

SENAO NETWORKS INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW
REPORT
JUNE 30, 2025 AND 2024

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

INDEPENDENT AUDITORS' REVIEW REPORT

(25) PWCR 25001119

To the Board of Directors and Stockholders of Senao Networks Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Senao Networks, Inc. and subsidiaries (the "Group") as at June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three and six months then ended as well as of changes in equity and cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. It is the management team's responsibility to prepare the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports" by Securities Issuers and the International Accounting Standards 34 "Interim Financial Reporting", which has been endorsed and issued into effect by the Financial Supervisory Commission (FSC) of Republic of China, to present the consolidated financial position of the Group fairly, while our responsibility is to express a conclusion on the consolidated financial statements based on our review results.

Scope

Except for that stated in the Basis for Qualified Conclusion paragraph, we conducted our review in accordance with the Standards on TWSRE 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity". The procedures performed when we reviewed the consolidated financial statements included inquiries (mainly from personnel in charge of financial and accounting affairs), analytical procedures, and other review procedures. The scope of review work is obviously smaller than that of audit work, so we might not be able to detect all the material matters that could have been identified through audit work, hence we were unable to express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(3) to the consolidated financial statements, the partial non-significant subsidiaries' financial statements for the same period included in the above consolidated financial statements have not been reviewed by us. As of June 30, 2025 and 2024, their total assets were NT\$786,973 thousand and NT\$1,658,809 thousand, respectively, accounting for 6% and 16% of the total consolidated assets, respectively; the total liabilities were NT\$372,961 thousand and NT\$352,738 thousand, respectively, both accounting for 6% of the total consolidated liabilities. For the three months and the six months ended June 30, 2025 and 2024, the total comprehensive (loss) income totaled NT\$(35,384) thousand, NT\$(20,981) thousand, NT\$(40,861) thousand, and NT\$39,529 thousand, respectively, accounting for 469%, (37%), (20%), and 19% of the total consolidated comprehensive income (loss), respectively.

Qualified Conclusion

According to our review results, except that the financial statements of the partial non-significant subsidiaries described in the Basis for Qualified Conclusion paragraph may result in adjustment to and disclosure of the consolidated financial statements if reviewed by us, we have determined that the foregoing consolidated financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC, with a fair presentation of the Group's consolidated financial position as of June 30, 2025 and 2024, consolidated financial performance for the three months and the six months ended June 30, 2025 and 2024 as well as consolidated cash flows for the six months ended June 30, 2025 and 2024.

Pei-Chuan Huang

Yung-Chih Lin

For and on behalf of PricewaterhouseCoopers, Taiwan

August 5, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

SENAO NETWORKS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	June 30, 2025		December 31, 2024		June 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 3,908,629	31	\$ 4,073,866	32	\$ 2,558,844	25
1110	Financial assets at fair value	6(2)						
	through profit or loss –							
	current		11,869	-	-	-	-	-
1150	Notes receivable, net	6(3)	-	-	24	-	-	-
1170	Accounts receivable, net	6(3)	2,332,279	18	2,139,506	17	1,509,850	15
1180	Accounts receivable - related	7						
	parties, net		4,075	-	-	-	24	-
1200	Other receivables	6(4)	180,434	1	159,184	1	123,686	1
1210	Other receivables - related	7						
	parties		954	-	871	-	820	-
1220	Current income tax assets		2,951	-	5,463	-	4,083	-
130X	Inventory	6(5)	1,912,337	15	2,190,173	17	2,141,349	20
1410	Prepayments		62,256	1	37,243	-	47,681	-
1470	Other current assets		-	-	-	-	11,177	-
11XX	Total current assets		8,415,784	66	8,606,330	67	6,397,514	61
Non-current assets								
1600	Property, plant and equipment	6(6) and 8	3,684,661	29	3,479,738	27	3,302,979	31
1755	Right-of-use assets	6(7) and 7	455,410	3	542,092	4	595,702	6
1780	Intangible assets	6(8)	69,485	1	68,409	1	57,454	1
1840	Deferred income tax assets		77,568	1	108,710	1	129,769	1
1900	Other non-current assets	6(9)	42,373	-	32,927	-	24,499	-
15XX	Total non-current assets		4,329,497	34	4,231,876	33	4,110,403	39
1XXX	Total assets		\$ 12,745,281	100	\$ 12,838,206	100	\$ 10,507,917	100

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SENAO NETWORKS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	June 30, 2025		December 31, 2024		June 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(10)	\$ 32,523	-	\$ 17,048	-	\$ 1,243,994	12
2120	Financial liabilities at fair value through profit or loss - current	6(2)	-	-	3,235	-	-	-
2130	Current contract liabilities	6(19)	254,850	2	262,434	2	222,560	2
2150	Notes payable		3,702	-	2,708	-	4,902	-
2170	Accounts payable		3,472,866	28	3,661,704	29	2,195,667	21
2200	Other payables	6(11)(28)	1,078,658	9	1,150,660	9	1,201,214	11
2220	Other payables - related parties	7	58,923	-	235	-	66,335	1
2230	Current income tax liabilities		45,680	-	66,198	1	26,751	-
2250	Current provisions	6(13)	49,063	-	43,717	-	36,219	-
2280	Current lease liabilities	7	141,497	1	141,795	1	140,222	2
2300	Other current liabilities	6(14)	342,399	3	349,182	3	320,309	3
21XX	Total current liabilities		5,480,161	43	5,698,916	45	5,458,173	52
Non-current liabilities								
2527	Non-current contract liabilities	6(19)	16,493	-	16,417	-	16,089	-
2540	Long-term borrowings	6(15)	810,868	7	581,708	5	-	-
2570	Deferred income tax liabilities		9,216	-	6,019	-	542	-
2580	Non-current lease liabilities	7	132,777	1	187,727	1	233,548	2
2600	Other non-current liabilities		93	-	90	-	4,293	-
25XX	Total non-current liabilities		969,447	8	791,961	6	254,472	2
2XXX	Total liabilities		6,449,608	51	6,490,877	51	5,712,645	54
Equity								
Equity attributable to owners of the parent								
	Share capital	6(16)						
3110	Share capital - common stock		590,609	5	590,609	4	490,609	5
	Capital surplus	6(17)						
3200	Capital surplus		1,886,279	15	1,886,279	15	703,127	7
	Retained earnings	6(18)						
3310	Legal reserve		767,971	6	743,274	6	743,274	7
3320	Special reserve		24,673	-	88,694	1	88,694	1
3350	Unappropriated retained earnings		2,833,554	22	2,742,849	21	2,572,656	24
	Other equity interest							
3400	Other equity interest		(121,872)	(1)	(24,673)	-	(6,641)	-
31XX	Equity attributable to owners of the parent		5,981,214	47	6,027,032	47	4,591,719	44
36XX	Non-controlling interest	4(3)	314,459	2	320,297	2	203,553	2
3XXX	Total equity		6,295,673	49	6,347,329	49	4,795,272	46
3X2X	Total liabilities and equity		\$ 12,745,281	100	\$ 12,838,206	100	\$ 10,507,917	100

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

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

Items	Notes	Three months ended June 30				Six months ended June 30			
		2025		2024		2025		2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenues	6(19) and 7	\$ 3,967,827	100	\$ 2,518,539	100	\$ 7,961,953	100	\$ 5,375,748	100
5000 Operating costs	6(5)(25)	(3,339,991)	(84)	(2,083,757)	(83)	(6,620,637)	(83)	(4,573,751)	(85)
5900 Net operating margin		<u>627,836</u>	<u>16</u>	<u>434,782</u>	<u>17</u>	<u>1,341,316</u>	<u>17</u>	<u>801,997</u>	<u>15</u>
Operating expenses	6(25)								
6100 Selling expenses		(144,116)	(4)	(116,542)	(5)	(283,616)	(4)	(237,479)	(5)
6200 General and administrative expenses		(134,833)	(3)	(99,490)	(4)	(265,561)	(3)	(217,357)	(4)
6300 Research and development expenses		(255,735)	(6)	(165,394)	(6)	(504,631)	(6)	(344,320)	(6)
6450 Expected credit impairment loss	12(2)	(1,612)	-	(430)	-	(2,644)	-	(276)	-
6000 Total operating expenses		<u>(536,296)</u>	<u>(13)</u>	<u>(381,856)</u>	<u>(15)</u>	<u>(1,056,452)</u>	<u>(13)</u>	<u>(799,432)</u>	<u>(15)</u>
6500 Net other income (expenses)	6(20)	<u>17,564</u>	<u>-</u>	<u>13,184</u>	<u>1</u>	<u>45,936</u>	<u>1</u>	<u>84,324</u>	<u>2</u>
6900 Operating profit		<u>109,104</u>	<u>3</u>	<u>66,110</u>	<u>3</u>	<u>330,800</u>	<u>5</u>	<u>86,889</u>	<u>2</u>
Non-operating income and expenses									
7100 Interest income	6(21)	14,714	-	9,091	-	23,937	-	17,407	-
7010 Other income	6(22)	6,781	-	4,021	-	12,260	-	18,271	-
7020 Other gains and losses	6(23)	(27,346)	(1)	3,601	-	(11,804)	-	55,912	1
7050 Finance costs	6(24) and 7	(2,429)	-	(3,478)	-	(5,374)	-	(10,656)	-
7000 Total non-operating income and expenses		<u>(8,280)</u>	<u>(1)</u>	<u>13,235</u>	<u>-</u>	<u>19,019</u>	<u>-</u>	<u>80,934</u>	<u>1</u>
7900 Profit before income tax		<u>100,824</u>	<u>2</u>	<u>79,345</u>	<u>3</u>	<u>349,819</u>	<u>5</u>	<u>167,823</u>	<u>3</u>
7950 Income tax (expense) benefits	6(26)	<u>491</u>	<u>-</u>	<u>(25,972)</u>	<u>(1)</u>	<u>(49,511)</u>	<u>(1)</u>	<u>(42,589)</u>	<u>(1)</u>
8200 Profit for the period		<u>\$ 101,315</u>	<u>2</u>	<u>\$ 53,373</u>	<u>2</u>	<u>\$ 300,308</u>	<u>4</u>	<u>\$ 125,234</u>	<u>2</u>
Other comprehensive income, net									
Components of other comprehensive income (loss) that will be reclassified to profit or loss									
8361 Financial statements translation differences of foreign operations		<u>(\$ 108,860)</u>	<u>(3)</u>	<u>\$ 2,761</u>	<u>-</u>	<u>(\$ 99,457)</u>	<u>(1)</u>	<u>\$ 82,081</u>	<u>2</u>
8300 Other comprehensive income, net		<u>(\$ 108,860)</u>	<u>(3)</u>	<u>\$ 2,761</u>	<u>-</u>	<u>(\$ 99,457)</u>	<u>(1)</u>	<u>\$ 82,081</u>	<u>2</u>
8500 Total comprehensive income for the period		<u>(\$ 7,545)</u>	<u>(1)</u>	<u>\$ 56,134</u>	<u>2</u>	<u>\$ 200,851</u>	<u>3</u>	<u>\$ 207,315</u>	<u>4</u>
Profit attributable to:									
8610 Owners of the parent		<u>\$ 75,971</u>	<u>1</u>	<u>\$ 25,364</u>	<u>1</u>	<u>\$ 228,564</u>	<u>3</u>	<u>\$ 76,780</u>	<u>1</u>
8620 Non-controlling interest		<u>\$ 25,344</u>	<u>1</u>	<u>\$ 28,009</u>	<u>1</u>	<u>\$ 71,744</u>	<u>1</u>	<u>\$ 48,454</u>	<u>1</u>
Comprehensive income attributable to:									
8710 Owners of the parent		<u>(\$ 30,393)</u>	<u>(1)</u>	<u>\$ 28,097</u>	<u>1</u>	<u>\$ 131,365</u>	<u>2</u>	<u>\$ 158,833</u>	<u>3</u>
8720 Non-controlling interest	4(3)	<u>\$ 22,848</u>	<u>-</u>	<u>\$ 28,037</u>	<u>1</u>	<u>\$ 69,486</u>	<u>1</u>	<u>\$ 48,482</u>	<u>1</u>
Earnings per share	6(27)								
9750 Basic earnings per share		<u>\$ 1.29</u>		<u>\$ 0.52</u>		<u>\$ 3.87</u>		<u>\$ 1.56</u>	
Diluted earnings per share	6(27)								
9850 Diluted earnings per share		<u>\$ 1.28</u>		<u>\$ 0.52</u>		<u>\$ 3.86</u>		<u>\$ 1.56</u>	

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

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

		Equity attributable to owners of the parent									
		Capital surplus			Retained earnings			Financial statements translation differences of foreign operations	Total	Non-controlling interest	Total equity
Notes	Share capital - common stock	Additional paid-in capital	Others	Legal reserve	Special reserve	Unappropriated retained earnings					
<u>Six months ended June 30, 2024</u>											
	Balance at January 1, 2024	\$ 490,609	\$ 702,817	\$ 310	\$ 660,541	\$ 5,152	\$ 2,858,395	(\$ 88,694)	\$ 4,629,130	\$ 236,165	\$ 4,865,295
	Profit for the period	-	-	-	-	-	76,780	-	76,780	48,454	125,234
	Other comprehensive income, net	-	-	-	-	-	-	82,053	82,053	28	82,081
	Total comprehensive income for the period	-	-	-	-	-	76,780	82,053	158,833	48,482	207,315
Appropriations of 2023 earnings	6(18)										
	Legal reserve	-	-	-	82,733	-	(82,733)	-	-	-	-
	Special reserve	-	-	-	-	83,542	(83,542)	-	-	-	-
	Cash dividends	-	-	-	-	-	(196,244)	-	(196,244)	-	(196,244)
Change in non-controlling interest	4(3)	-	-	-	-	-	-	-	-	(81,094)	(81,094)
	Balance at June 30, 2024	\$ 490,609	\$ 702,817	\$ 310	\$ 743,274	\$ 88,694	\$ 2,572,656	(\$ 6,641)	\$ 4,591,719	\$ 203,553	\$ 4,795,272
<u>Six months ended June 30, 2025</u>											
	Balance at January 1, 2025	\$ 590,609	\$ 1,885,969	\$ 310	\$ 743,274	\$ 88,694	\$ 2,742,849	(\$ 24,673)	\$ 6,027,032	\$ 320,297	\$ 6,347,329
	Profit for the period	-	-	-	-	-	228,564	-	228,564	71,744	300,308
	Other comprehensive income, net	-	-	-	-	-	-	(97,199)	(97,199)	(2,258)	(99,457)
	Total comprehensive income for the period	-	-	-	-	-	228,564	(97,199)	131,365	69,486	200,851
Appropriations of 2024 earnings	6(18)										
	Legal reserve	-	-	-	24,697	-	(24,697)	-	-	-	-
	Special reserve reversed	-	-	-	-	(64,021)	64,021	-	-	-	-
	Cash dividends	-	-	-	-	-	(177,183)	-	(177,183)	-	(177,183)
Change in non-controlling interest	4(3)	-	-	-	-	-	-	-	-	(75,324)	(75,324)
	Balance at June 30, 2025	\$ 590,609	\$ 1,885,969	\$ 310	\$ 767,971	\$ 24,673	\$ 2,833,554	(\$ 121,872)	\$ 5,981,214	\$ 314,459	\$ 6,295,673

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

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

		Six months ended June 30	
	Notes	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 349,819	\$ 167,823
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(25)	185,709	168,608
Amortization	6(25)	10,301	6,967
Expected credit impairment loss	12(2)	2,644	276
Net gain on financial assets and liabilities at fair value through profit or loss		(15,104)	-
Interest income	6(21)	(23,937)	(17,407)
Interest expense	6(24)	5,023	10,406
Losses (Gains) on disposal of property, plant and equipment	6(23)	(1,076)	56
Lease modification gain	6(23)	-	(775)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		24	-
Accounts receivable		(195,331)	301,961
Accounts receivable - related parties, net		(4,075)	(24)
Other receivables		(21,097)	120,300
Other receivables - related parties		(83)	110
Inventory		277,836	853,740
Prepayments		(25,013)	(7,767)
Changes in operating liabilities			
Contract liabilities		(7,508)	22,192
Notes payable		994	2,221
Accounts payable		(188,838)	(887,047)
Other payables		(76,678)	(418,366)
Other payables - related parties		(171)	(126)
Current provisions		6,060	6,295
Other current liabilities		(6,783)	(10,812)
Other non-current liabilities		3	(366)
Cash inflow generated from operations		272,719	318,265
Interest received		23,784	17,557
Interest paid		(5,180)	(10,717)
Income tax paid		(35,268)	(128,275)
Net cash flows generated from operating activities		256,055	196,830

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

		Six months ended June 30	
	Notes	2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment (including capitalized interest)	6(28)	(\$ 491,058)	(\$ 143,289)
Proceeds from disposal of property, plant and equipment		1,315	-
Acquisition of intangible assets	6(8)	(11,384)	(2,156)
Increase in other current assets		-	(11,177)
Decrease (increase) in guarantee deposits paid		221	(1,630)
Increase in other non-current assets		(66)	(75)
Net cash flows used in investing activities		(500,972)	(158,327)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (Decrease) in short-term borrowings	6(29)	18,273	(355,571)
Long-term borrowings	6(29)	259,941	-
Lease payments	6(7)(29)	(72,429)	(67,781)
Change in non-controlling interest	4(3)	(75,324)	(81,094)
Net cash generated from (used in) financing activities		130,461	(504,446)
Effect on foreign exchange difference		(50,781)	66,880
Decrease in cash and cash equivalents		(165,237)	(399,063)
Cash and cash equivalents at beginning of period		4,073,866	2,957,907
Cash and cash equivalents at end of period		\$ 3,908,629	\$ 2,558,844

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

SENAO NETWORKS INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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

1. HISTORY AND ORGANIZATION

Senao Networks Inc. (the “Company”) was established as a result of the spin-off of the wireless communication department of Senao International Co., Ltd. The Company assumed all the department’s business, assets and liabilities effective October 1, 2006. The Company’s registration was approved by the Ministry of Economic Affairs, R.O.C. on October 12, 2006. The Company started selling shares publicly at the Taiwan Over-The-Counter Exchange on December 30, 2013. The Company is mainly engaged in the sales of wireless communication products.

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

The consolidated financial statements were approved for release by the Board of Directors on August 5, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of adopting new or amended International Financial Reporting Standards (“IFRS”) Accounting Standards as endorsed and issued into effect by the Financial Supervisory Commission (“FSC”)

The table below lists the new, revised, and amended standards and interpretations of the IFRS Accounting Standards, which apply to the reporting period for 2025, as endorsed and issued into effect by the FSC:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, “Lack of exchangeability”	January 1, 2025

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

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

The table below lists the new, revised, and amended standards and interpretations of the IFRS Accounting Standards, which apply to the reporting period for 2026, as endorsed by the FSC:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts for Nature-dependent Electricity”	January 1, 2026
IFRS 17, “Insurance contracts”	January 1, 2023
Amendments to IFRS 17, “Insurance contracts”	January 1, 2023
Amendments to IFRS 17, “Initial application of IFRS 17 and IFRS 9 - comparative information”	January 1, 2023
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, “Sale or contribution of assets between an investor and its associate or joint venture”	To be determined by International Accounting Standards Board
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Except for IFRS 18 “Presentation and Disclosure in Financial Statements” below which is yet to be assessed, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment:

IFRS 18 “Presentation and Disclosure in Financial Statements” has replaced IAS 1, updated the structure of the statement of comprehensive income, added disclosures on management-defined performance measures (MPMs), and enhanced the principles of aggregation and disaggregation used in the main financial statements and notes.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Statements by Securities Issuers” and IAS 34, “Interim Financial Reporting” as endorsed and issued into effect by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

- A. Except for the following important items, the consolidated financial statements were prepared at historical cost:
 - (a) Financial assets and liabilities (including derivatives) at fair value through profit or loss that were measured at fair value.
 - (b) Defined benefit liabilities recognized at the net amount of pension fund assets less the present value of defined benefit obligations.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial reports:

The basis for preparation of consolidated financial statements are consistent with those of the year ended December 31, 2024.
- B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
Senao Networks Inc.	EnGenius Technologies, Inc.	Sales of communication products	100	100	100	Note 1
Senao Networks Inc.	EnRack Technology Inc.	Sales of communication products and Sales of manufactured stamping component	100	100	100	Note 1
Senao Networks Inc.	Emplus Technologies, Inc.	Research and development, manufacture and sales of communication products	50.99	50.99	50.99	
Senao Networks Inc.	EnGenius International (Samoa) Ltd.	Investment holdings	100	100	100	Note 1
Senao Networks Inc.	EnGenius Technologies Canada Inc.	Sales of communication products	100	100	100	Note 1
Senao Networks Inc.	EnGenius Networks Inc.	Sales of communication products	100	100	100	Note 1
Senao Networks Inc.	EnGenius Networks Japan	Sales of communication products	100	100	100	Note 1
Senao Networks Inc.	Senao Networks Private Ltd.	Sales of communication products	100	100	100	Note 1
Senao Networks Inc.	Senao Networks Vietnam Co., Ltd.	Manufacture and sales of communication products	100	100	100	Note 2

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
Senao Networks Inc.	Senao Networks USA Inc.	Manufacture and sales of communication products	100	-	-	Note 3
Senao Networks Inc.	Senao Networks Japan	Manufacture and sales of communication products	100	-	-	Note 4
EnGenius International (Samoa) Ltd.	EnGenius Networks Singapore Pte. Ltd.	Sales of communication products	100	100	100	Note 1
EnGenius Networks Singapore Pte. Ltd.	EnGenius Networks Europe B.V.	Sales of communication products	100	100	100	Note 1
EnGenius Networks Inc.	EnGenius Networks Private Ltd.	Sales of communication products	100	100	100	Note 1
Emplus Technologies, Inc.	Emplus Technologies India Private Ltd.	Sales of communication products	100	100	100	Note 2

Note 1: The financial statements as at and for the six months ended June 30, 2025 and 2024 were not reviewed by independent auditors as the entity did not meet the definition of significant subsidiary.

Note 2: The financial statements as of June 30, 2024 were not reviewed by independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 3: It is a new subsidiary established in the first quarter of 2025 and the outward remittance was made by the Group for the subsidiary's registered capital. The financial statements as at and for the six months ended June 30, 2025 were not reviewed by independent auditors as the entity did not meet the definition of significant subsidiary.

Note 4: It is a new subsidiary established in the second quarter of 2025 and the outward remittance was made by the Group for the subsidiary's registered capital. The financial statements as at and for the six months ended June 30, 2025 were not reviewed by independent auditors as the entity did not meet the definition of significant subsidiary.

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Adjustments for subsidiaries with different balance sheet dates: None.
- E. Significant restrictions: None.
- F. Subsidiaries that have non-controlling interests that are material to the Group

As of June 30, 2025, December 31, 2024, and June 30, 2024, the non-controlling interests amounted to \$314,459, \$320,297, and \$203,553, respectively. The information on non-controlling interests and respective subsidiary is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest		Non-controlling interest	
		June 30, 2025		December 31, 2024	
		Amount	Ownership (%)	Amount	Ownership (%)
Emplus Technologies, Inc. and subsidiaries	Taiwan	\$ 314,459	49.01%	\$ 320,297	49.01%

Name of subsidiary	Principal place of business	Non-controlling interest	
		June 30, 2024	
		Amount	Ownership (%)
Emplus Technologies, Inc. and subsidiaries	Taiwan	\$ 203,553	49.01%

Aggregated financial information on subsidiaries:

Balance sheet

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 1,425,378	\$ 1,794,514	\$ 1,421,489
Non-current assets	246,084	253,968	270,607
Current liabilities	(973,440)	(1,326,834)	(1,197,791)
Non-current liabilities	(56,351)	(68,066)	(78,936)
Total net assets	<u>\$ 641,671</u>	<u>\$ 653,582</u>	<u>\$ 415,369</u>

Statement of comprehensive income

	Three months ended June 30	
	2025	2024
Revenue	<u>\$ 660,643</u>	<u>\$ 632,070</u>
Profit before income tax	\$ 51,594	\$ 73,511
Income tax benefits (expense)	121	(16,359)
Profit for the period from continuing operations	51,715	57,152
Other comprehensive income, net of tax	(5,092)	58
Total comprehensive income for the period	<u>\$ 46,623</u>	<u>\$ 57,210</u>
Comprehensive income attributable to non- controlling interest	<u>\$ 22,848</u>	<u>\$ 28,037</u>
Dividends paid to non- controlling interest	<u>\$ -</u>	<u>\$ -</u>

	Six months ended June 30	
	2025	2024
Revenue	<u>\$ 1,312,337</u>	<u>\$ 1,021,449</u>
Profit before income tax	\$ 169,094	\$ 124,380
Income tax expense	(22,699)	(25,509)
Profit for the period from continuing operations	146,395	98,871
Other comprehensive income, net of tax	(4,606)	58

	Six months ended June 30	
	2025	2024
Total comprehensive income for the period	\$ 141,789	\$ 98,929
Comprehensive income attributable to non-controlling interest	\$ 69,486	\$ 48,482
Dividends paid to non-controlling interest	\$ 75,324	\$ 81,094

Statement of cash flows

	Six months ended June 30	
	2025	2024
Net cash flows from operating activities	(\$ 22,228)	\$ 140,104
Net cash flows used in investing activities	(24,781)	(12,075)
Net cash flows used in financing activities	(173,809)	(184,702)
Effect on foreign exchange difference	(4,606)	58
Decrease in cash and cash equivalents	(225,424)	(56,615)
Cash and cash equivalents at beginning of period	964,386	728,368
Cash and cash equivalents at end of period	\$ 738,962	\$ 671,753

(4) Employee benefits

Under the defined benefit plans, pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year.

(5) Income tax

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

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies but no critical judgements were made. The management team has made critical estimates and assumptions concerning future events based on the situation at the balance sheet date. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year. Critical accounting estimates are mainly made for inventory valuation. The details are addressed below:

The Group's inventories are measured at the lower of cost and net realizable value. As for excess and individually recognized as obsolete inventories, the net realizable value is determined based on the historical data of the inventory clearance individually identified by the management. Significant changes might arise since the Group's inventory amounts are material, inventory items are voluminous and the accounting estimates are subject to management's judgement.

As of June 30, 2025, the carrying amount of inventories was \$1,912,337.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand and revolving funds	\$ 391	\$ 494	\$ 559
Checking accounts and demand deposits	840,394	978,036	1,560,315
Time deposits	3,067,844	3,095,336	997,970
	<u>\$ 3,908,629</u>	<u>4,073,866</u>	<u>\$ 2,558,844</u>

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

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

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

	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Financial assets (liabilities) mandatorily at fair value through profit or loss			
Derivatives	<u>\$ 11,869</u>	<u>(\$ 3,235)</u>	<u>\$ -</u>

- A. The net gains (losses) on financial assets/liabilities measured at fair value through profit or loss recognized by the Group for the three and six months ended June 30, 2025 and 2024 were \$88,426, (\$7,712), \$78,017, and (\$8,164), respectively.
- B. The Group's forward exchange agreements, for which hedge accounting is not adopted and which have not yet matured on the balance sheet date, are as follows:

	Currency	Agreement period	Contract amount
June 30, 2025			
Forward exchange agreements sold	USD : NTD	May 7, 2025 - July 2, 2025	USD1,000/NTD30,042
Forward exchange agreements sold	USD : NTD	May 7, 2025 - July 16, 2025	USD1,000/NTD30,002
Forward exchange agreements sold	USD : NTD	May 15, 2025 - July 9, 2025	USD1,000/NTD30,030
Forward exchange agreements sold	USD : NTD	June 5, 2025 - August 20, 2025	USD2,000/NTD59,422
Forward exchange agreements sold	USD : NTD	June 5, 2025 - August 6, 2025	USD1,000/NTD29,752
Forward exchange agreements sold	USD : NTD	June 13, 2025 - August 27, 2025	USD2,000/NTD58,764
Forward exchange agreements sold	USD : NTD	June 25, 2025 - September 10, 2025	USD1,000/NTD29,210
Forward exchange agreements sold	USD : NTD	May 23, 2025 - July 11, 2025	USD3,000/NTD89,655
Forward exchange agreements sold	USD : NTD	May 23, 2025 - July 16, 2025	USD2,000/NTD59,746
Forward exchange agreements sold	USD : NTD	June 5, 2025 - July 18, 2025	USD3,000/NTD89,370
Forward exchange agreements sold	USD : NTD	June 5, 2025 - July 18, 2025	USD2,000/NTD59,620
Forward exchange agreements sold	USD : NTD	June 13, 2025 - July 23, 2025	USD2,000/NTD58,942
Forward exchange agreements sold	USD : NTD	June 13, 2025 - July 25, 2025	USD2,000/NTD59,104
Forward exchange agreements sold	USD : NTD	June 25, 2025 - July 30, 2025	USD2,000/NTD58,750
Forward exchange agreements sold	USD : NTD	June 25, 2025 - August 13, 2025	USD3,000/NTD87,846
	Currency	Agreement period	Contract amount
December 31, 2024			
Forward exchange agreements sold	USD : NTD	November 6, 2024 - January 8, 2025	USD3,000/NTD95,700
Forward exchange agreements sold	USD : NTD	November 11, 2024 - January 15, 2025	USD1,000/NTD32,093

June 30, 2024: None.

- C. The Group engages in the trading of forward exchange agreements to hedge the risks arising from exchange rate changes in foreign-currency assets and liabilities without adopting hedging accounting.

(3) Notes receivable and accounts receivable, net

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable	\$ -	\$ 24	\$ -
Accounts receivable	\$ 2,334,896	\$ 2,139,565	\$ 1,510,322
Less: Allowance for bad debts	(2,617)	(59)	(472)
	<u>\$ 2,332,279</u>	<u>\$ 2,139,506</u>	<u>\$ 1,509,850</u>

- A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	June 30, 2025	December 31, 2024		June 30, 2024
	Accounts receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	\$ 2,242,206	\$ 2,080,848	\$ 24	\$ 1,479,278
Up to 30 days	85,527	57,878	-	24,803
31 to 60 days	3,391	748	-	6,045
61 to 90 days	1,661	91	-	195
91 to 180 days	2,111	-	-	1
	<u>\$ 2,334,896</u>	<u>\$ 2,139,565</u>	<u>\$ 24</u>	<u>\$ 1,510,322</u>

The above ageing analysis was based on past due date.

- B. As of June 30, 2025, December 31, 2024, June 30, 2024 and January 1, 2024, the balances of receivables (including notes receivable) from contracts with customers amounted to \$2,334,896, \$2,139,589, \$1,510,322, and \$1,812,367, respectively.
- C. The Group does not hold any collateral as security.
- D. As of June 30, 2025, December 31, 2024 and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposures to credit risk in respect of the amounts that best represented the Group's accounts and notes receivable were \$2,332,279, \$2,139,530 and \$1,509,850, respectively.
- E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(4) Transfer of financial assets

- A. The Group entered into a factoring agreement with certain banks to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognized the transferred accounts receivable. As of June 30, 2025, December 31, 2024 and June 30, 2024, the transferred accounts receivable are as follows:

June 30, 2025					
Purchaser of accounts receivable	Accounts receivable transferred (Note)	Amount derecognized	Facilities (thousand)	Amount advanced	Interest rate of amount advanced
CTBC Bank	\$ 3,171	\$ 3,171	USD 1,200	\$ -	-
Taishin International Bank	17,759	17,759	USD 1,383	-	-
Total	<u>\$ 20,930</u>	<u>\$ 20,930</u>		<u>\$ -</u>	

December 31, 2024					
Purchaser of accounts receivable	Accounts receivable transferred (Note)	Amount derecognized	Facilities (thousand)	Amount advanced	Interest rate of amount advanced
CTBC Bank	<u>\$ 5,434</u>	<u>\$ 5,434</u>	USD 1,200	<u>\$ -</u>	-

June 30, 2024					
Purchaser of accounts receivable	Accounts receivable transferred (Note)	Amount derecognized	Facilities (thousand)	Amount advanced	Interest rate of amount advanced
CTBC Bank	<u>\$ 2,586</u>	<u>\$ 2,586</u>	USD 1,200	<u>\$ -</u>	-

Note: Recorded as “other receivables”.

- B. The Group paid factoring expenses of \$174, \$124, \$351 and \$250 upon transfer of the derecognized accounts receivable for the three months and six months ended June 30, 2025 and 2024, respectively, which was recorded as “finance costs”.

(5) Inventory

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	\$ 884,678	\$ 1,053,135	\$ 1,201,111
Work in progress	583,409	673,166	647,200
Finished goods	444,250	463,872	293,038
	<u>\$ 1,912,337</u>	<u>\$ 2,190,173</u>	<u>\$ 2,141,349</u>

The cost of inventories recognized as expense for the three months and six months ended June 30, 2025 and 2024 were \$3,331,056, \$2,080,483, \$6,604,375 and \$4,566,558, respectively, for which some inventories had been recognized in valuation losses due to destocking during the three months ended June 30, 2025, and the net realizable value of inventories recovered and a decrease in the cost of goods sold by \$6,306 was recognized; and the Group wrote down the cost to net realizable value, that is \$4,228, \$20,984, and \$49,101, respectively, for the three months ended June 30, 2024 and six months ended June 30, 2025 and 2024.

(6) Property, plant and equipment

2025										
	Land	Buildings	Machinery and equipment	Molding equipment	Transportation equipment	Office equipment	Other equipment	Leasehold improvements	Unfinished construction and equipment acceptance	Total
At January 1										
Cost	\$ 950,749	\$ 125,132	\$ 1,555,740	\$ 190,919	\$ 3,451	\$ 166,842	\$ 86,066	\$ 90,648	\$ 1,415,120	\$ 4,584,667
Accumulated depreciation and impairment	-	(9,756)	(749,704)	(167,661)	(3,451)	(80,482)	(35,153)	(58,722)	-	(1,104,929)
	<u>\$ 950,749</u>	<u>\$ 115,376</u>	<u>\$ 806,036</u>	<u>\$ 23,258</u>	<u>\$ -</u>	<u>\$ 86,360</u>	<u>\$ 50,913</u>	<u>\$ 31,926</u>	<u>\$ 1,415,120</u>	<u>\$ 3,479,738</u>
At January 1	\$ 950,749	\$ 115,376	\$ 806,036	\$ 23,258	\$ -	\$ 86,360	\$ 50,913	\$ 31,926	\$ 1,415,120	\$ 3,479,738
Additions	-	-	15,426	4,021	-	3,414	763	3,310	339,557	366,491
Disposals	-	-	(141)	(4)	-	(94)	-	-	-	(239)
Transfer (Note)	-	1,197,037	37,957	7,278	-	5,965	1,008	815	(1,248,155)	1,905
Depreciation	-	(10,012)	(67,498)	(9,965)	-	(11,159)	(6,084)	(5,072)	-	(109,790)
Net exchange differences	-	-	(298)	-	-	(226)	(56)	(708)	(52,156)	(53,444)
At June 30	<u>\$ 950,749</u>	<u>\$ 1,302,401</u>	<u>\$ 791,482</u>	<u>\$ 24,588</u>	<u>\$ -</u>	<u>\$ 84,260</u>	<u>\$ 46,544</u>	<u>\$ 30,271</u>	<u>\$ 454,366</u>	<u>\$ 3,684,661</u>
At June 30										
Cost	\$ 950,749	\$ 1,322,170	\$ 1,593,093	\$ 202,131	\$ 3,495	\$ 173,127	\$ 86,358	\$ 93,357	\$ 454,366	\$ 4,878,846
Accumulated depreciation and impairment	-	(19,769)	(801,611)	(177,543)	(3,495)	(88,867)	(39,814)	(63,086)	-	(1,194,185)
	<u>\$ 950,749</u>	<u>\$ 1,302,401</u>	<u>\$ 791,482</u>	<u>\$ 24,588</u>	<u>\$ -</u>	<u>\$ 84,260</u>	<u>\$ 46,544</u>	<u>\$ 30,271</u>	<u>\$ 454,366</u>	<u>\$ 3,684,661</u>

Note: The net amount of transfers for the current period consists of a transfer-in from other non-current assets.

2024

	Land	Buildings	Machinery and equipment	Molding equipment	Transportation equipment	Office equipment	Other equipment	Leasehold improvements	Unfinished construction and equipment acceptance	Total
At January 1										
Cost	\$ 950,749	\$ 60,810	\$ 1,512,785	\$ 166,639	\$ 3,232	\$ 145,254	\$ 76,221	\$ 110,026	\$ 1,275,851	\$ 4,301,567
Accumulated depreciation and impairment	-	(1,004)	(708,015)	(153,128)	(3,232)	(65,374)	(24,225)	(88,134)	-	(1,043,112)
	<u>\$ 950,749</u>	<u>\$ 59,806</u>	<u>\$ 804,770</u>	<u>\$ 13,511</u>	<u>\$ -</u>	<u>\$ 79,880</u>	<u>\$ 51,996</u>	<u>\$ 21,892</u>	<u>\$ 1,275,851</u>	<u>\$ 3,258,455</u>
At January 1	\$ 950,749	\$ 59,806	\$ 804,770	\$ 13,511	\$ -	\$ 79,880	\$ 51,996	\$ 21,892	\$ 1,275,851	\$ 3,258,455
Additions	-	4,632	27,667	16,997	-	6,136	6,331	6,051	86,152	153,966
Disposals	-	-	(20)	-	-	(36)	-	-	-	(56)
Transfer (Note)	-	6,956	57,770	3,523	-	10,660	3,508	1,939	(100,146)	(15,790)
Depreciation	-	(3,444)	(63,268)	(6,048)	-	(9,769)	(5,816)	(5,292)	-	(93,637)
Net exchange differences	-	-	-	-	-	40	-	1	-	41
At June 30	<u>\$ 950,749</u>	<u>\$ 67,950</u>	<u>\$ 826,919</u>	<u>\$ 27,983</u>	<u>\$ -</u>	<u>\$ 86,911</u>	<u>\$ 56,019</u>	<u>\$ 24,591</u>	<u>\$ 1,261,857</u>	<u>\$ 3,302,979</u>
At June 30										
Cost	\$ 950,749	\$ 72,399	\$ 1,580,015	\$ 186,322	\$ 3,416	\$ 161,542	\$ 86,060	\$ 102,390	\$ 1,261,857	\$ 4,404,750
Accumulated depreciation and impairment	-	(4,449)	(753,096)	(158,339)	(3,416)	(74,631)	(30,041)	(77,799)	-	(1,101,771)
	<u>\$ 950,749</u>	<u>\$ 67,950</u>	<u>\$ 826,919</u>	<u>\$ 27,983</u>	<u>\$ -</u>	<u>\$ 86,911</u>	<u>\$ 56,019</u>	<u>\$ 24,591</u>	<u>\$ 1,261,857</u>	<u>\$ 3,302,979</u>

Note: The net amount of assets transfers for the current period consists of a transfer out to intangible assets of \$16,661 and a transfer-in from other non-current assets of \$871.

- A. Please refer to Note 8 for more information on property, plant and equipment provided as collateral.
- B. The capitalized amounts of borrowing costs for the Group's property, plant and equipment for the six months ended June 30, 2025 and 2024, totaled \$8,809 and \$3,978, respectively, and the capitalized interest rates were 2.55%-5.85% and 1.65%-2.18%, respectively.

(7) Lease transactions - lessee

- A. The Group leased various assets including land use rights, plants, offices, business vehicles, parking lot and multifunction printers. The terms of the rental contracts ranged from one to seven years, except for the land use right for 46 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. Short-term leases with a lease term of 12 months or less comprise certain plant and parking spaces; and the underlying asset of the low-value lease are automated external defibrillators (AEDs).
- C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
	Book value	Book value	Book value
Land	\$ 195,057	\$ 225,824	\$ 234,665
Buildings	248,179	307,427	353,000
Transportation equipment	8,505	4,259	2,545
Office equipment	1,242	1,544	1,843
Other equipment	2,427	3,038	3,649
	<u>\$ 455,410</u>	<u>\$ 542,092</u>	<u>\$ 595,702</u>

	Three months ended June 30	
	2025	2024
	Depreciation	Depreciation
Land	\$ 1,131	\$ 1,280
Buildings	35,338	35,802
Transportation equipment	1,085	635
Office equipment	149	149
Other equipment	305	306
	<u>\$ 38,008</u>	<u>\$ 38,172</u>

	Six months ended June 30	
	2025	2024
	Depreciation	Depreciation
Land	\$ 2,427	\$ 2,576
Buildings	70,599	70,213
Transportation equipment	1,983	1,270
Office equipment	299	301
Other equipment	611	611
	<u>\$ 75,919</u>	<u>\$ 74,971</u>

- D. For the three months and six months ended June 30, 2025 and 2024, the additions to right-of-use assets were \$7,709, \$93,722, \$22,382 and \$144,954, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	Three months ended June 30	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,736	\$ 1,813
Expense on short-term lease contracts	1,666	2,432
Expense on low-value asset lease	805	53
Expense on variable lease payments	1,826	2,815
Gain on sublease of right-of-use assets (Note)	1,521	1,347

	Six months ended June 30	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 3,674	\$ 3,325
Expense on short-term lease contracts	3,498	6,229
Expense on low-value asset lease	1,654	93
Expense on variable lease payments	3,827	3,694
Gain on sublease of right-of-use assets (Note)	2,878	2,693

Note: Recorded as “other income”, please refer to Note 6(22).

- F. For the six months ended June 30, 2025 and 2024, the Group’s total cash outflow relating to lease contracts was \$85,082 and \$81,122, of which \$72,429 and \$67,781 were lease payments, respectively.
- G. Due to the early termination of the contract during the six months ended June 30, 2024, the Group's right-of-use assets and lease liabilities decreased by \$17,495 and \$18,270, respectively, and a lease modification gain of \$775 was recognized.
- H. Variable lease payments

Some of the Group’s lease contracts contain variable lease payment terms that are linked to the actual usage. Variable lease payments are recognized as expense based on the actual usage during the period.

I. Extension and termination options

In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(8) Intangible assets

A. Changes to intangible assets are as follows:

		2025		
		Computer software	Goodwill	Total
At January 1				
Cost		\$ 174,668	\$ 480	\$ 175,148
Accumulated amortization and impairment		(106,739)	-	(106,739)
		<u>\$ 67,929</u>	<u>\$ 480</u>	<u>\$ 68,409</u>
At January 1		\$ 67,929	\$ 480	\$ 68,409
Additions		11,384	-	11,384
Amortization		(10,301)	-	(10,301)
Net exchange differences		(7)	-	(7)
At June 30		<u>\$ 69,005</u>	<u>\$ 480</u>	<u>\$ 69,485</u>
At June 30				
Cost		\$ 185,482	\$ 480	\$ 185,962
Accumulated amortization and impairment		(116,477)	-	(116,477)
		<u>\$ 69,005</u>	<u>\$ 480</u>	<u>\$ 69,485</u>
		2024		
		Computer software	Goodwill	Total
At January 1				
Cost		\$ 138,740	\$ 480	\$ 139,220
Accumulated amortization and impairment		(93,626)	-	(93,626)
		<u>\$ 45,114</u>	<u>\$ 480</u>	<u>\$ 45,594</u>
At January 1		\$ 45,114	\$ 480	\$ 45,594
Additions		2,156	-	2,156
Transfer (Note)		16,661	-	16,661
Amortization		(6,967)	-	(6,967)
Net exchange differences		10	-	10
At June 30		<u>\$ 56,974</u>	<u>\$ 480</u>	<u>\$ 57,454</u>

	2024		
	Computer software	Goodwill	Total
At June 30			
Cost	\$ 155,621	\$ 480	\$ 156,101
Accumulated amortization and impairment	(98,647)	-	(98,647)
	<u>\$ 56,974</u>	<u>\$ 480</u>	<u>\$ 57,454</u>

Note: The amount of transfer in this period is for the transfer from unfinished construction and equipment acceptance.

B. Details of amortisation on intangible assets are as follows:

	Three months ended June 30	
	2025	2024
Manufacturing expenses	\$ 969	\$ 593
General and administrative expenses	829	560
Research and development expenses	3,466	2,335
	<u>\$ 5,264</u>	<u>\$ 3,488</u>

	Six months ended June 30	
	2025	2024
Manufacturing expenses	\$ 2,065	\$ 899
General and administrative expenses	1,573	1,263
Research and development expenses	6,663	4,805
	<u>\$ 10,301</u>	<u>\$ 6,967</u>

C. The Group's goodwill was recognized from the acquisition of the subsidiary, Emplus Technologies, Inc.

When comparing the value in use and book value to determine the recoverable amount, there were no indicators that the Group's goodwill may be impaired. Value in use was evaluated based on the gross profit ratio and growth ratio of Emplus Technologies, Inc.

(9) Other non-current assets

	June 30, 2025	December 31, 2024	June 30, 2024
Prepayment for equipment	\$ 11,216	\$ 2,045	\$ 1,440
Refundable deposits	26,069	26,290	22,984
Net defined benefit assets	4,959	4,529	-
Others	129	63	75
	<u>\$ 42,373</u>	<u>\$ 32,927</u>	<u>\$ 24,499</u>

(10) Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank borrowings	<u>\$ 32,523</u>	<u>\$ 17,048</u>	<u>\$ 1,243,994</u>
Interest rate	<u>5.13%~5.15%</u>	<u>5.35%~5.36%</u>	<u>2.04%~6.19%</u>

(11) Other payables

	June 30, 2025	December 31, 2024	June 30, 2024
Accrued salary expenses and bonus	\$ 508,545	\$ 630,871	\$ 512,697
Accrued employees' compensation and directors' remuneration	108,957	69,021	140,450
Dividends payable	118,435	-	129,928
Construction retainage received	-	110,970	110,859
Accrued equipment	27,997	30,629	53,053
Others	314,724	309,169	254,227
	<u>\$ 1,078,658</u>	<u>\$ 1,150,660</u>	<u>\$ 1,201,214</u>

(12) Pensions

A. Defined benefit plan

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

- (b) The pension costs under the defined contribution pension plan of the Group for the three months and six months ended June 30, 2025 and 2024 amounted to (\$19), \$13, (\$39) and \$26, respectively.
- (c) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2025 amount to \$768.

B. Defined contribution plan

- (a) The Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company and its domestic subsidiaries for the three months and six months ended June 30, 2025 and 2024 amounted to \$20,961, \$20,932, \$40,635 and \$43,817, respectively.
- (b) EnGenius International (Samoa) Ltd. and EnGenius Technologies Canada Inc. have not yet established an employee pension plan. EnGenius Technologies, Inc., EnGenius Networks Singapore Pte. Ltd., EnGenius Networks Europe B.V., EnGenius Networks Japan, Senao Networks Private Ltd., Senao Networks Vietnam Co., Ltd., EnGenius Networks Private Ltd., Emplus Technologies India Private Ltd., Senao Networks USA Inc., and Senao Networks Japan follow the established pension regulations of their respective local governments. These subsidiaries pay monthly pension contributions and have no further obligations. The pension costs under the defined contribution pension plans of the above companies for the three months and six months ended June 30, 2025 and 2024 were \$680, \$769, \$1,406 and \$1,551, respectively.

(13) Provisions

	2025	2024
At January 1	\$ 43,717	\$ 28,151
Additional (reversed) provisions during this period	11,615	15,773
Used during this period	(5,555)	(9,478)
Effect of exchange rate changes	(714)	1,773
At June 30	<u>\$ 49,063</u>	<u>\$ 36,219</u>

The Group's liability provisions are related to the provision for warranty of products sold, which is estimated based on past experience of the use of warranties on the product. It is expected that the provision will be used starting next year.

(14) Other current liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Collection of project development on behalf of others	\$ 329,712	\$ 322,797	\$ 298,622
Sales refund liabilities	5,515	20,731	15,955
Others	7,172	5,654	5,732
	<u>\$ 342,399</u>	<u>\$ 349,182</u>	<u>\$ 320,309</u>

(15) Long-term borrowings

Lending bank	Loan period	Interest rate	Collateral	June 30, 2025
Taipei Fubon Bank	From December 23, 2024 to December 23, 2027, with monthly interest payments (Note 1)	2.30%	Property (Note 3)	\$ 500,000
CTBC Bank	From December 27, 2024 to December 27, 2029, with monthly interest payments (Note 2)	5.80%	None	71,374
CTBC Bank	From January 22, 2025 to December 27, 2029, with monthly interest payments (Note 2)	5.70%	None	95,165
CTBC Bank	From April 11, 2025 to December 27, 2029, with monthly interest payments (Note 2)	5.90%	None	47,582
CTBC Bank	From June 18, 2025 to December 27, 2029, with monthly interest payments (Note 2)	5.60%	None	96,747
				<u>810,868</u>
Less: Long-term borrowings due within one year				<u>-</u>
				<u>\$ 810,868</u>

Lending bank	Loan period	Interest rate	Collateral	December 31, 2024
Taipei Fubon Bank	From December 23, 2024 to December 23, 2027, with monthly interest payments (Note 1)	2.30%	Property (Note 3)	\$ 500,000
CTBC Bank	From December 27, 2024 to December 27, 2029, with monthly interest payments (Note 2)	5.80%	None	81,708
				<u>581,708</u>
Less: Long-term borrowings due within one year				<u>-</u>
				<u>\$ 581,708</u>

June 30, 2024: None.

Note 1: The borrowings can be drawn on a revolving basis during the contract period.

Note 2: The principal will be repaid starting from January 1, 2027, and an installment will be repaid every six months thereafter, with the remaining amount repaid on the maturity date.

Note 3: Please refer to Note 8 for details of the guarantee.

The loan contract signed between the subsidiary, Senao Networks Vietnam Co., Ltd. (hereinafter referred to as "Senao Networks Vietnam"), and CTBC Bank stipulates that the loan can only be used for construction-related expenditure and that the Company must maintain 100% equity in Senao Networks Vietnam during the contract period. In addition, Senao Networks Vietnam shall maintain a current ratio greater than or equal to 80%, a shareholder equity ratio greater than or equal to 40%, and an EBITDA/I greater than or equal to two times. The above financial ratios will be reviewed every six months, and the first review will be conducted on March 31, 2027 based on the 2026 financial statements.

(16) Share capital

- A. As of June 30, 2025, the Company's authorized capital was \$1.2 million, consisting of 59,061 thousand shares of common stock outstanding, with a par value of \$10 in dollars per share. There was no change in the number of the Company's ordinary shares outstanding for the six months ended June 30, 2025 and 2024.
- B. On July 17, 2024, the Board of Directors resolved a decision to conduct a cash capital increase by issuing 10,000 thousand shares of common stock. The capital increase case has been declared effective by the FSC, referencing Letter Jin-Guan-Zheng-Fa-Zi No. 1130351921, dated August 20, 2024. The record date for the cash capital increase is October 23, 2024, and the registration of the change was completed on November 15, 2024.

- C. The Company applied to the FSC for the issuance of the first domestic unsecured convertible corporate bonds with an upper limit of \$1 billion, and the application has been declared effective by the FSC, referencing Letter Jin-Guan-Zheng-Fa-Zi No. 11300519211, dated August 20, 2024. However, due to the recent drastic fluctuations in the stock prices of the industry in which the Company operates, and in order to take into account subscribers' interests, the Company applied to cancel the issuance of the first domestic unsecured convertible corporate bonds on January 16, 2025, and the application has been approved by the FSC, referencing Letter Jin-Guan-Zheng-Fa-Zi No. 1140331610, dated January 22, 2025.

(17) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(18) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the balance of legal reserve is equal to that of issued share capital. The balance after setting aside legal reserve and special reserve shall be combined with the remaining surplus at the beginning of the year and counted as unappropriated retained earnings. The method of distribution shall be proposed by the Board of Directors and presented to the shareholders for approval.
- B. The Company is currently in the growth stage. Based on capital expenditures and needs for branching out and completing financial plans to pursue sustainable development, the Company's dividend policy is in accordance with the future budget for capital expenditures and capital needs. Cash dividends and /or stock dividends are to be distributed to the shareholders. Total dividends distributed shall account for at least 10% of the distributable earnings for the current year. Cash dividends shall account for at least 5% of the total dividends distributed.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

- E. The 2024 and 2023 earnings distribution proposals, which were approved by the resolution of the shareholders' meetings on May 27, 2025 and May 30, 2024, respectively, are detailed below:

	Year ended December 31			
	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 24,697	\$ -	\$ 82,733	\$ -
Special reserve	(64,021)	-	83,542	-
Cash dividends	177,183	3.0	196,244	4.0
	<u>\$ 137,859</u>	<u>\$ 3.0</u>	<u>\$ 362,519</u>	<u>\$ 4.0</u>

(19) Operating revenues

	Three months ended June 30	
	2025	2024
Revenue from contracts with customers	<u>\$ 3,967,827</u>	<u>\$ 2,518,539</u>

	Six months ended June 30	
	2025	2024
Revenue from contracts with customers	<u>\$ 7,961,953</u>	<u>\$ 5,375,748</u>

- A. Information on disaggregation of revenue from contracts with customers based on geographical regions is provided in Note 14.(2)
- B. Contract liabilities

- (a) The Group has recognized the following revenue-related contract liabilities:

	June 30, 2025	December 31, 2024
Current contract liabilities:		
Contract liabilities- sales of goods	\$ 235,329	\$ 245,023
Contract liabilities- providing services	19,521	17,411
Sub-total	254,850	262,434
Non-current contract liabilities:		
Contract liabilities- providing services	16,493	16,417
Total	<u>\$ 271,343</u>	<u>\$ 278,851</u>
	June 30, 2024	January 1, 2024
Current contract liabilities:		
Contract liabilities- sales of goods	\$ 201,969	\$ 182,305
Contract liabilities- providing services	20,591	17,071
Sub-total	222,560	199,376
Non-current contract liabilities:		
Contract liabilities- providing services	16,089	17,081
Total	<u>\$ 238,649</u>	<u>\$ 216,457</u>

- (b) Revenue recognized that was included in the contract liability balance at the beginning of the period:

		Three months ended June 30	
		2025	2024
Revenue from contracts with customers	\$	63,925	\$ 32,049

		Six months ended June 30	
		2025	2024
Revenue from contracts with customers	\$	168,486	\$ 103,340

C. Financing components

The Group does not expect to have many contracts where the time interval between the transfer of the committed goods or services to the customer and payment by the customer exceeds one year. In addition, the transaction prices for those contracts where the time interval exceeds a year are immaterial. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(20) Net other income (expenses)

		Three months ended June 30	
		2025	2024
Other income			
Project development income	\$	17,564	\$ 13,184

		Six months ended June 30	
		2025	2024
Other income			
Project development income	\$	45,936	\$ 84,324

(21) Interest income

		Three months ended June 30	
		2025	2024
Interest income	\$	14,670	\$ 9,051
Other interest income		44	40
	\$	14,714	\$ 9,091

		Six months ended June 30	
		2025	2024
Interest income	\$	23,822	\$ 17,301
Other interest income		115	106
	\$	23,937	\$ 17,407

(22) Other income

Three months ended June 30			
	2025		2024
Rent income	\$ 1,521	\$	1,347
Other income	5,260		2,674
	<u>\$ 6,781</u>	<u>\$</u>	<u>4,021</u>
Six months ended June 30			
	2025		2024
Rent income	\$ 2,878	\$	2,693
Other income	9,382		15,578
	<u>\$ 12,260</u>	<u>\$</u>	<u>18,271</u>

(23) Other gains and losses

Three months ended June 30			
	2025		2024
Foreign exchange (losses) gains	(\$ 116,622)	\$	10,594
Losses (Gains) on disposal of property, plant and equipment	855 (		56)
Lease modification gain	-		775
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	88,426 (		7,712)
Others	(5)		-
	<u>(\$ 27,346)</u>	<u>\$</u>	<u>3,601</u>
Six months ended June 30			
	2025		2024
Foreign exchange (losses) gains	(\$ 90,733)	\$	63,357
Gains (Losses) on disposal of property, plant and equipment	1,076 (		56)
Lease modification gain	-		775
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	78,017 (		8,164)
Others	(164)		-
	<u>(\$ 11,804)</u>	<u>\$</u>	<u>55,912</u>

(24) Finance costs

Three months ended June 30			
	2025		2024
Interest expense	\$ 2,255	\$	3,354
Other financial expense	174		124
	<u>\$ 2,429</u>	<u>\$</u>	<u>3,478</u>
Six months ended June 30			
	2025		2024
Interest expense	\$ 5,023	\$	10,406
Other financial expense	351		250
	<u>\$ 5,374</u>	<u>\$</u>	<u>10,656</u>

(25) Expenses by nature

Three months ended June 30			
	2025		2024
Wages and salaries	\$ 640,470	\$	395,685
Labor and health insurance fees	50,646		48,025
Pension costs	21,622		21,714
Other personnel expenses	24,554		14,388
Employee benefit expense	<u>\$ 737,292</u>	<u>\$</u>	<u>479,812</u>
Depreciation	<u>\$ 94,484</u>	<u>\$</u>	<u>86,152</u>
Amortization	<u>\$ 5,264</u>	<u>\$</u>	<u>3,488</u>
Six months ended June 30			
	2025		2024
Wages and salaries	\$ 1,254,250	\$	872,546
Labor and health insurance fees	102,712		104,821
Pension costs	42,002		45,394
Other personnel expenses	47,419		39,002
Employee benefit expense	<u>\$ 1,446,383</u>	<u>\$</u>	<u>1,061,763</u>
Depreciation	<u>\$ 185,709</u>	<u>\$</u>	<u>168,608</u>
Amortization	<u>\$ 10,301</u>	<u>\$</u>	<u>6,967</u>

- A. According to the Articles of Incorporation of the Company and its domestic subsidiaries, where the Company or its domestic subsidiaries make a profit for a fiscal year, they shall provide no lower than 3% of the balance for employees' compensation and no higher than 3% for directors' and supervisors' remuneration. Of the employees' compensation allocated by the Company, no less than 10% shall be distributed to non-executive employees. However, if the Company has accumulated deficit, the Company should cover accumulated losses first. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned employees' compensation may be specified in the Articles of Incorporation. Qualification requirements are set by the Board of Directors. Distribution of employees' compensation and directors' and supervisors' remuneration shall be

reported to the stockholders during their meeting and distributed in the form of shares or in cash as resolved by the Board of Directors.

- B. For the three months and six months ended June 30, 2025 and 2024, employees' compensation was accrued at \$10,862, \$9,063, \$36,392 and \$17,682, respectively; while directors' and supervisors' remuneration was accrued at \$2,068, \$1,157, \$6,938 and \$2,393, respectively. The aforementioned amounts were recognized in salary expenses. The expenses recognized were accrued based on the earnings as of the end of this period.

On February 25, 2025, employees' compensation and directors' remuneration for 2024 amounting to \$25,916 and \$4,860, respectively, as resolved at the meeting of the Board of Directors were in agreement with those amounts recognized in the 2024 financial statements.

On February 20, 2025, employees' compensation and directors' and supervisors' remuneration of the subsidiary, Emplus Technologies, Inc., for 2024 amounting to \$34,624 and \$3,394, respectively, as resolved at the meeting of the Board of Directors were in agreement with those amounts recognized in the 2024 financial statements.

Subsidiaries, EnRack Technology and EnGenius Networks, registered losses in 2024, and therefore employee and director/supervisor remuneration was not estimated.

(26) Income tax

A. Income tax expense

	Three months ended June 30	
	2025	2024
Current tax:		
Current tax on profit for the period	\$ 9,869	\$ 6,362
Tax on undistributed surplus earnings	5,456	42
Prior year income tax overestimation	(25,234)	(1,842)
Total current tax	(9,909)	4,562
Deferred tax:		
Origination and reversal of temporary differences	9,418	21,410
Income tax (benefits) expense	(\$ 491)	\$ 25,972

	Six months ended June 30	
	2025	2024
Current tax:		
Current tax on profit for the period	\$ 34,560	\$ 29,802
Tax on undistributed surplus earnings	5,456	42
Prior year income tax overestimation	(24,844)	(1,980)
Total current tax	15,172	27,864
Deferred tax:		
Origination and reversal of temporary differences	34,339	14,725
Income tax expense	\$ 49,511	\$ 42,589

- B. The profit-seeking enterprise income tax returns filed by the Company and its subsidiary, Emplus Technologies, up to 2022, and by subsidiaries, EnRack Technology and EnGenius Networks, up to 2023, have been approved.

(27) Earnings per share

Three months ended June 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 75,971	59,061	<u>\$ 1.29</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	131	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 75,971</u>	<u>59,192</u>	<u>\$ 1.28</u>
Three months ended June 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 25,364	49,061	<u>\$ 0.52</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	44	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 25,364</u>	<u>49,105</u>	<u>\$ 0.52</u>

Six months ended June 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 228,564	59,061	<u>\$ 3.87</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	164	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 228,564</u>	<u>59,225</u>	<u>\$ 3.86</u>
Six months ended June 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 76,780	49,061	<u>\$ 1.56</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	150	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 76,780</u>	<u>49,211</u>	<u>\$ 1.56</u>

(28) Supplemental cash flow information

A. Investing activities with partial cash payments:

Six months ended June 30			
	2025	2024	
Purchase of property, plant and equipment and other non-current assets-transferred in property, plant and equipment	\$ 368,396	\$ 154,837	
Less: Ending balance of payable on equipment	(27,997)	(53,053)	
Ending balance of other payables to related parties	(150)	(19)	
Ending balance of construction retainage received (Note)	-	(110,859)	
Opening balance of prepayments for equipment	(2,045)	(7,152)	

	Six months ended June 30	
	2025	2024
Add: Opening balance of payable on equipment	30,629	48,854
Opening balance of other payables to related parties	39	-
Opening balance of construction retainage received (Note)	110,970	109,241
Ending balance of prepayments for equipment	11,216	1,440
Cash paid during the period for purchase of property, plant and equipment	<u>\$ 491,058</u>	<u>\$ 143,289</u>

Note: Recorded as “other payables”.

B. Financing activities with no cash flow effects:

	Six months ended June 30	
	2025	2024
Cash dividends declared but yet to be paid	<u>\$ 177,183</u>	<u>\$ 196,244</u>

(29) Changes in liabilities from financing activities

Under the amendments to IAS 7, “Disclosure initiative”, changes during the six months ended June 30, 2025 and 2024 are disclosed as follows:

	2025				
	Short-term borrowings	Lease liabilities	Long-term borrowings	Other non-current liabilities	Liabilities from financing gross
At January 1	\$ 17,048	\$ 329,522	\$ 581,708	\$ 90	\$ 928,368
Changes in cash flow from financing activities	18,273	(72,429)	259,941	-	205,785
Impact of changes in foreign exchange rate	(2,798)	(5,201)	(30,781)	-	(38,780)
Changes in other non-cash items	-	22,382	-	-	22,382
At June 30	<u>\$ 32,523</u>	<u>\$ 274,274</u>	<u>\$ 810,868</u>	<u>\$ 90</u>	<u>\$ 1,117,755</u>

	2024			
	Short-term borrowings	Lease liabilities	Other non-current liabilities	Liabilities from financing gross
At January 1	\$ 1,598,581	\$ 312,406	\$ 184	\$ 1,911,171
Changes in cash flow from financing activities	(355,571)	(67,781)	-	(423,352)
Impact of changes in foreign exchange rate	984	2,455	-	3,439

	2024			
	Short-term borrowings	Lease liabilities	Other non-current liabilities	Liabilities from financing gross
Changes in other non-cash items	-	126,690	(94)	126,596
At June 30	\$ 1,243,994	\$ 373,770	\$ 90	\$ 1,617,854

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

As of June 30, 2025, December 31, 2024, and June 30, 2024, the Group does not have a parent company. Senao International Co., Ltd. held 33.15%, 33.15% and 33.79% of the Company's shares, respectively, and is the most influential entity to the Company.

(2) Name of related party and relationship

Name of related party	Relationship with the Group
Senao International Co., Ltd. (SIC)	Entities with joint control or significant influence over the Group

(3) Significant related party transactions

A. Operating revenues

	Three months ended June 30	
	2025	2024
Merchandise sales:		
Entities with joint control or significant influence over the Group	\$ 6,260	\$ 462
	Six months ended June 30	
	2025	2024
Merchandise sales:		
Entities with joint control or significant influence over the Group	\$ 6,526	\$ 637

The Group's selling prices and payment term for the merchandise sold to the related parties are based on mutual agreement, which is due within 60 days after the end of each month.

B. Receivables from related parties

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable:			
Entities with joint control or significant influence over the Group	<u>\$ 4,075</u>	<u>\$ -</u>	<u>\$ 24</u>
Other receivables - payment on behalf of others:			
Entities with joint control or significant influence over the Group	<u>\$ 954</u>	<u>\$ 871</u>	<u>\$ 820</u>

C. Payables to related parties

	June 30, 2025	December 31, 2024	June 30, 2024
Dividends payable			
Entities with joint control or significant influence over the Group	<u>\$ 58,748</u>	<u>\$ -</u>	<u>\$ 66,316</u>
Other payables:			
Entities with joint control or significant influence over the Group	<u>\$ 175</u>	<u>\$ 235</u>	<u>\$ 19</u>

Other payables to related parties mainly come from equipment payable and payments collected and made on behalf of related parties.

D. Property transactions

	Three months ended June 30	
	2025	2024
Acquisition of property, plant and equipment:		
Entities with joint control or significant influence over the Group	<u>\$ 143</u>	<u>\$ -</u>
	Six months ended June 30	
	2025	2024
Acquisition of property, plant and equipment:		
Entities with joint control or significant influence over the Group	<u>\$ 284</u>	<u>\$ -</u>

E. Lease transactions - lessee

- (a) The Group has leased office buildings from SIC. The rental contracts are typically made for periods from 2024 through 2026 and from 2019 through 2024. The lease terms and prices were determined in accordance with mutual agreement, and rent is paid monthly.

(b) Acquisition of right-of-use assets

The Group acquired rights-of-use assets, totaling \$93,722, from Senao International Co., Ltd. during the six months ended June 30, 2024. There was no such a case during the six months ended June 30, 2025.

(c) Lease liabilities

i. Ending balance:

	June 30, 2025	December 31, 2024	June 30, 2024
Entities with joint control or significant influence over the Group			
Current	\$ 39,565	\$ 47,034	\$ 46,507
Non-current	-	15,915	39,565
	<u>\$ 39,565</u>	<u>\$ 62,949</u>	<u>\$ 86,072</u>

ii. Interest expense

	Three months ended June 30	
	2025	2024
Entities with joint control or significant influence over the Group	\$ 244	\$ 330
	<u>\$ 244</u>	<u>\$ 330</u>
	Six months ended June 30	
	2025	2024
Entities with joint control or significant influence over the Group	\$ 555	\$ 352
	<u>\$ 555</u>	<u>\$ 352</u>

(4) Information on the remuneration to directors, supervisors, the President, Vice Presidents, and other key management personnel

	Three months ended June 30	
	2025	2024
Salaries and other short-term employee benefits	\$ 20,437	\$ 14,451
Post-employment benefits	348	308
	<u>\$ 20,785</u>	<u>\$ 14,759</u>
	Six months ended June 30	
	2025	2024
Salaries and other short-term employee benefits	\$ 40,305	\$ 29,049
Post-employment benefits	628	616
	<u>\$ 40,933</u>	<u>\$ 29,665</u>

8. PLEDGED ASSETS

The details of the assets provided as collateral by the Group are as follows:

Assets	Book value			Purpose
	June 30, 2025	December 31, 2024	June 30, 2024	
Property (under property, plant and equipment)	<u>\$ 2,273,380</u>	<u>\$ 2,273,643</u>	<u>\$ 2,259,188</u>	Medium- and long-term borrowing facility

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

As of June 30, 2025, the Group had capital expenditures contracted for but not yet incurred in the amount of \$553,528.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital risk management

The Group's objectives when managing capital are to maintain an optimal capital ratio to support the Group's operations and to maximize the shareholders' equity. The Group builds a suitable capital structure based on the future growth and gearing ratios of the industry and the consideration of costs and risks that may result from different capital structures. The Group normally utilizes a meticulous risk management policy.

(2) Financial instruments

A. Financial instruments by category

The financial assets and liabilities at amortized cost include cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), guarantee deposits paid (under other non-current assets), long-term and short-term borrowings, notes payable, accounts payable, other payables (including related parties), guarantee deposits received (under other non-current liabilities), and lease liabilities.

B. Financial risk management policies

The Group adopts overall risk management and control systems to identify, measure and control all kinds of risk (including market risk, credit risk, liquidity risk and cash flow risk), so that the management of the Group can effectively control and evaluate market risk, credit risk, liquidity risk and cash flow risk.

The Group maintains an optimal level of liquidity and centralizes risk management operations in order to effectively monitor and control the various kinds of market risks and to achieve management objectives. This decision is made with consideration of the economic environment, competitive status and market value risk.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and various subsidiaries used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions.
- ii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, CAD, JPY, VND, and INR). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

June 30, 2025				
		Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	USD	96,737	29.300	\$ 2,834,399
JPY:NTD	JPY	463,871	0.203	94,351
USD:VND (Note)	USD	504	26,030	14,487
<u>Non-monetary items</u>				
USD:NTD	USD	1,997	29.300	58,525
CAD:NTD	CAD	526	21.430	11,276
JPY:NTD	JPY	129,946	0.203	26,431
VND:NTD	VND	482,231,407	0.001	532,866
INR:NTD	INR	229,040	0.340	77,827

June 30, 2025				
		Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	USD	69,445	29.300	\$ 2,034,724
December 31, 2024				
		Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	USD	92,521	32.785	\$ 3,033,294
JPY:NTD	JPY	531,460	0.210	111,553
USD:VND (Note)	USD	592	25,401	19,037
<u>Non-monetary items</u>				
USD:NTD	USD	1,895	32.785	62,112
CAD:NTD	CAD	504	22.820	11,506
JPY:NTD	JPY	155,946	0.210	32,733
VND:NTD	VND	484,872,102	0.001	613,362
INR:NTD	INR	224,099	0.383	85,830
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	USD	74,324	32.785	\$ 2,436,700
June 30, 2024				
		Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	USD	70,243	32.450	\$ 2,279,381
JPY:NTD	JPY	593,486	0.202	119,706
USD:VND (Note)	USD	5,604	25,320	184,450
<u>Non-monetary items</u>				
USD:NTD	USD	4,069	32.450	132,044
CAD:NTD	CAD	574	23.670	13,585
JPY:NTD	JPY	28,805	0.202	5,810
VND:NTD	VND	491,503,444	0.001	638,954
INR:NTD	INR	83,595	0.390	32,593

June 30, 2024				
Foreign currency amount (in thousands)		Exchange rate	Book value (NTD)	
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	USD	43,522	32.450	\$ 1,412,297

Note: As the NTD is not a functional currency adopted by some of the consolidated entities, it should also be considered when being disclosed.

- iii. Please refer to the following table for the details of unrealized exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Group.

Three months ended June 30, 2025				
Exchange gain (loss)				
Foreign currency amount		Exchange rate	Book value	
(in thousands)				
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	-	29.300	(\$ 129,991)
JPY:NTD		-	0.203	(9,376)
USD:VND (Note)		25,402	26,030	33

<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$	-	29.300	\$ 182,427

Three months ended June 30, 2024				
Exchange gain (loss)				
Foreign currency amount (in thousands)		Exchange rate	Book value	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	-	32.450	(\$ 17,212)
JPY:NTD		-	0.202	(6,293)
USD:VND (Note)	(	5,135,278)	25,320	(6,676)
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$	-	32.450	\$ 10,730

Six months ended June 30, 2025			
Exchange gain (loss)			
	Foreign currency amount (in thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ -	29.300	(\$ 95,930)
JPY:NTD	-	0.203	(4,152)
USD:VND (Note)	45,331	26,030	59
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ -	29.300	\$ 149,724

Six months ended June 30, 2024				
Exchange gain (loss)				
	Foreign currency amount (in thousands)	Exchange rate	Book value	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	-	32.450	\$ 23,883
JPY:NTD		-	0.202	(6,495)
USD:VND (Note)	33,622		25,320	44
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$	-	32.450	(\$ 14,291)

Note: As the NTD is not a functional currency adopted by some of the consolidated entities, it should also be considered when being disclosed.

- iv. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Six months ended June 30, 2025					
Sensitivity analysis					
	Degree of variation		Effect on profit or loss		Effect on other comprehensive income
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	1%	\$	28,344	\$	-
JPY:NTD	1%		944		-
USD:VND (Note)	1%		145		-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	1%	\$	20,347	\$	-
Six months ended June 30, 2024					
Sensitivity analysis					
	Degree of variation		Effect on profit or loss		Effect on other comprehensive income
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	1%	\$	22,794	\$	-
JPY:NTD	1%		1,197		-
USD:VND (Note)	1%		1,845		-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	1%	\$	14,123	\$	-

Note: As the NTD is not a functional currency adopted by some of the consolidated entities, it should also be considered when being disclosed.

Price risk

The Group is not exposed to commodity price risk. In addition, as the Group has no investments, there was no significant price risk based on the Group's assessment.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from long-term and short-term borrowings and accounts receivable factoring. Borrowings are issued at fixed rates and factoring expenses are charged at fixed rate, thus, the Group is exposed to fair value interest rate risk.

- ii. As of June 30, 2025, if the interest rate on long-term borrowings increased by 1%, with all other factors remaining unchanged, net income after tax for the six months ended June 30, 2025 would have decreased by \$2,786, mainly due to the increase in interest expenses caused by floating-rate borrowings. From January 1, 2024 to June 30, 2024, there were no financial liabilities with cash flow risk arising from changes in interest rates.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. According to the Group's credit policy, the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Credit risk arises from cash and cash equivalents, derivative financial instruments, notes receivable and other receivables as well as credit exposures to customers, including outstanding receivables. For banks and financial institutions, only the parties with excellent credit ratings are accepted.
- iii. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- iv. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments are past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Group classifies customer's accounts receivable in accordance with credit rating of customer and historical information of default. The Company applies loss rate methodology to estimate expected credit loss.
- vi. The Group takes into account the forecasts of the Basel Committee on Banking Supervision to adjust historical and timely information to assess the default possibility of receivables (including related parties) as of June 30, 2025, December 31, 2024, and June 30, 2024.

	Not past due	30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
<u>June 30, 2025</u>							
Expected loss rate	0.05%	0.05%	10%	30%	50%	100%	
Total book value	<u>\$ 2,246,281</u>	<u>\$ 85,527</u>	<u>\$ 3,391</u>	<u>\$ 1,661</u>	<u>\$ 2,111</u>	<u>\$ -</u>	<u>\$ 2,338,971</u>
Loss allowance	<u>\$ 660</u>	<u>\$ 25</u>	<u>\$ 339</u>	<u>\$ 498</u>	<u>\$ 1,095</u>	<u>\$ -</u>	<u>\$ 2,617</u>
	Not past due	30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
<u>December 31, 2024</u>							
Expected loss rate	0.03%	0.03%	10%	30%	50%	100%	
Total book value	<u>\$ 2,080,872</u>	<u>\$ 57,878</u>	<u>\$ 748</u>	<u>\$ 91</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,139,589</u>
Loss allowance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59</u>
	Not past due	30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
<u>June 30, 2024</u>							
Expected loss rate	0.03%	0.03%	10%	30%	50%	100%	
Total book value	<u>\$ 1,479,302</u>	<u>\$ 24,803</u>	<u>\$ 6,045</u>	<u>\$ 195</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,510,346</u>
Loss allowance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 469</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 472</u>

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

	2025	2024
	Accounts receivable	Accounts receivable
At January 1	\$ 59	\$ 269
Provision for impairment loss	2,644	276
Amounts written off due to irrecoverability	-	(84)
Effect of exchange rate changes	(86)	11
At June 30	<u>\$ 2,617</u>	<u>\$ 472</u>

(c) Liquidity risk

- Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- Surplus cash held by the operating entities over and above the balance required for working capital management are invested in interest bearing current accounts, time deposits, and marketable securities. The Group chooses instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above mentioned forecasts.
- The table below analyses the Group's non-derivative financial liabilities based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
June 30, 2025				
Short-term borrowings	\$ 32,661	\$ -	\$ -	\$ -
Notes payable	3,702	-	-	-
Accounts payable	3,472,866	-	-	-
Other payables (including related parties)	1,137,581	-	-	-
Lease liabilities	147,065	92,720	39,171	6,773
Long-term borrowings (including those due within one year)	18,007	36,673	830,898	-
Other non-current liabilities	-	90	-	-

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
December 31, 2024				
Short-term borrowings	\$ 17,111	\$ -	\$ -	\$ -
Notes payable	2,708	-	-	-
Accounts payable	3,661,704	-	-	-
Other payables (including related parties)	1,150,895	-	-	-
Lease liabilities	148,097	113,172	74,352	9,167
Long-term borrowings (including those due within one year)	4,739	8,824	591,845	-
Other non-current liabilities	-	90	-	-

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
June 30, 2024				
Short-term borrowings	\$ 1,250,138	\$ -	\$ -	\$ -
Notes payable	4,902	-	-	-
Accounts payable	2,195,667	-	-	-
Other payables (including related parties)	1,267,549	-	-	-
Lease liabilities	146,035	134,243	103,821	-
Other non-current liabilities	-	90	-	-

Derivative financial liabilities:

On December 31, 2024, the derivative financial liabilities traded by the Group will all mature within one year; there was no such a liability as of June 30, 2025 and June 30, 2024.

(3) Fair value

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

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

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

Level 3: Unobservable inputs of assets or liabilities.

- B. The carrying amounts of the Group's financial instruments that are not measured at fair value (including cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), refundable deposits (under other non-current assets), long-term and short-term borrowings, notes payable, accounts payable, other payables (including related parties), and guarantee deposits received (under other non-current liabilities) are reasonable approximations of their fair values.
- C. Financial and non-financial instruments at fair value are classified by the Group as per the nature, characteristics, and risks of assets and liabilities, and the fair value level. The details are as follows:

June 30, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Fair value on a recurring basis</u>				
Financial assets at fair value through profit or loss				
Derivatives	\$ -	\$ 11,869	\$ -	\$ 11,869
December 31, 2024	Level 1	Level 2	Level 3	Total
Liabilities				
<u>Fair value on a recurring basis</u>				
Financial liabilities at fair value through profit or loss				
Derivatives	\$ -	\$ 3,235	\$ -	\$ 3,235

June 30, 2024: None.

- D. The Group's derivative financial instruments are forward exchange agreements, and the method used to measure their fair values is usually based on the present forward exchange rates.
- E. There was no transfer between level 1 and level 2 fair values during the six months ended June 30, 2025.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information:

- A. Loan to others: None.
- B. Provisions of endorsements and guarantees to others: Please refer to table 1.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates, and joint venture equity): None.
- D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 2.
- E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 3.
- F. The business relationship between the parent company and subsidiaries, and the circumstances of any significant transactions between them: Please refer to table 4.

(2) Information on investments

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(3) Information on investments in Mainland China

None.

14. SEGMENT INFORMATION

(1) General information

The information about geographical areas is provided to the chief operating decision-maker to make decisions. The sales orders will be divided into three main areas, namely Taiwan, America and Others (including Europe, Asia and Africa). Because the nature of the product and the model of sales of the three areas are different, and the chief operating decision-maker also uses the information on the three areas in financial management and operational performance evaluation, therefore, the reportable segments are Taiwan, America and Others.

(2) Assessment of segment information

The operational performance evaluation of each segment is based on operating revenue and income (not including administrative expense). All the operating segments consistently apply uniform accounting policies as described in Note 4, "Summary of significant accounting policies". The interdepartmental sales are in accordance with the fair value principle. Revenues from external customers provided to the chief operating decision-maker are measured in a manner consistent with that used for the income statement. The Group's segment information for the three months and six months ended June 30, 2025 and 2024 is provided as follows:

Three months ended June 30, 2025					
	Taiwan	America	Others	Eliminated transactions during the consolidation	Total
Revenue from external customers	\$ 3,652,775	\$ 104,907	\$ 210,145	\$ -	\$ 3,967,827
Inter-segment revenue	417,150	3,283	398	(420,831)	-
Total segment revenue	<u>\$ 4,069,925</u>	<u>\$ 108,190</u>	<u>\$ 210,543</u>	<u>(\$ 420,831)</u>	<u>\$ 3,967,827</u>
Segment income	<u>\$ 231,975</u>	<u>\$ 7,184</u>	<u>(\$ 1,323)</u>	<u>\$ 6,101</u>	<u>\$ 243,937</u>
Segment income, including Depreciation and amortization	<u>\$ 84,146</u>	<u>\$ 2,320</u>	<u>\$ 352</u>	<u>(\$ 3,118)</u>	<u>\$ 83,700</u>
Three months ended June 30, 2024					
	Taiwan	America	Others	Eliminated transactions during the consolidation	Total
Revenue from external customers	\$ 2,101,766	\$ 143,901	\$ 272,872	\$ -	\$ 2,518,539
Inter-segment revenue	369,426	5,780	1,166	(376,372)	-
Total segment revenue	<u>\$ 2,471,192</u>	<u>\$ 149,681</u>	<u>\$ 274,038</u>	<u>(\$ 376,372)</u>	<u>\$ 2,518,539</u>
Segment income	<u>\$ 156,935</u>	<u>\$ 5,201</u>	<u>(\$ 1,697)</u>	<u>\$ 5,161</u>	<u>\$ 165,600</u>
Segment income, including Depreciation and amortization	<u>\$ 77,854</u>	<u>\$ 2,306</u>	<u>\$ 498</u>	<u>(\$ 3,118)</u>	<u>\$ 77,540</u>

Six months ended June 30, 2025					
	Taiwan	America	Others	Eliminated transactions during the consolidation	Total
Revenue from external customers	\$ 7,327,595	\$ 241,870	\$ 392,488	\$ -	\$ 7,961,953
Inter-segment revenue	797,304	10,012	697	(808,013)	-
Total segment revenue	<u>\$ 8,124,899</u>	<u>\$ 251,882</u>	<u>\$ 393,185</u>	<u>(\$ 808,013)</u>	<u>\$ 7,961,953</u>
Segment income	<u>\$ 559,281</u>	<u>\$ 20,579</u>	<u>\$ 6,103</u>	<u>\$ 10,398</u>	<u>\$ 596,361</u>
Segment income, including Depreciation and amortization	<u>\$ 166,145</u>	<u>\$ 4,772</u>	<u>\$ 689</u>	<u>(\$ 6,237)</u>	<u>\$ 165,369</u>
Six months ended June 30, 2024					
	Taiwan	America	Others	Eliminated transactions during the consolidation	Total
Revenue from external customers	\$ 4,750,184	\$ 275,046	\$ 350,518	\$ -	\$ 5,375,748
Inter-segment revenue	584,070	10,504	1,428	(596,002)	-
Total segment revenue	<u>\$ 5,334,254</u>	<u>\$ 285,550</u>	<u>\$ 351,946</u>	<u>(\$ 596,002)</u>	<u>\$ 5,375,748</u>
Segment income	<u>\$ 295,332</u>	<u>\$ 688</u>	<u>(\$ 4,799)</u>	<u>\$ 13,025</u>	<u>\$ 304,246</u>
Segment income, including Depreciation and amortization	<u>\$ 151,234</u>	<u>\$ 4,614</u>	<u>\$ 946</u>	<u>(\$ 6,237)</u>	<u>\$ 150,557</u>

(3) Reconciliation for segment income (loss)

The Group's segments' operating income reported to the chief operating decision-maker is measured in a manner consistent with the revenue and expenses in the statement of comprehensive income. The Group did not provide the chief operating decision-maker with the amount of total assets and liabilities for decision-making purposes. A reconciliation of reportable segment income or loss and income from continuing operations before income tax for the three months and six months ended June 30, 2025 and 2024 is provided as follows:

		Three months ended June 30	
		2025	2024
Reportable segments profit	\$	243,937	\$ 165,600
Undistributed amount			
General administrative expense	(	134,833)	(99,490)
Non-operating income	(	8,280)	13,235
Income from continuing operations before income tax	\$	<u>100,824</u>	\$ <u>79,345</u>

		Six months ended June 30	
		2025	2024
Reportable segments profit	\$	596,361	\$ 304,246
Undistributed amount			
General administrative expense	(	265,561)	(217,357)
Non-operating income		<u>19,019</u>	<u>80,934</u>
Income from continuing operations before income tax	\$	<u>349,819</u>	\$ <u>167,823</u>

Six months ended June 30, 2025

Table 1

Note 1: No. column should be entered in a way as follows:

- (1) The issuer should be coded “0”.
- (2) The investees should be coded sequentially beginning from “1” one by one.

Note 2: There are seven types of relations between the endorser/guarantor and the endorsed/guaranteed party as follows; just indicate the code:

- (1) Companies with business dealings.
- (2) A company in which the Company directly or indirectly holds more than 50% of the voting shares.
- (3) A company directly or indirectly holds more than 50% of the voting shares in the Company.
- (4) A company in which the Company directly or indirectly holds 90% or more of the voting shares.
- (5) Companies that need to purchase insurance for each other in the same industry or as co-builders in accordance with contractual provisions based on the needs for contracting construction projects.
- (6) A company that is endorsed and guaranteed by all shareholders of the Company in proportion to their shareholdings due to a joint investment relationship.
- (7) Companies that are engaged in joint and several guarantees for the performance of a pre-sale property contract in accordance with the Consumer Protection Act.

Note 3: The total amount of the endorsements/guarantees provided to external entities shall not exceed 40% of the Company’s net worth; the amount of endorsements/guarantees for a single enterprise shall not exceed 10% of the Company's net worth.

Note 4: The ending balance is the amount approved by the Board of Directors.

Table 2

SENAO NETWORKS INC. AND SUBSIDIARIES
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Six months ended June 30, 2025

Expressed in thousands of NTD
(except as otherwise indicated)

							Differences in transaction terms compared to third party transactions				
Transaction									Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relations	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Remarks (Note 2)
Senao Networks Inc.	EnGenius Technologies, Inc.	Parent company and subsidiaries	Sales	\$ 115,114	2	Note 1	Note 1	Note 1	\$ 47,686	2	
EnGenius Technologies, Inc.	Senao Networks Inc.	Parent company and subsidiaries	Purchases	115,114	85	"	"	"	(47,686)	82	
EnRack Technology Inc.	Senao Networks Inc.	Parent company and subsidiaries	Sales	192,755	82	"	"	"	107,722	84	
Senao Networks Inc.	EnRack Technology Inc.	Parent company and subsidiaries	Purchases	192,755	4	"	"	"	(107,722)	4	
Emplus Technologies, Inc.	Emplus Technologies India Private Ltd.	An affiliate	Sales	217,699	17	"	"	"	114,228	30	
Emplus Technologies India Private Ltd.	Emplus Technologies, Inc.	An affiliate	Purchases	217,699	100	"	"	"	(114,228)	100	

Note 1: Sales prices are based on the sales volume. The collection term is net 90 days end of the month.
Note 2: The transactions were eliminated when preparing the consolidated financial statements.

SENAO NETWORKS INC. AND SUBSIDIARIES

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

June 30, 2025

Table 3

Expressed in thousands of NTD
(except as otherwise indicated)

Company under the account of receivables	Counterparty	Relations	Balance of receivables from related parties	Turnover	Overdue receivables from related parties		Amount of receivables from related parties recovered after the balance sheet date (Note)	Allowance for losses
					Amount	Handling method		
EnRack Technology Inc.	Senao Networks Inc.	Parent company and subsidiaries	\$ 107,722	3.71	\$ -		\$ 36,120	\$ -
Emplus Technologies, Inc.	Emplus Technologies India Private Ltd.	An affiliate	114,228	2.74	-		57,117	-

Note: The receivables recovered after the balance sheet date and as of August 5, 2025.

SENAO NETWORKS INC. AND SUBSIDIARIES

The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them
Six months ended June 30, 2025

Expressed in thousands of NTD
(except as otherwise indicated)

Table 4

				Transaction		Percentage of consolidated total operating revenues or total assets (Note 3)
(Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount (Notes 6 and 7)	
0	Senao Networks Inc.	EnGenius Technologies, Inc.	1	Sales of goods	\$ 115,114	Note 4 1
0	Senao Networks Inc.	EnGenius Technologies, Inc.	1	Accounts receivable	47,686	" -
0	Senao Networks Inc.	EnGenius Networks Singapore Pte. Ltd.	1	Sales of goods	38,543	" -
0	Senao Networks Inc.	EnGenius Networks Singapore Pte. Ltd.	1	Accounts receivable	19,153	" -
0	Senao Networks Inc.	EnGenius Networks Europe B.V.	1	Sales of goods	41,933	" 1
0	Senao Networks Inc.	EnGenius Networks Europe B.V.	1	Accounts receivable	21,234	" -
0	Senao Networks Inc.	Senao Networks Private Limited	1	Sales of goods	11,939	" -
0	Senao Networks Inc.	EnGenius Networks Inc.	1	Sales of goods	11,219	" -
1	EnRack Technology Inc.	Emplus Technologies, Inc.	3	Sales of goods	39,137	" -
1	EnRack Technology Inc.	Emplus Technologies, Inc.	3	Accounts receivable	18,127	" -
1	EnRack Technology Inc.	Senao Networks Inc.	2	Sales of goods	192,755	" 2
1	EnRack Technology Inc.	Senao Networks Inc.	2	Accounts receivable	107,722	" 1
2	Emplus Technologies, Inc.	Senao Networks Inc.	2	Lease liabilities	25,114	Note 5 -
2	Emplus Technologies, Inc.	Senao Networks Inc.	2	Sales of goods	32,208	Note 4 -
2	Emplus Technologies, Inc.	Senao Networks Inc.	2	Accounts receivable	17,982	" -
2	Emplus Technologies, Inc.	EnGenius Networks Inc.	3	Sales of goods	39,676	" -
2	Emplus Technologies, Inc.	EnGenius Networks Inc.	3	Accounts receivable	21,548	" -
2	Emplus Technologies, Inc.	Emplus Technologies India Private Ltd.	3	Sales of goods	217,699	" 3
2	Emplus Technologies, Inc.	Emplus Technologies India Private Ltd.	3	Accounts receivable	114,228	" 1
3	EnGenius Networks Inc.	EnGenius Technologies, Inc.	3	Sales of goods	20,918	" -
3	EnGenius Networks Inc.	EnGenius Technologies, Inc.	3	Accounts receivable	10,612	" -
3	EnGenius Networks Inc.	EnGenius Networks Singapore Pte. Ltd.	3	Sales of goods	16,319	" -

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is "0"

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

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

Note 4: The discounts on the sales were offered depending on the sales volume. The credit terms were approximately the same with third parties, which is 90 days from the first day of the month following the month of sales. Among them, the sales by Emplus Technologies, Inc. to EnGenius Technologies, Inc. and EnGenius Networks Singapore Pte. Ltd. through EnGenius Networks Inc. were recorded as income on a net basis.

Note 5: The rental payments were determined by mutual agreements and were paid monthly. The right-of-use assets and lease liabilities were the balance recognized on June 30, 2025 in line with IFRS 16.

Note 6: Only amounts in excess of \$10 million of related party transactions are disclosed, and the opposite side of the transaction is not disclosed.

Note 7: The transactions were eliminated when preparing the consolidated financial statements.

Six months ended June 30, 2025

Expressed in thousands of NTD
(except as otherwise indicated)

Name of investor	Investee	Location	Main business activities	Initial investment amount (Note 1)		Holding at the end of the period			Income or loss on investees for this period	Investment income (loss) recognized by the Company for the six months ended June 30, 2025 (Note 2)	Remarks (Note 4)
				Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Senao Networks Inc.	EnGenius Technologies, Inc.	USA	Sales of communication products	58,600	58,600	60,000	100.00	34,551	1,019	1,609	
Senao Networks Inc.	EnRack Technology Inc.	Taiwan	Sales of communication products and Sales of manufactured stamping component	194,000	194,000	24,900,000	100.00	241,564	2,469	1,601	
Senao Networks Inc.	Emplus Technologies, Inc.	Taiwan	Research and development, manufacture and sales of communication products	84,249	84,249	17,914,608	50.99	328,959	146,395	74,509	
Senao Networks Inc.	EnGenius International (Samoa) Ltd.	Samoa	Investment holdings	175,507	175,507	1,832,289	100.00	(6,260)	(13,153)	(13,095)	
Senao Networks Inc.	EnGenius Technologies Canada Inc.	Canada	Sales of communication products	4,016	4,016	100	100.00	11,276	467	467	
Senao Networks Inc.	EnGenius Networks Inc.	Taiwan	Sales of communication products	60,000	60,000	6,000,000	100.00	56,503	1,747	1,762	
Senao Networks Inc.	EnGenius Networks Japan	Japan	Sales of communication products	34,578	34,578	17,000	100.00	24,407	(7,650)	(7,644)	
Senao Networks Inc.	Senao Networks Vietnam Co., Ltd.	Vietnam	Manufacture and sales of communication products	586,000	586,000	-	100.00	532,866	(3,229)	(3,229)	Note 3
Senao Networks Inc.	Senao Networks Private Ltd.	India	Sales of communication products	27,232	27,232	7,640,000	100.00	16,989	(5,955)	(5,953)	
Senao Networks Inc.	Senao Networks USA Inc.	USA	Manufacture and sales of communication products	23,440	-	5,000	100.00	22,166	(1,344)	(1,344)	
Senao Networks Inc.	Senao Networks Japan	Japan	Sales of communication products	2,034	-	1,000	100.00	2,024	(10)	(10)	
EnGenius International (Samoa) Ltd.	EnGenius Networks Singapore Pte. Ltd.	Singapore	Sales of communication products	174,335	174,335	1,792,289	100.00	1,808	(13,125)	(13,125)	
EnGenius Networks Singapore Pte. Ltd.	EnGenius Networks Europe B.V.	Netherlands	Sales of communication products	59,417	59,417	210,000	100.00	(10,034)	(4,487)	(4,487)	
EnGenius Networks Inc.	EnGenius Networks Private Ltd.	India	Sales of communication products	40,633	40,633	11,400,000	100.00	20,116	(5,013)	(5,013)	
Emplus Technologies, Inc.	Emplus Technologies India Private Ltd.	India	Sales of communication products	3,600	3,600	1,000,000	100.00	40,722	12,831	12,831	

Note 4: The transactions were eliminated when preparing the consolidated financial statements.