3704 Zyxel Group Corporation
2026Q3 Consolidated Financial Report

Unit: NT$ thousands

Balance Sheet

Code	Accounting Title	2026/9/30	2025/12/31	2025/9/30
	Assets			
	Current assets			
1100	Cash and cash equivalents	3,925,365	3,178,855	2,755,303
1110	Current financial assets at fair value through profit or loss	201,259	749,576	653,208
1136	Current financial assets at amortised cost	64,193	54,984	59,187
1170	Accounts receivable, net	9,541,618	6,064,679	7,061,964
1180	Accounts receivable due from related parties, net	421,202	28,241	51,014
1210	Other receivables due from related parties	2,559	2,269	2,289
130X	Current inventories	11,300,469	5,777,306	5,851,860
1470	Other current assets	1,701,241	1,256,980	1,031,139
1476	Other current financial assets	210,988	51,688	57,560
1479	Other current assets, others	1,490,253	1,205,292	973,579
11XX	Total current assets	27,157,906	17,112,890	17,465,964
	Non-current assets			
1517	Non-current financial assets at fair value through other comprehensive income	55,287	46,681	41,261
1535	Non-current financial assets at amortised cost	101,886	115,787	155,905
1550	Investments accounted for using equity method	157,970	166,674	162,789
1600	Property, plant and equipment	2,654,842	2,430,882	2,346,975
1755	Right-of-use assets	588,738	578,758	566,523
1780	Intangible assets	195,518	161,837	146,321
1840	Deferred tax assets	832,860	807,122	893,438
1900	Other non-current assets	424,256	443,413	509,092
1920	Guarantee deposits paid	243,410	190,069	197,730
1930	Long-term notes and accounts receivable	0	65,581	149,028
1975	Net defined benefit asset, non-current	155,065	153,394	141,786
1990	Other non-current assets, others	25,781	34,369	20,548
15XX	Total non-current assets	5,011,357	4,751,154	4,822,304
1XXX	Total assets	32,169,263	21,864,044	22,288,268
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	8,353,599	1,468,008	1,987,605
2110	Short-term notes and bills payable	300,000	0	0
2120	Current financial liabilities at fair value through profit or loss	561	5,178	39,794
2130	Current contract liabilities	245,517	183,786	258,255
2170	Accounts payable	6,701,874	3,326,713	3,537,032
2180	Accounts payable to related parties	314,837	68,857	106,166
2200	Other payables	720,948	814,863	655,342
2201	Wages and salaries payable	720,948	814,863	655,342
2230	Current tax liabilities	266,867	85,927	186,718
2250	Current provisions	235,762	243,307	284,063
2280	Current lease liabilities	45,173	37,362	38,239
2300	Other current liabilities	1,365,906	3,071,523	3,073,872
2320	Long-term liabilities, current portion	0	1,899,521	1,899,315
2399	Other current liabilities, others	1,365,906	1,172,002	1,174,557
21XX	Total current liabilities	18,551,044	9,305,524	10,167,086
	Non-current liabilities			
2570	Deferred tax liabilities	391,449	356,608	315,648
2580	Non-current lease liabilities	349,705	342,377	347,620
2600	Other non-current liabilities	9,409	7,038	8,752
2640	Net defined benefit liability, non-current	6,193	6,118	7,868
2645	Guarantee deposits received	3,216	920	884
25XX	Total non-current liabilities	750,563	706,023	672,020
2XXX	Total liabilities	19,301,607	10,011,547	10,839,106
	Equity			
	Equity attributable to owners of parent			
	Share capital			
3110	Ordinary share	4,154,450	4,154,450	4,125,654
3140	Advance receipts for share capital	0	0	8,795
3100	Total Share Capital	4,154,450	4,154,450	4,134,449
	Capital surplus			

3200	Total capital surplus	3,726,885	3,715,272	3,665,181
	Retained earnings			
3300	Total retained earnings	5,208,375	4,275,485	4,085,406
	Other equity interest			
3400	Total other equity interest	(375,731)	(461,742)	(603,263)
3500	Treasury shares	(96,550)	(96,550)	(96,550)
31XX	Total equity attributable to owners of parent	12,617,429	11,586,915	11,185,223
36XX	Non-controlling interests	250,227	265,582	263,939
3XXX	Total equity	12,867,656	11,852,497	11,449,162
3X2X	Total liabilities and equity	32,169,263	21,864,044	22,288,268
3998	Equivalent issue shares of advance receipts for ordinary share	0	0	879,500
3999	Number of shares in entity held by entity and by its subsidiaries	7,317,397	7,317,397	7,317,397

Unit: NT$ thousands EPS Unit: NT$

Statement of Comprehensive Income

Code	Accounting Title	2026/7/1To9/30	2025/7/1To9/30	2026/1/1To9/30	2025/1/1To9/30
	Operating revenue				
4000	Total operating revenue	7,753,168	6,417,436	22,814,657	19,639,287
	Operating costs				
5000	Total operating costs	5,774,979	4,501,899	17,247,552	14,625,603
5900	Gross profit (loss) from operations	1,978,189	1,915,537	5,567,105	5,013,684
5950	Gross profit (loss) from operations	1,978,189	1,915,537	5,567,105	5,013,684
	Operating expenses				
6100	Selling expenses	653,291	597,287	1,940,230	1,932,523
6200	Administrative expenses	275,451	236,433	802,596	772,288
6300	Research and development expenses	487,183	442,914	1,433,295	1,368,510
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(9,498)	157,269	(2,964)	162,345
6000	Total operating expenses	1,406,427	1,433,903	4,173,157	4,235,666
6900	Net operating income (loss)	571,762	481,634	1,393,948	778,018
	Non-operating income and expenses				
	Interest income				
7100	Total interest income	18,407	31,515	60,364	97,893
	Other income				
7010	Total other income	5,763	10,372	13,928	19,609
	Other gains and losses				
7230	Foreign exchange gains	39,459	129,033	0	43,293
7590	Miscellaneous disbursements	(20,901)	(77,640)	(129,290)	188,066
7630	Foreign exchange losses	0	0	83,019	0
7020	Other gains and losses, net	60,360	206,673	46,271	(144,773)
	Finance costs				
7510	Interest expense	58,029	27,925	99,845	68,988
7050	Finance costs, net	58,029	27,925	99,845	68,988
	Share of profit (loss) of associates and joint ventures accounted for using equity method				
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	1,267	(7,465)	8,640	(18,642)
7000	Total non-operating income and expenses	27,768	213,170	29,358	(114,901)
7900	Profit (loss) from continuing operations before tax	599,530	694,804	1,423,306	663,117
	Tax expense (income)				
7950	Total tax expense (income)	117,881	135,183	295,021	194,958
8000	Profit (loss) from continuing operations	481,649	559,621	1,128,285	468,159
8200	Profit (loss)	481,649	559,621	1,128,285	468,159
	Other comprehensive income				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	19,511	0	8,606	7,617
8310	Components of other comprehensive income that will not be reclassified to profit or loss	19,511	0	8,606	7,617
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(2,623)	163,044	76,166	(276,804)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(881)	32,610	15,024	(55,287)
8360	Components of other comprehensive income that will be reclassified to profit or loss	(1,742)	130,434	61,142	(221,517)
8300	Total other comprehensive income	17,769	130,434	69,748	(213,900)
8500	Total comprehensive income	499,418	690,055	1,198,033	254,259
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	468,542	555,000	1,099,067	456,271
8620	Profit (loss), attributable to non-controlling interests	13,107	4,621	29,218	11,888
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	484,024	683,929	1,166,699	239,178
8720	Comprehensive income, attributable to non-controlling interests	15,394	6,126	31,334	15,081
	Basic earnings per share				
9750	Total basic earnings per share	1.15	1.37	2.71	1.13
	Diluted earnings per share				

9850	Total diluted earnings per share	1.15	1.37	2.70	1.12

Unit: NT$ thousands

Statements of Cash Flows

Code	Accounting Title	2026/1/1To9/30	2025/1/1To9/30
	Cash flows from (used in) operating activities, indirect method		
A00010	Profit (loss) from continuing operations before tax	1,423,306	663,117
A10000	Profit (loss) before tax	1,423,306	663,117
	Adjustments		
	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	252,966	256,808
A20200	Amortization expense	91,371	117,228
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	(2,964)	162,345
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(130,152)	197,199
A20900	Interest expense	99,845	68,988
A21200	Interest income	(60,364)	(97,893)
A21300	Dividend income	(485)	(3,083)
A21900	Share-based payments	18,585	0
A22300	Share of loss (profit) of associates and joint ventures accounted for using equity method	(8,640)	18,642
A22500	Loss (gain) on disposal of property, plan and equipment	(1,131)	428
A29900	Other adjustments to reconcile profit (loss)	461,902	(126,142)
A20010	Total adjustments to reconcile profit (loss)	720,933	594,520
	Changes in operating assets and liabilities		
	Changes in operating assets		
A31115	Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	113,351	(198,531)
A31150	Decrease (increase) in accounts receivable	(3,800,272)	452,093
A31190	Decrease (increase) in other receivable due from related parties	(290)	251
A31200	Adjustments for decrease (increase) in inventories	(5,842,849)	(646,599)
A31990	Decrease (increase) in other operating assets	(471,375)	29,120
A31000	Total changes in operating assets	(10,001,435)	(363,666)
	Changes in operating liabilities		
A32150	Increase (decrease) in accounts payable	3,621,141	(512,763)
A32190	Increase (decrease) in other payable to related parties	0	(954)
A32240	Increase (decrease) in net defined benefit liability	(1,596)	(1,644)
A32990	Increase (decrease) in other operating liabilities	6,937	(918,008)
A32000	Total changes in operating liabilities	3,626,482	(1,433,369)
A30000	Total changes in operating assets and liabilities	(6,374,953)	(1,797,035)
A20000	Total adjustments	(5,654,020)	(1,202,515)
A33000	Cash inflow (outflow) generated from operations	(4,230,714)	(539,398)
A33100	Interest received	58,945	97,980
A33200	Dividends received	3,839	6,896
A33300	Interest paid	(94,797)	(67,380)
A33500	Income taxes refund (paid)	(85,202)	(112,832)
AAAA	Net cash flows from (used in) operating activities	(4,347,929)	(614,734)
	Cash flows from (used in) investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	0	(3,545)
B00040	Acquisition of financial assets at amortised cost	(47,995)	(77,557)
B00060	Proceeds from repayments of financial assets at amortised cost	50,626	135,432
B00100	Acquisition of financial assets at fair value through profit or loss	0	(9,852)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	560,501	31,174
B02700	Acquisition of property, plant and equipment	(405,925)	(122,976)
B02800	Proceeds from disposal of property, plant and equipment	1,402	6,733
B03700	Increase in refundable deposits	(53,341)	(1,117)
B04500	Acquisition of intangible assets	(95,097)	(37,585)
B05350	Acquisition of use-of-right assets	0	(222,853)
B06700	Increase in other non-current assets	(19,659)	(17,447)
BBBB	Net cash flows from (used in) investing activities	(9,488)	(319,593)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	23,576,893	18,946,320
C00200	Decrease in short-term loans	(16,666,002)	(18,147,955)
C00500	Increase in short-term notes and bills payable	400,000	400,000
C00600	Decrease in short-term notes and bills payable	(100,000)	(400,000)
C01300	Repayments of bonds	(1,900,000)	0
C03000	Increase in guarantee deposits received	2,283	27
C04020	Payments of lease liabilities	(35,180)	(35,080)
C04500	Cash dividends paid	(163,250)	(121,265)
C04800	Exercise of employee share options	0	63,936

C05800	Change in non-controlling interests	(44,842)	(44,676)
CCCC	Net cash flows from (used in) financing activities	5,069,902	661,307
DDDD	Effect of exchange rate changes on cash and cash equivalents	34,025	(213,673)
EEEE	Net increase (decrease) in cash and cash equivalents	746,510	(486,693)
E00100	Cash and cash equivalents at beginning of period	3,178,855	3,241,996
E00200	Cash and cash equivalents at end of period	3,925,365	2,755,303
E00210	Cash and cash equivalents reported in the statement of financial position	3,925,365	2,755,303

Unit: NT$ thousands

Statements of Change in Equity

		3110	3140	3100	3200	3310	3320	3350	3300	3410	3420	3490	3400	3500	31XX	36XX	3XXX
		Ordinary share	Advance receipts for share capital	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Others	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
A1	Equity at beginning of period	4,154,450	0	4,154,450	3,715,272	712,550	386,169	3,176,766	4,275,485	(349,342)	(45,681)	(66,719)	(461,742)	(96,550)	11,586,915	265,582	11,852,497
B1	Legal reserve appropriated					63,708		(63,708)	0						0		0
B3	Special reserve appropriated						8,854	(8,854)	0						0		0
B5	Cash dividends of ordinary share							(166,177)	(166,177)						(166,177)		(166,177)
C7	Changes in equity of associates and joint ventures accounted for using equity method				6,633										6,633		6,633
D1	Profit (loss)							1,099,067	1,099,067						1,099,067	29,218	1,128,285
D3	Other comprehensive income									59,026	8,606		67,632		67,632	2,116	69,748
D5	Total comprehensive income							1,099,067	1,099,067	59,026	8,606		67,632		1,166,699	31,334	1,198,033
M1	Adjustments of capital surplus for company's cash dividends received by subsidiaries				2,927										2,927		2,927
M7	Changes in ownership interests in subsidiaries				2,053										2,053	(2,053)	0
N1	Share-based payments											18,379	18,379		18,379	206	18,585
O1	Changes in non-controlling interests															(44,842)	(44,842)
Y1	Total increase (decrease) in equity				11,613	63,708	8,854	860,328	932,890	59,026	8,606	18,379	86,011		1,030,514	(15,355)	1,015,159
Z1	Equity at end of period	4,154,450	0	4,154,450	3,726,885	776,258	395,023	4,037,094	5,208,375	(290,316)	(37,075)	(48,340)	(375,731)	(96,550)	12,617,429	250,227	12,867,656

Unit: NT$ thousands

Last year's Statements of Change in Equity

		3110	3140	3100	3200	3310	3320	3350	3300	3410	3420	3400	3500	31XX	36XX	3XXX
		Ordinary share	Advance receipts for share capital	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
A1	Equity at beginning of period	4,113,420	1,755	4,115,175	3,640,792	653,262	480,228	2,628,374	3,761,864	(327,451)	(58,719)	(386,170)	(96,550)	11,035,111	261,797	11,296,908
B1	Legal reserve appropriated					59,288		(59,288)	0					0		0
B5	Cash dividends of ordinary share							(123,455)	(123,455)					(123,455)		(123,455)
B17	Reversal of special reserve						(94,059)	94,059	0					0		0
D1	Profit (loss)							456,271	456,271					456,271	11,888	468,159
D3	Other comprehensive income									(224,710)	7,617	(217,093)		(217,093)	3,193	(213,900)

D5	Total comprehensive income							456,271	456,271	(224,710)	7,617	(217,093)		239,178	15,081	254,259
M1	Adjustments of capital surplus for company's cash dividends received by subsidiaries				2,190									2,190		2,190
M7	Changes in ownership interests in subsidiaries				369			(9,274)	(9,274)					(8,905)	8,905	0
N1	Share-based payments	12,234	7,040	19,274	21,830									41,104	22,832	63,936
O1	Changes in non-controlling interests														(44,676)	(44,676)
Y1	Total increase (decrease) in equity	12,234	7,040	19,274	24,389	59,288	(94,059)	358,313	323,542	(224,710)	7,617	(217,093)		150,112	2,142	152,254
Z1	Equity at end of period	4,125,654	8,795	4,134,449	3,665,181	712,550	386,169	2,986,687	4,085,406	(552,161)	(51,102)	(603,263)	(96,550)	11,185,223	263,939	11,449,162