these seemingly positive signals, however, due to renewed geopolitical conflicts reaching an impasse, rising international trade protectionism, policy uncertainty resulting from the U.S. election process leading to market wait-and-see attitudes, slower-than-expected progress in inventory adjustments within original industries, coupled with the fact that China's overall economy has not yet stabilized, the dumping of substantial excess production capacity initiated severe price wars across various industries, causing the economic recovery to appear weak.

In 2024, the performance of the Zerova electric vehicle (EV) energy business did not grow as expected. This was mainly due to uncertainties surrounding US energy and EV subsidy policies, leading to a slowdown in demand for charging stations in the North American market and clients still undergoing inventory reduction. However, through optimizing the sales mix and cost control, the gross profit margin was maintained at approximately 40%, similar to 2023. Overall operational performance was better than industry peers, and this business already accounts for about 40% of the group's revenue. The revenue of the power supply business continued to decline due to the aforementioned deterioration of the industrial environment and price wars with competitors. Nevertheless, thanks to the consolidation of the Dongguan factory and significant cost control on materials, the gross profit margin continued to show double-digit growth, resulting in only a slight decrease in the overall gross profit amount. Additionally, due to continuously increasing customer demand for "China+", the output value of the Vietnam plant also accounted for 40% of revenue. Overall, the group's revenue in 2024 decreased by approximately 12% compared to 2023. The gross profit margin slightly increased from 26.1% to 27.5%. Due to significant contributions from asset activation and disposal gains, the overall net profit after tax only slightly declined compared to 2023.

Overall, the global economy in 2025 is expected to face significant fluctuations, presenting both opportunities and risks, with notable differences across individual regions and industries. Emerging technology applications such as AI, cloud computing, high-performance computing, and next-generation communication technologies, along with global central bank interest rate cut cycles and low inventory levels, will continue to drive economic development, bringing innovation and growth potential. However, escalating geopolitical tensions, the expansion of trade protectionism, and policies such as America First tariffs, immigration restrictions, energy development, and fiscal subsidies may restrain global economic growth. The management team will closely monitor these developments and their impacts, actively explore potential business opportunities, and flexibly respond to various uncertainties and challenges.

### **I. Financial performance**

## (I) Implementation Results of Operating Plan and Budget Execution Status

The company's net operating revenue for 2024 was NT\$10,897,729,000, a decrease of approximately 11.63% compared to the net operating revenue of NT\$12,332,397,000 for 2023. The net profit after tax for 2024 was NT\$206,325,000, a decrease of approximately 21.40% compared to the net profit after tax of NT\$262,514,000 for 2023. The overall profit for 2024 did not meet the internal targets set.

## (II) Analysis of Financial Income/Expenses and Profitability

### 1. Analysis of Financial Income and Expenses

Unit: NT\$ Thousands; %

Year		2023	2024	Change %
Item				
Non-operating Income & Expenses		109,663	451,833	312.02%

The increase in the company's non-operating income and expenses in 2024 compared to 2023 was primarily due to increased exchange gains resulting from exchange rate fluctuations in 2024, gain on the sale of Spring City Resort equity, and reduced interest expenses.

### 2. Profitability Analysis

Year			2023	2024
Analysis Item				
Profitability	Return on Assets (%)		2.43	1.62
	Return on Equity (%)		3.36	2.13
	Ratio to Paid-in Capital (%)	Net Operating Profit	8.23	(3.54)
		Profit Before Tax	10.77	6.93
	Net Profit Margin (%)		2.13	1.89
	Earnings Per Share (NT)		0.68	0.48

## II. Research and Development Status

### (I) Zerova Electric Vehicle Energy Business

- **Cybersecurity Technology Implementation:** Through techniques like end-to-end encryption, multi-layer authentication, and compliance with international standards (such as UN R155 and ISO/SAE 21434), we ensure driver data privacy and the stable operation of charging infrastructure, reducing resource waste or operational interruptions caused by security threats. This comprehensively enhances user confidence and accelerates the adoption and sustainable development of low-carbon transportation.

- Bidirectional Power Technology Achieving V2H, V2G Functions: Effectively utilizing the power of EVs, allowing EVs nationwide to feed power back to the national grid or home energy storage systems during emergencies using bidirectional power technology applications. Combined with the above items and grid balancing technology, it can effectively manage the entire power system, applicable to household electricity, microgrids, or power company support.
- Large-scale Charging Product Design (480kW - 720kW): From high-power 480kW energy cabinets combined up to 720kW integrated charging stations, or large-screen outdoor advertising charging stations for commercial sites. Developing larger charging systems capable of charging multiple EVs simultaneously, utilizing "dynamic smart allocation" software technology to effectively improve charging distribution efficiency.
- Megawatt Charging Technology Development for Heavy-duty Vehicles: Applied to heavy-duty vehicles, including long-haul tankers, electric yachts, and mining transport vehicles, covering commercial consumption, high-end private consumption, and licensed industries.

## (II) Power Supply Business

- Leveraging Core GaN Product Design, Production Technology, and Supply Chain Bargaining Advantages: Providing customers with substantial benefits in high efficiency, lightweight, miniaturization, cost-effectiveness, and ESG energy saving and carbon reduction, ensuring technological leadership and market segmentation.
- Utilizing Years of Experience in Computer Simulation and Physical Design, along with Big Data Collection: Ensuring 100% design feasibility, thereby shortening product development cycles and reducing development costs and resources, winning customers' professional trust.
- Targeting Power Battery Charger Product Applications: Continuously optimizing and developing high-efficiency circuit platforms and new heat dissipation and waterproof solutions, integrating software R&D capabilities to meet customer demands for fast charging, lightweight, miniaturization, and cost reduction, thereby enhancing market competitiveness.
- USB PD 3.1 240W Power Platform, Direct Battery Charging Technology, and Product Development: Expanding the application field of USB PD power from consumer products to gaming laptops, power tools, electric bicycles, network communications, etc.
- 350-2000W Fully Digital Power Platform Technology and Product Development: Actively entering high-end niche markets such as 5G communications, data centers/network switches, network security systems, and gaming desktop power supplies.



### **III. Operating Policies and Objectives**

#### **(A) Corporate Development:**

- Focus on maximizing corporate benefits and implement the 3-year growth strategy plan.
- Strengthen focus on strategy and capital allocation.
- Enhance corporate governance practices, implement pragmatic risk control, and strengthen ESG sustainable development.
- Prioritize shareholder returns and value.

#### **(B) Zerova Electric Vehicle Energy Business:**

- Focus on scaling up and increasing the global sales network.
- Build localized R&D, sales, product testing, and after-sales service teams.
- Continuously conduct R&D and innovation to ensure long-term competitiveness.
- Strengthen global procurement capabilities to increase the ratio of transactions with original manufacturers for key components and achieve supply chain localization.
- Establish a cost strategy team combining R&D, procurement, and production units for cost optimization.
- Focus on quality, customer service, and global delivery capabilities.
- Continue to build a resilient business model with diversified revenue streams.

#### **(C) Power Supply Business:**

- Focus on improving the cost structure.
- Continue production organization layout and integration to reduce costs and enhance competitiveness.
- Deepen cultivation of strategic niche markets, customers, and product development.
- Emphasize a business model focused on high-margin standard products.
- Perfect production and service quality, enhance delivery capabilities and flexibility to win customer trust and loyalty.
- Build GaN core technology and value.
- Build simulation/physical design integration and software/hardware integration technical capabilities to demonstrate professional value.

### **IV. Production and Sales Policy**

We continue to cooperate closely with customers and the supply chain to accelerate global deployment and capacity allocation. When facing raw material shortages and price uncertainty, we actively adopt mutually beneficial solutions for shared prosperity. Key

production and sales strategies are as follows:

- Deepen relationships with international brand customers, expanding the market share of the company's products through the customers' revenue growth and increased sales ratio.
- Continuously expand niche product application areas, increasing the revenue share of high-value-added products.
- Refine supply chain and capacity management, enhancing delivery flexibility to meet customer needs during peak/off-peak seasons and urgent orders.
- Continuously improve automated production techniques and intelligent process control capabilities to enhance production efficiency and quality.
- Continue to perfect the local supply chain in Vietnam until it matures, achieving the ultimate goals of a short chain and cost reductions.

## **V. Impact of External Competitive Environment, Regulatory Environment, and Overall Business Environment**

Regarding the regulatory environment, with rising awareness of environmental sustainability, internationally renowned brand customers have successively established high-standard supplier management codes, requiring supply chain compliance. Adhering to the spirit of sustainable development, the company integrates this spirit into the research, development, and mass production processes to achieve the operational goal of net-zero carbon emissions. The company continuously monitors changes in the legal environment and actively proposes countermeasures to mitigate operational risks.

The global economy in 2025 will continue to face numerous challenges and opportunities. As major countries successively initiate interest rate reduction cycles, the global economy may exhibit a stable, low-speed growth trend. Although growth in the two major economies, the United States and China, is expected to slow, economies such as Europe and Japan are gradually recovering, and emerging markets are also benefiting from manufacturing investment and supply chain restructuring. However, trade policy uncertainty, inflationary pressures, and geopolitical risks may still upset the market, requiring countries to carefully balance stimulating growth and stabilizing prices. Particularly under the impetus of the new US administration's policies, the global political and economic environment may experience significant fluctuations. The company will closely monitor macroeconomic changes, formulate optimal business strategies, and calmly respond to changes in the international situation.

Looking ahead to 2025, we will uphold the business philosophy of "Excellent Design, Superior Quality, Accurate Delivery". With strong core competitiveness, we aim to earn customer trust and advance towards the goals of sustained growth and profitability, creating greater value for customers and shareholders. In view of the aforementioned product and operating strategies, the product portfolio will be fine-tuned in 2025, with

an estimated sales target of 45 million units.

Finally, we once again sincerely thank all employees and shareholders for their long-term support and encouragement to the company. We extend our deepest gratitude!

We wish all our shareholders good health, and all the best.

Chairman: Lin, Chung-Min,    President: Lin, Kuan-Hong    Head of accounting: Chen, Kuei-Chih

## **【Attachment 2】 Audit Committee's Review Report**

### **Phihong Technology Co., Ltd.**

#### **Audit Committee's Review Report**

The Board prepared the 2024 Business Report, 2024 parent company only and consolidated financial statements, and the proposal for earning distribution, in which the 2024 parent company only and consolidated financial statements were audited by CPAs Chih-Yi Chang and Kuo-Tyan Hong from Deloitte & Touche.

We reviewed the abovementioned 2024 Business Report, 2024 parent company only and consolidated financial statements, and the proposal for earning distribution, and considered them consistent; therefore, we made the report as above according to relevant requirements of the Securities and Exchange Act and the Company Act. Please review and approve.

Sincerely,

The 2025 annual shareholders' meeting of Phihong Technology Co., Ltd.

Convener of the Audit Committee:  
Hong, Yu-Yuan

March 11, 2025

### **【Attachment 3】 Comparison Table for the Amendments to the “Ethical Corporate Management Best Practice Principles”**

**Phihong Technology Co., Ltd.**

#### **Comparison Table for the Amendments to the “Ethical Corporate Management Best Practice Principles”**

<b>Before amendments</b>	<b>After amendments</b>	<b>Description</b>
<p>Article 5 Policy</p> <p>The Company shall adhere to the business philosophy of integrity, transparency, and responsibility to formulate policies based on ethics and establish favorable corporate governance and risk control systems to create the business environment of sustainable development.</p>	<p>Article 5 Policy</p> <p>The Company shall adhere to the business philosophy of integrity, transparency, and responsibility to formulate policies based on ethics <u>that are approved by the Board</u>, and establish favorable corporate governance and risk control systems to create the business environment of sustainable development.</p>	Amended according to laws and regulations
<p>Article 7 Measures of the preventive plan</p> <p>When establishing the preventive plan, the Company <u>shall analyze operating activities with higher risks of unethical conduct within the scope of business and enhance relevant preventive measures.</u></p>	<p>Article 7 <u>Scope</u> of the preventive plan</p> <p>The Company <u>shall establish an assessment system for the risks of unethical conduct and regularly analyze and assess operating activities with higher risks of unethical conduct within the scope of business, to establish the preventive plan accordingly, and regularly examine the adequacy and effectiveness of the preventive plan.</u></p>	Amended according to laws and regulations
<p>Article 8 Commitment and implementation</p> <p>The Company <u>and its subsidiaries</u> shall specify their ethical corporate management policies and the commitment of the Board and the management in active implementing ethical corporate management policies <u>in their regulations and documents for the public and duly implement them in internal management and business activities.</u></p>	<p>Article 8 Commitment and implementation</p> <p><u>The Directors and the senior management of the Company shall issue a declaration for compliance with ethical corporate management policies, and require employees to comply with the ethical corporate management policies in their employment conditions.</u></p> <p>The Company, <u>and entities and organizations of the Group</u>, shall specify their ethical corporate management policies and the commitment of the Board and senior management to actively implement ethical corporate management policies, in the regulations, documents for the public, <u>and on the corporate website, and duly implement</u></p>	Amended according to laws and regulations

	<p>them in internal management and business activities.</p> <p><u>For the ethical corporate management policies, declarations, commitments, and implementation in paragraphs 1 and 2, the Company shall prepare and duly retain the documented information.</u></p>	
<p>Article 17 Organization and responsibility</p> <p>Directors, Independent Directors, managers, employees, trustees, and ultimate controllers shall fulfill the obligation of care of a good administrator, urge the Company to prevent unethical conduct, examine the implementation effects at all times, and continue to make improvements to ensure the implementation of ethical corporate management policies.</p> <p>To optimize the enforcement of ethical corporate management of the Company established the <u>Financial and Administrative Management Center to be responsible for the formulation, supervision, and implementation of ethical corporate management policies and preventive plans, primarily managing the following matters and regularly reporting to the Board:</u></p> <p>I. <u>Assist in incorporating ethical values into the business strategies of the Company and establishing relevant anti-fraud measures to ensure ethical corporate management in accordance with systems under the laws and regulations.</u></p> <p>II. <u>Establish unethical conduct preventive plans and establish standard operating procedures and guidelines for conduct related to work and business in each plan.</u></p> <p>III. <u>Plan for the internal organization, grouping, and duties and install supervision and countervailing</u></p>	<p>Article 17 Organization and responsibility</p> <p>Directors, Independent Directors, managers, employees, trustees, and ultimate controllers shall fulfill the obligation of care of a good administrator, urge the Company to prevent unethical conduct, examine the implementation effects at all times, and continue to make improvements to ensure the implementation of ethical corporate management policies.</p> <p>To optimize the enforcement of ethical corporate management of the Company, <u>the Legal Affairs Office takes the lead in promotion, and the internal departments of the Company are responsible for the following matters and regularly reporting to the Board:</u></p> <p>I. <u>Legal Affairs Office: Establish unethical conduct preventive plans based on the systems under relevant laws and regulations of places where the Company and the operations of the organization are located, and establish standard operating procedures and guidelines for conduct related to work and business in each plan.</u></p> <p>II. <u>HR Department: Promote and coordinate the promotion and training of ethical policies.</u></p> <p>III. <u>Audit Office:</u></p> <p>(I) <u>Plan for the whistleblowing system and ensure implementation effectiveness.</u></p> <p>(II) <u>Assist the Board and management in</u></p>	<p>Amended according to laws and regulations and <u>responded to the inability to score when having the audit department as the promoting department under the Corporate Governance Evaluation Indicator 4.2</u></p>

<p><u>systems for operating activities with high risks of unethical conduct within the scope of business.</u></p> <p>IV. <u>Promote and coordinate the promotion and training of ethical policies.</u></p> <p>V. <u>Plan for the whistleblowing system and ensure implementation effectiveness.</u></p> <p>VI. <u>Assist the Board and the management in auditing and evaluating whether the preventive measures established for ethical corporate management are effectively operating, carry out evaluations of the compliance of relevant business procedures, and prepare reports.</u></p>	<p><u>auditing and evaluating whether the preventive measures established for ethical corporate management are effectively operating, carry out evaluations of the compliance of relevant business procedures, and prepare reports.</u></p>	
<p>Article 20 Accounting and internal control</p> <p>The Company shall establish an effective accounting system and internal control system for operating activities with higher risks of unethical conduct, shall not have undercover account books or secret accounts, and shall carry out examinations at all times to ensure the design and implementation of the systems continue to be effective.</p> <p>The internal audit department of the Company shall <u>regularly perform audits of compliance with the systems in the preceding paragraph, prepare audit reports, and submit them to the Board; CPAs may be appointed for the implementation of audits, and professionals may be engaged for assistance when necessary.</u></p>	<p>Article 20 Accounting and internal control</p> <p>The Company shall establish an effective accounting system and internal control system for operating activities with higher risks of unethical conduct, shall not have undercover account books or secret accounts, and shall carry out examinations at all times to ensure the design and implementation of the systems continue to be effective.</p> <p>The internal audit department <u>shall formulate relevant audit plans, and implement the audit work based on the items of high risks in the assessment results of the risks of unethical conduct. The content should include audit targets, scope, items, and frequency, to perform the audit in compliance with preventive plans, accordingly. CPAs and professionals may be appointed for the implementation of audits or for assistance, respectively, as necessary. Audit reports shall be prepared based on the audit results in the preceding paragraph and submitted to the Board.</u></p>	<p>Amended according to laws and regulations</p>
<p>Article 23 Whistleblowing system</p>	<p>Article 23 Whistleblowing system</p>	<p>Amended</p>

<p>The Company shall establish a strong whistleblowing system and implement it accordingly. The content shall at least cover the following matters:</p> <p>I. Establish and announce the internal independent whistleblowing e-mail and hotline or engage another external independent institution to provide the whistleblowing e-mail or hotline for internal and external personnel's use.</p> <p>II. Appoint dedicated personnel or departments for the acceptance of whistleblowing. If the reported matters involve Directors or senior supervisors, they shall be reported to Independent Directors, and the type of reported matters and the investigation standard operating procedures shall be established.</p> <p>III. <u>Prepare records for the acceptance of whistleblowing cases, investigation courses, investigation results, and relevant documents and preservation.</u></p> <p>IV. Confidentiality of the identity of whistleblowers and the reported content.</p> <p>V. Protect whistleblowers from inappropriate treatment due to whistleblowing.</p> <p>VI. Reward measures for whistleblowers.</p> <p>If the dedicated personnel or department for the acceptance of whistleblowing discovers any material violation or suspicion of material damages to the Company after the investigation, a report shall be immediately made to notify Independent Directors in writing.</p>	<p>The Company shall establish a strong whistleblowing system and implement it accordingly. The content shall at least cover the following matters:</p> <p>I. Establish and announce the internal independent whistleblowing e-mail and hotline or engage another external independent institution to provide the whistleblowing e-mail or hotline for internal and external personnel's use.</p> <p>II. Appoint dedicated personnel or departments for the acceptance of whistleblowing. If the reported matters involve Directors or senior supervisors, they shall be reported to Independent Directors, and the type of reported matters and the investigation standard operating procedures shall be established.</p> <p>III. <u>After the completion of the established investigation for whistleblowing cases, adopt subsequent measures based on the severity of the cases and report to the regulatory authority, or transfer the cases to a judiciary agency for investigation when necessary.</u></p> <p>IV. Confidentiality of the identity of whistleblowers and the reported content. <u>Anonymous whistleblowing is allowed.</u></p> <p>V. Protect whistleblowers from inappropriate treatment due to whistleblowing.</p> <p>VI. Reward measures for whistleblowers.</p> <p>If the dedicated personnel or department for the acceptance of whistleblowing discovers any material violation or suspicion of material damages to the Company after the investigation, a report shall be immediately made to notify Independent Directors in writing.</p>	<p>according to laws and regulations</p>
<p>Article 27 Implementation The Ethical Corporate Management</p>	<p>Article 27 Implementation The Ethical Corporate Management Best</p>	<p>Amended the date</p>



<p>Best Practice Principles of the Company were implemented after being approved by the Board, and the same shall apply to any amendment.</p> <p>The Principles were established on November 7, 2014.</p> <p>The 1<sup>st</sup> amendment was made on March 13, 2015.</p> <p>The 2<sup>nd</sup> amendment was made on November 10, 2017.</p>	<p>Practice Principles of the Company were implemented after being approved by the Board, and the same shall apply to any amendment.</p> <p>The Principles were established on November 7, 2014.</p> <p>The 1<sup>st</sup> amendment was made on March 13, 2015.</p> <p>The 2<sup>nd</sup> amendment was made on November 10, 2017.</p> <p><u>The 3<sup>rd</sup> amendment was made on December 10, 2024.</u></p>	
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## **【Attachment 4】 2024 Individual Auditor’s Report and Consolidated Financial Statements**

### **DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES**

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements” Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

PHIHONG TECHNOLOGY CO., LTD.

By

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March 11, 2025

### INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Phihong Technology Co., Ltd.

#### Opinion

We have audited the accompanying consolidated financial statements of Phihong Technology Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the report of other auditors (refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2024 is stated as follows.

The Accuracy of Sales Revenue from Terminal and Enterprise Application Power Supply

Description of the key audit matter:

The sales of terminal and enterprise application power supplies within the Group's have experienced significant changes due to the impact of China's economic slowdown on the revenue performance in 2024. Therefore, the accuracy of the sales revenue from terminal and enterprise application power supply is considered as the key audit matter for the year ended December 31, 2024. Refer to Note 4 to the consolidated financial statements for the related sales revenue disclosures.

Audit procedures performed in response to the key audit matter:

Corresponding the key audit matter, we have performed the procedures to understand internal controls related to the sales process and examined the effectiveness of the design and implementation of the controls. In addition, we have sampled the revenue to review external documents and payment receipts of the samples and implemented the procedures regarding the accuracy of the revenue.

**Other Matter**

In the consolidated financial statements of the Group, the financial statements of Zerova Group were audited by other auditors. Our opinion, insofar as it relates to the amounts included for Zerova Group, is based solely on the report of other auditors. The total assets of Zerova Group constituted 28.82% and 24.72%, respectively, of consolidated total assets as of December 31, 2024 and 2023; and total revenue constituted 41.41% and 35.41%, respectively, of consolidated total revenue for the year then ended.

We have also audited the parent company only financial statements of Phihong Technology Co., Ltd as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion with other matter paragraph.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chih-Yi Chang and Kuo-Tyan Hong.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 11, 2025

#### Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

# PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 4,302,601	29	\$ 5,851,805	38
Financial assets at amortized cost - current (Notes 4, 8 and 32)	525,917	3	235,014	1
Contract assets - current (Note 23)	5,349	-	-	-
Trade receivables (Notes 4 and 9)	2,131,918	14	1,707,187	11
Trade receivables from related parties (Notes 9 and 31)	14,247	-	2,186	-
Other receivables	116,752	1	36,210	-
Current tax assets	84,340	1	49,059	-
Inventories (Notes 4 and 10)	2,043,603	14	2,602,895	17
Non-current assets held for sale	24,850	-	-	-
Other current assets	299,539	2	300,270	2
Total current assets	9,549,116	64	10,784,626	69
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	134,368	1	122,608	1
Financial assets at amortized cost - non-current (Notes 4, 8 and 32)	-	-	10,500	-
Investments accounted for using the equity method (Notes 4 and 12)	71,381	1	86,674	1
Property, plant and equipment (Notes 4 and 13)	4,322,817	29	3,823,140	25
Right-of-use assets (Notes 4 and 14)	355,381	2	308,023	2
Investment properties (Note 15)	361,320	2	271,958	2
Other intangible assets (Notes 4 and 16)	63,233	-	46,835	-
Deferred tax assets (Notes 4 and 25)	83,395	1	54,542	-
Other non-current assets	62,139	-	69,640	-
Total non-current assets	5,454,034	36	4,793,920	31
TOTAL	\$ 15,003,150	100	\$ 15,578,546	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	\$ 182,654	1	\$ 878,851	6
Contract liabilities - current (Notes 23 and 31)	202,188	2	423,831	3
Trade payables	1,995,831	13	1,933,927	12
Trade payables to related parties (Note 31)	-	-	4,788	-
Other payables (Note 19)	1,024,829	7	1,465,281	9
Current tax liabilities (Notes 4 and 25)	60,092	1	146,078	1
Provisions - current (Note 20)	191,498	1	73,210	-
Lease liabilities - current (Notes 4 and 14)	44,852	-	31,088	-
Current portion of long-term borrowings (Note 17)	14,867	-	117,417	1
Other current liabilities (Note 19)	159,723	1	117,478	1
Total current liabilities	3,876,534	26	5,191,949	33
NON-CURRENT LIABILITIES				
Contract liabilities - non-current (Note 23)	87,549	1	-	-
Bonds payable (Notes 4 and 18)	699,499	5	699,092	5
Long-term borrowings (Note 17)	156,100	1	170,967	1
Provisions - non-current (Note 20)	16,599	-	-	-
Deferred tax liabilities (Notes 4 and 25)	33,226	-	30,265	-
Lease liabilities - non-current (Notes 4 and 14)	75,965	-	23,855	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	19,971	-	32,019	1
Other non-current liabilities	22,076	-	30,163	-
Total non-current liabilities	1,110,985	7	986,361	7
Total liabilities	4,987,519	33	6,178,310	40
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 22)				
Ordinary shares	4,312,084	29	4,312,084	28
Capital surplus	4,579,383	31	4,579,383	29
Retained earnings				
Legal reserve	331,904	2	305,119	2
Special reserve	367,518	2	313,005	2
Unappropriated earnings	399,371	3	267,846	2
Total retained earnings	1,098,793	7	885,970	6
Other equity				
Exchange differences on translating of the financial statements of foreign operations	106,577	1	(293,466)	(2)
Unrealized valuation loss on financial assets at fair value through other comprehensive income	(81,206)	(1)	(74,052)	(1)
Total other equity	25,371	-	(367,518)	(3)
Total equity attributable to owners of the Company	10,015,631	67	9,409,919	60
NON-CONTROLLING INTERESTS (Note 22)	-	-	(9,683)	-
Total equity	10,015,631	67	9,400,236	60
TOTAL	\$ 15,003,150	100	\$ 15,578,546	100

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

(With Deloitte & Touche auditors' report dated March 11, 2025)

# PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 4, 23, 31 and 36)	\$ 10,897,729	100	\$ 12,332,397	100
OPERATING COSTS (Notes 4, 10 and 31)	<u>7,956,668</u>	<u>73</u>	<u>9,119,641</u>	<u>74</u>
GROSS PROFIT	<u>2,941,061</u>	<u>27</u>	<u>3,212,756</u>	<u>26</u>
OPERATING EXPENSES				
Selling and marketing expenses	1,152,091	10	944,647	8
General and administrative expenses	988,061	9	855,240	7
Research and development expenses	966,376	9	1,034,425	8
Expected credit (gain) loss	<u>(12,635)</u>	<u>-</u>	<u>23,701</u>	<u>-</u>
Total operating expenses	<u>3,093,893</u>	<u>28</u>	<u>2,858,013</u>	<u>23</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(152,832)</u>	<u>(1)</u>	<u>354,743</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 24)	155,131	1	121,092	1
Other income (Note 24)	195,935	2	156,719	1
Other gains and losses (Note 24)	156,801	1	(32,332)	-
Finance costs (Note 24)	(52,489)	-	(130,483)	(1)
Share of profit or loss of associates (Note 12)	<u>(3,545)</u>	<u>-</u>	<u>(5,333)</u>	<u>-</u>
Total non-operating income and expenses	<u>451,833</u>	<u>4</u>	<u>109,663</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	299,001	3	464,406	4
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(92,676)</u>	<u>(1)</u>	<u>(201,892)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>206,325</u>	<u>2</u>	<u>262,514</u>	<u>2</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 21)	8,122	-	6,619	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income (Note 22)	(7,154)	-	6,593	-
Share of other comprehensive loss of associates accounted for using the equity method (Note 22)	-	-	(306)	-

(Continued)



# PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 25)	\$ (1,624)	-	\$ (1,324)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating of the financial statements of foreign operations (Note 22)	<u>393,002</u>	<u>3</u>	<u>(49,288)</u>	<u>-</u>
Other comprehensive (loss) income for the year, net of income tax	<u>392,346</u>	<u>3</u>	<u>(37,706)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 598,671</u>	<u>5</u>	<u>\$ 224,808</u>	<u>2</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 206,325	2	\$ 262,551	2
Non-controlling interests	<u>-</u>	<u>-</u>	<u>(37)</u>	<u>-</u>
	<u>\$ 206,325</u>	<u>2</u>	<u>\$ 262,514</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 599,121	5	\$ 224,838	2
Non-controlling interests	<u>(450)</u>	<u>-</u>	<u>(30)</u>	<u>-</u>
	<u>\$ 598,671</u>	<u>5</u>	<u>\$ 224,808</u>	<u>2</u>
EARNINGS PER SHARE (Note 27)				
Basic earnings per share	<u>\$ 0.48</u>		<u>\$ 0.68</u>	<u>-</u>
Diluted earnings per share	<u>\$ 0.48</u>		<u>\$ 0.68</u>	<u>-</u>

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

(With Deloitte & Touche auditors' report dated March 11, 2025)

(Concluded)

# PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Other Equity		Total	Non-controlling Interests	Total Equity
	Ordinary Shares	Capital Surplus	Retained Earnings			Exchange Differences on Translating of the Financial Statements of Foreign Operations	Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income				
			Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2023	\$ 3,752,084	\$ 2,179,372	\$ 295,992	\$ 230,859	\$ 91,273	\$ (244,171)	\$ (80,339)	\$ 6,225,070	\$ (9,653)	\$ 6,215,417	
Appropriation of 2022 earnings											
Legal reserve (Note 22)	-	-	9,127	-	(9,127)	-	-	-	-	-	
Special reserve (Note 22)	-	-	-	82,146	(82,146)	-	-	-	-	-	
Adjustments to share of changes in equity of associates	-	61	-	-	-	-	-	61	-	61	
Share-based payment arrangements (Note 26)	-	176,400	-	-	-	-	-	176,400	-	176,400	
Issuance of ordinary shares for cash (Note 22)	560,000	2,223,550	-	-	-	-	-	2,783,550	-	2,783,550	
Net profit (loss) for the year ended December 31, 2023	-	-	-	-	262,551	-	-	262,551	(37)	262,514	
Other comprehensive income (loss) for the year ended December 31, net of income tax	-	-	-	-	5,295	(49,295)	6,287	(37,713)	7	(37,706)	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	267,846	(49,295)	6,287	224,838	(30)	224,808	
BALANCE AT DECEMBER 31, 2023	4,312,084	4,579,383	305,119	313,005	267,846	(293,466)	(74,052)	9,409,919	(9,683)	9,400,236	
Appropriation of 2023 earnings											
Legal reserve (Note 22)	-	-	26,785	-	(26,785)	-	-	-	-	-	
Special reserve (Note 22)	-	-	-	54,513	(54,513)	-	-	-	-	-	
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	6,591	-	6,591	10,133	16,724	
Net profit for the year ended December 31, 2024	-	-	-	-	206,325	-	-	206,325	-	206,325	
Other comprehensive income (loss) for the year ended December 31, net of income tax	-	-	-	-	6,498	393,452	(7,154)	392,796	(450)	392,346	
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	212,823	393,452	(7,154)	599,121	(450)	598,671	
BALANCE AT DECEMBER 31, 2024	\$ 4,312,084	\$ 4,579,383	\$ 331,904	\$ 367,518	\$ 399,371	\$ 106,577	\$ (81,206)	\$ 10,015,631	\$ -	\$ 10,015,631	

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

(With Deloitte & Touche auditors' report dated March 11, 2025)

# PHIHONG TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before tax	\$ 299,001	\$ 464,406
Adjustments for:		
Depreciation expense	381,335	348,556
Amortization expense	21,833	18,944
Expected credit (reversed) loss recognized on trade receivables	(12,635)	23,701
Finance costs	52,489	130,483
Interest income	(155,131)	(121,092)
Dividend income	(13,332)	(7,477)
Compensation cost of share-based payments	-	176,400
Share of loss of associates	3,545	5,333
(Gain) loss on disposal of property, plant and equipment	(1,240)	2,345
Loss on disposal of intangible assets	74	262
Gain on disposal of associates	(77,905)	-
Write-down of inventories	17,229	144,057
Gain on lease modification	(266)	(540)
Net changes in operating assets and liabilities		
Contract assets	(5,349)	-
Notes receivables	-	16,159
Trade receivables	(412,642)	934,147
Trade receivables from related parties	(12,061)	(2,186)
Other receivables	(88,125)	9,663
Other receivables from related parties	-	3,654
Inventories	542,063	549,628
Other current assets	11,556	(13,019)
Other non-current assets	(237)	5,595
Contract liabilities	(134,094)	123,284
Trade payables	61,904	(721,564)
Trade payables to related parties	(4,788)	(81,531)
Other payables	(278,609)	447,038
Provisions	118,288	56,406
Other current liabilities	42,245	(14,097)
Net defined benefit liabilities	(3,926)	(10,379)
Cash generated from operating activities	351,222	2,488,176
Interest received	162,714	117,153
Interest paid	(69,036)	(125,249)
Income tax paid	(241,459)	(254,163)
Net cash generated from operating activities	<u>203,441</u>	<u>2,225,917</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(21,000)	(21,000)
Capital reduction and refund from investments accounted for using the fair value through other comprehensive income	2,083	4,742

(Continued)

## **【Attachment 5】 2024 Individual Auditor’s Report and Parent Company Only Financial Statements**

### **INDEPENDENT AUDITORS’ REPORT**

The Board of Directors and Shareholders  
Phihong Technology Co., Ltd.

#### **Opinion**

We have audited the accompanying parent company only financial statements of Phihong Technology Co., Ltd. (the “Company”) which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the “parent company only financial statements”).

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

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Company's parent company only financial statements for the year ended December 31, 2024 is stated as follows.

The Occurrence of Sales Revenue from Terminal and Enterprise Application Power Supply

Description of the key audit matter:

The sales of terminal and enterprise application power supplies within the Group's have experienced significant changes due to the impact of China's economic slowdown on the revenue performance in 2024. Therefore, the occurrence of the sales revenue from terminal and enterprise application power supply is considered as the key audit matter for the audit of the Company's parent company only financial statements for the year ended December 31, 2024. Refer to Note 4 to the parent company only financial statements for the related sales revenue disclosures.

Audit procedures performed in response to the key audit matter:

In correspond and to the key audit matter, we have performed the procedures to understand internal controls related to the sales process and examined the effectiveness of the design and implementation of the controls. In addition, we have sampled the revenue ledgers to review external documents and payment receipts of the samples and implemented the procedures regarding the occurrence of the revenue.

**Other Matter**

For the year ended December 31, 2024, the financial statements of Zerova Technologies Holdings Limited (ZKH), an associate accounted for using the equity method, were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the accompanying parent company only financial statements for ZKH, is based solely on the reports of other auditors. As of December 31, 2024 and 2023, the aggregate carrying amount of the equity-method investments in ZKH was NT\$2,889,512 thousand and NT\$2,596,528, representing 21.64% and 20.40% of the total assets, respectively. For the years ended December 31, 2024 and 2023, the share of profit of ZKH was NT\$196,050 thousand and NT\$556,647 thousand, representing 97.54% and 220.38% of the profit before income tax, respectively.

**Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chih-Yi Chang and Kuo-Tyan Hong.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 11, 2025

#### Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.*

# PHIHONG TECHNOLOGY CO., LTD.

## PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,283,791	10	\$ 2,237,594	18
Trade receivables (Notes 4 and 9)	640,429	5	508,469	4
Trade receivables from related parties (Notes 4, 9 and 28)	226,388	2	154,152	1
Other receivables (Note 9)	5,423	-	1,088	-
Other receivables from related parties (Notes 9 and 28)	805,187	6	500,623	4
Current tax assets (Notes 4 and 23)	64,169	-	49,057	-
Inventories (Notes 4 and 10)	13,921	-	13,625	-
Other current assets	<u>98,653</u>	<u>1</u>	<u>86,181</u>	<u>1</u>
Total current assets	<u>3,137,961</u>	<u>24</u>	<u>3,550,789</u>	<u>28</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	132,080	1	120,132	1
Financial assets at amortized cost - non-current (Notes 4, 8 and 29)	-	-	10,500	-
Investments accounted for using equity method (Notes 4 and 11)	9,112,542	68	8,390,943	66
Property, plant and equipment (Notes 4 and 12)	867,644	7	533,385	4
Right-of-use assets (Notes 4 and 13)	8,021	-	13,835	-
Investment property (Notes 4 and 14)	21,691	-	22,429	-
Other intangible assets (Notes 4 and 15)	26,648	-	28,747	-
Deferred tax assets (Notes 4 and 23)	32,477	-	41,951	1
Other non-current assets	<u>14,027</u>	<u>-</u>	<u>12,521</u>	<u>-</u>
Total non-current assets	<u>10,215,130</u>	<u>76</u>	<u>9,174,443</u>	<u>72</u>
TOTAL	<u>\$ 13,353,091</u>	<u>100</u>	<u>\$ 12,725,232</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Notes 21 and 28)	\$ 13,468	-	\$ 29,937	-
Trade payables	5,629	-	5,075	-
Trade payables to related parties (Note 28)	1,240	-	12,802	-
Other payables (Notes 18 and 28)	1,860,597	14	1,744,731	14
Lease liabilities - current (Notes 4 and 13)	4,972	-	5,790	-
Current portion of long-term borrowings (Note 16)	14,867	-	117,417	1
Other current liabilities	<u>74,002</u>	<u>1</u>	<u>80,117</u>	<u>1</u>
Total current liabilities	<u>1,974,775</u>	<u>15</u>	<u>1,995,869</u>	<u>16</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 17)	699,499	5	699,092	6
Long-term borrowings (Note 16)	156,100	1	170,967	1
Deferred tax liabilities (Notes 4 and 23)	19,856	-	30,265	-
Lease liabilities - non-current (Notes 4 and 13)	3,207	-	8,179	-
Net defined benefit liability - non-current (Notes 4 and 19)	19,971	-	32,019	-
Other non-current liabilities (Notes 4 and 11)	<u>464,052</u>	<u>4</u>	<u>378,922</u>	<u>3</u>
Total non-current liabilities	<u>1,362,685</u>	<u>10</u>	<u>1,319,444</u>	<u>10</u>
Total liabilities	<u>3,337,460</u>	<u>25</u>	<u>3,315,313</u>	<u>26</u>
EQUITY (Notes 4, 20 and 24)				
Ordinary shares	<u>4,312,084</u>	<u>32</u>	<u>4,312,084</u>	<u>34</u>
Capital surplus	<u>4,579,383</u>	<u>35</u>	<u>4,579,383</u>	<u>36</u>
Retained earnings				
Legal reserve	331,904	2	305,119	2
Special reserve	367,518	3	313,005	3
Unappropriated earnings	<u>399,371</u>	<u>3</u>	<u>267,846</u>	<u>2</u>
Total retained earnings	<u>1,098,793</u>	<u>8</u>	<u>885,970</u>	<u>7</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	106,577	1	(293,466)	(2)
Unrealized loss on financial assets at fair value through other comprehensive income	<u>(81,206)</u>	<u>(1)</u>	<u>(74,052)</u>	<u>(1)</u>
Total other equity	<u>25,371</u>	<u>-</u>	<u>(367,518)</u>	<u>(3)</u>
Total equity	<u>10,015,631</u>	<u>75</u>	<u>9,409,919</u>	<u>74</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 13,353,091</u>	<u>100</u>	<u>\$ 12,725,232</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 11, 2025)



# PHIHONG TECHNOLOGY CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 28)	\$ 5,288,829	100	\$ 6,098,143	100
OPERATING COST (Notes 4, 10 and 28)	<u>4,864,174</u>	<u>92</u>	<u>5,519,084</u>	<u>91</u>
OPERATING GROSS PROFIT	424,655	8	579,059	9
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES (Note 4)	<u>22,781</u>	<u>1</u>	<u>3,021</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>447,436</u>	<u>9</u>	<u>582,080</u>	<u>9</u>
OPERATING EXPENSES				
Sales and marketing expenses	248,381	5	243,211	4
General and administration expenses	228,580	4	228,840	4
Research and development expenses	369,415	7	388,333	6
Expected credit (gain) loss recognized (Note 9)	<u>(4,084)</u>	<u>-</u>	<u>6,834</u>	<u>-</u>
Total operating expenses	<u>842,292</u>	<u>16</u>	<u>867,218</u>	<u>14</u>
LOSS FROM OPERATIONS	<u>(394,856)</u>	<u>(7)</u>	<u>(285,138)</u>	<u>(5)</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 22)	58,375	1	45,051	1
Other income (Notes 22 and 28)	128,598	2	164,654	3
Other gains and losses (Note 22)	71,914	1	(13,622)	-
Finance costs (Note 22)	(19,775)	-	(79,336)	(2)
Share of profit or loss of subsidiaries and associates (Notes 4 and 11)	<u>356,736</u>	<u>7</u>	<u>420,972</u>	<u>7</u>
Total non-operating income and expenses	<u>595,848</u>	<u>11</u>	<u>537,719</u>	<u>9</u>
PROFIT BEFORE INCOME TAX	200,992	4	252,581	4
INCOME TAX BENEFIT (Notes 4 and 23)	<u>5,333</u>	<u>-</u>	<u>9,970</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>206,325</u>	<u>4</u>	<u>262,551</u>	<u>4</u>
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that may not reclassified subsequently to profit or loss:				

(Continued)

# PHIHONG TECHNOLOGY CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Remeasurement of defined benefit plans (Note 19)	8,122	-	6,619	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income (Note 20)	(6,969)	-	7,604	-
Share of other comprehensive loss of associates accounted for using the equity method (Note 20)	(185)	-	(1,317)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 23)	(1,624)	-	(1,324)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating of the financial statements of foreign operations (Note 20)	<u>393,452</u>	<u>7</u>	<u>(49,295)</u>	<u>-</u>
Total other comprehensive income (loss) for the period	<u>392,796</u>	<u>7</u>	<u>(37,713)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 599,121</u>	<u>11</u>	<u>\$ 224,838</u>	<u>4</u>
EARNINGS PER SHARE (Note 25)				
Basic earnings per share	<u>\$ 0.48</u>		<u>\$ 0.68</u>	
Diluted earnings per share	<u>\$ 0.48</u>		<u>\$ 0.68</u>	

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

(With Deloitte & Touche auditors' report dated March 11, 2025)

(Concluded)

# PHIHONG TECHNOLOGY CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Ordinary Shares	Capital Surplus	Retained Earnings			Other Equity		Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2023	\$ 3,752,084	\$ 2,179,372	\$ 295,992	\$ 230,859	\$ 91,273	\$ (244,171)	\$ (80,339)	\$ 6,225,070
Appropriation of 2022 earnings								
Legal reserve (Note 20)	-	-	9,127	-	(9,127)	-	-	-
Special reserve (Note 20)	-	-	-	82,146	(82,146)	-	-	-
Adjustments to share of changes in equity of associates and joint ventures	-	61	-	-	-	-	-	61
Share-based payment arrangements (Note 24)	-	176,400	-	-	-	-	-	176,400
Issuance of ordinary share for cash	560,000	2,223,550	-	-	-	-	-	2,783,550
Net profit for the year ended December 31, 2023	-	-	-	-	262,551	-	-	262,551
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,295</u>	<u>(49,295)</u>	<u>6,287</u>	<u>(37,713)</u>
Total comprehensive income (loss) for the year ended December 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>267,846</u>	<u>(49,295)</u>	<u>6,287</u>	<u>224,838</u>
BALANCE AT DECEMBER 31, 2023	4,312,084	4,579,383	305,119	313,005	267,846	(293,466)	(74,052)	9,409,919
Appropriation of 2023 earnings								
Legal reserve (Note 20)	-	-	26,785	-	(26,785)	-	-	-
Special reserve (Note 20)	-	-	-	54,513	(54,513)	-	-	-
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	6,591	-	6,591
Net profit for the year ended December 31, 2024	-	-	-	-	206,325	-	-	206,325
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,498</u>	<u>393,452</u>	<u>(7,154)</u>	<u>392,796</u>
Total comprehensive income (loss) for the year ended December 31, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,823</u>	<u>393,452</u>	<u>(7,154)</u>	<u>599,121</u>
BALANCE AT DECEMBER 31, 2024	<u>\$ 4,312,084</u>	<u>\$ 4,579,383</u>	<u>\$ 331,904</u>	<u>\$ 367,518</u>	<u>\$ 399,371</u>	<u>\$ 106,577</u>	<u>\$ (81,206)</u>	<u>\$ 10,015,631</u>

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

(With Deloitte & Touche auditors' report dated March 11, 2025)

# PHIHONG TECHNOLOGY CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before tax	\$ 200,992	\$ 252,581
Adjustments for:		
Depreciation expense	24,779	29,905
Amortization expense	11,505	11,020
Expected credit loss recognized (reversed)	(4,084)	6,834
Finance costs	19,775	79,336
Interest income	(58,375)	(45,051)
Dividend income	(13,332)	(7,477)
Gain on lease modification	-	(287)
Compensation cost of share-based payments	-	106,995
Share of profits of associates	(356,736)	(420,972)
Loss (gain) on disposal of property, plant and equipment	800	(841)
Loss on disposal of investments accounted for using equity method	518	-
Reversal of write-down of inventories	(90)	(1,036)
Realized gain on transactions with subsidiaries	(22,781)	(3,021)
Net changes in operating assets and liabilities		
Trade receivables	(127,876)	612,621
Trade receivables from related parties	(72,236)	241,445
Other receivables	(4,496)	13,152
Other receivables from related parties	(304,564)	836,136
Inventories	(206)	1,443
Other current assets	(12,475)	(7,039)
Contract liabilities	(16,469)	(118,546)
Trade payables	554	950
Trade payables to related parties	(11,562)	(31,763)
Other payables	139,979	(135,152)
Other current liabilities	(6,115)	(69,438)
Net defined benefit liability	(3,926)	(10,379)
Cash (used in) generated from operations	(616,421)	1,341,416
Interest received	58,536	44,954
Interest paid	(19,246)	(81,415)
Income tax paid	(12,338)	(122,646)
Net cash (used in) generated from operating activities	(589,469)	1,182,309
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(21,000)	(21,000)
Capital reduction of financial assets at fair value through other comprehensive income	2,083	4,742
Purchase of financial assets at amortized cost	(52,100)	(10,120)
Proceeds from sale of financial assets at amortized cost	62,600	83,100
Acquisition of investment accounted for using equity method	-	(1,272,199)

(Continued)

# PHIHONG TECHNOLOGY CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Proceeds from disposal for using equity method	1,917	-
Capital reduction and refund from investments accounted for using equity method	141,732	-
Purchase of property, plant and equipment	(374,807)	(120,671)
Proceeds from disposal of property, plant and equipment	-	243,964
Payment for intangible assets	(6,641)	(11,925)
Proceeds from disposal of intangible assets	-	6
Decrease in refundable deposits	415	7,274
Increase in prepayments for equipment	(7,139)	(7,130)
Dividends received	<u>13,332</u>	<u>7,477</u>
Net cash used in investing activities	<u>(239,608)</u>	<u>(1,096,482)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	-	(832,900)
Decrease in short-term bills payable	-	(69,740)
Proceeds from long-term borrowings	450,000	4,197,188
Repayment of long-term borrowings	(567,417)	(5,640,979)
Decrease in guarantee deposits received	(1,258)	(40)
Repayment of the principal portion of lease liabilities	(6,051)	(6,405)
Capital increase	<u>-</u>	<u>2,783,550</u>
Net cash (used in) generated from financing activities	<u>(124,726)</u>	<u>430,674</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(953,803)	516,501
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,237,594</u>	<u>1,721,093</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,283,791</u>	<u>\$ 2,237,594</u>

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

(With Deloitte & Touche auditors' report dated March 11, 2025)

(Concluded)

**【Attachment 6】 Table of Earning Distribution for 2024****Phihong Technology Co., Ltd.  
Table of Earning Distribution for 2024**

Unit: NT\$

Item	Amount	
	Subtotal	Total
Undistributed earnings at the beginning of the period	186,548,121	
Add: Remeasurement of the defined benefit plan	6,497,600	
Add: Net profit after tax of the year	206,325,397	
Appropriation item		
Appropriation of the legal reserve (10%)	(21,282,300)	
Reversal of the special reserve	136,659,286	
Distributable earnings for the year		514,748,104
Distribution item		
Shareholders' bonuses	-	-
Undistributed earnings at the end of the period		514,748,104

Note: The reversal of the special reserve was arranged according to Letter Jin-Guan-Zheng-Fa-Zi No. 1090150022.

Chairman: Lin, Chung-Min

Manager: Lin, Kuan-Hong

Accounting Officer: Chen, Kuei-Chih

**【Attachment 7】 Comparison Table for the Amendments to the “Articles of Incorporation”**

**Phihong Technology Co., Ltd.**

**Comparison Table for the Amendments to the “Articles of Incorporation”**

Before amendments	After amendments	Description
<p>Article 2: The scope of business of the Company is as follows:</p> <p>1. CC01010 Power Generation, Transmission and Distribution. Machinery Manufacturing.</p> <p>2. CC01020 Wiring and Wiring Devices Manufacturing.</p> <p>3. CC01030 Audio and Video Electronic Products Manufacturing.</p> <p>4. CC01060 Wired Communication Equipment and Apparatus Manufacturing</p> <p>5. CC01080 Electronic Parts and Components Manufacturing.</p> <p>6. CC01110 Computers and Peripheral Equipment Manufacturing.</p> <p>7. CC01990 Other Special-purpose Machinery Manufacturing.</p> <p>8. CD01030 Motor Vehicle Parts Manufacturing.</p> <p>9. CD01040 Motorcycles and Parts Manufacturing.</p> <p>10. F113020 Wholesale of Electrical Household Appliances.</p> <p>11. F113070 Wholesale of Telecommunication Apparatus.</p> <p>12. F114030 Motorcycles and Parts Manufacturing.</p> <p>13. F119010 Wholesale of Electronic Materials.</p> <p>14. F401010 International Trade.</p> <p>15. F213060 Retail Sale of Telecommunications Equipment.</p> <p>16. IG03010 Energy Technical Services.</p> <p>17. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>Article 2: The scope of business of the Company is as follows:</p> <p>11. CC01010 Power Generation, Transmission and Distribution. Machinery Manufacturing.</p> <p>2. CC01020 Wiring and Wiring Devices Manufacturing.</p> <p>3. CC01030 Audio and Video Electronic Products Manufacturing.</p> <p>4. CC01060 Wired Communication Equipment and Apparatus Manufacturing</p> <p>5. CC01080 Electronic Parts and Components Manufacturing.</p> <p>6. CC01110 Computers and Peripheral Equipment Manufacturing.</p> <p>7. CC01990 Other Special-purpose Machinery Manufacturing.</p> <p>8. CD01030 Motor Vehicle Parts Manufacturing.</p> <p>9. CD01040 Motorcycles and Parts Manufacturing.</p> <p>10. <u>CE01030 Optical Instruments Manufacturing.</u></p> <p>11. F113020 Wholesale of Electrical Household Appliances.</p> <p>12. F113070 Wholesale of Telecommunication Apparatus.</p> <p>13. F114030 Motorcycles and Parts Manufacturing.</p> <p>14. <u>F114070 Wholesale of Aircraft and Component Parts Thereof.</u></p> <p>15. F119010 Wholesale of Electronic Materials.</p> <p>16. F401010 International Trade.</p> <p>17. F213060 Retail Sale of Telecommunications Equipment.</p> <p>18. IG03010 Energy Technical Services.</p>	<p>Added the scope of business based on the implementation requirements</p>

Before amendments	After amendments	Description
	19. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.	
Article 14: Directors organize the Board. The Chairman is elected among Directors according to Article 208 of the Company Act, and the Chairman represents the Company to external parties.	Article 14: Directors organize the Board. The Chairman is elected among Directors according to Article 208 of the Company Act, <u>and the Vice Chairman may be elected among Directors by adopting the same method.</u> The Chairman represents the Company to external parties.	Based on the implementation requirements
Article 21: If the Company records profits for the year, it shall appropriate no less than 10% as remuneration of employees, and the Board shall resolve to make the distribution in stock or cash. The distribution targets include employees of subordinates who fulfill certain conditions. The Board may resolve to appropriate no more than 2% of the profits above as remuneration to Directors. The proposal for the distribution of remuneration of employees and remuneration to Directors shall be reported at the shareholders' meeting.  If the Company has accumulated losses, it shall reserve the amount for compensation and then appropriate remuneration to employees and remuneration to Directors based on the ratio in the preceding paragraph.	Article 21: If the Company records profits for the year, it shall appropriate no less than 10% as remuneration to employees, <u>and no less than 10% of the remuneration to employees shall be the remuneration distributed to non-executive employees. The remuneration to employees may be distributed</u> in stock or cash. The distribution targets include employees of subordinates who fulfill certain conditions. The Board may resolve to appropriate no more than 2% of the profits above as remuneration to Directors. The proposal for the distribution of remuneration to employees and remuneration to Directors shall be reported at the shareholders' meeting.  If the Company has accumulated losses, it shall reserve the amount for compensation and then appropriate remuneration to employees and remuneration to Directors based on the ratio in the preceding paragraph.	Based on the requirements for the amendments to laws and regulations
Article 23: The Articles were established on December 7, 1972.  The 1 <sup>st</sup> amendment was made on May 1.  .  The 36 <sup>th</sup> amendment was made on June 9, 2023.	Article 23: The Articles were established on December 7, 1972.  The 1 <sup>st</sup> amendment was made on May 1.  ..  The 36 <sup>th</sup> amendment was made on June 9, 2023.  <u>The 37<sup>th</sup> amendment was made on June 10, 2025.</u>	Added the date of the amendment.



**【Attachment 8】 List of Director Candidates**

**Phihong Technology Co., Ltd.**

**List of Director Candidates**

Unit: Share

Category	Name	Number of shares held	Main academic background, experience, and current position
Director	Chen Chun-Cheng	435 shares	Academic background: Department of Electronic Engineering, Chung Yuan Christian University. Experience: R&D Assistant Vice President, Phihong Technology Co., Ltd.; senior director, Flextronics International (Taiwan) Ltd; R&D Vice President, Phihong Technology Co., Ltd. Current position: CTO, Zerova Technologies Taiwan Limited.