

SENAO NETWORKS INC.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT
AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 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' REPORT
(26) PWCR 25003621

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

Opinion

We have audited the parent company only balance sheets of Senao Networks Inc. (the "Company") for the years ended December 31, 2025 and 2024 and the relevant parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the Company's parent company only financial position as of December 31, 2025 and 2024 and for the years then ended, and its parent company only financial performance and parent company only cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibility under those standards is further described in the paragraph "Auditor's responsibilities for the audit of the parent company only financial statements". We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key audit matters

Key audit matters refer to the most vital matters in our audit of the Company's parent company only financial statements for the year ended December 31, 2025 based on our professional judgment. These matters were addressed in our audit of the parent company only financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

The key audit matters of the Company's parent company only financial statements for the year ended December 31, 2025, are stated as follows:

Inventory valuation

Description

See Note 4(10) to the parent company only financial statements for the accounting policy on inventory valuation; see Note 5 to the parent company only financial statements for the significant accounting estimates and assumptions adopted for inventory valuation; see Note 6(4) to the parent company only financial statements for the details of inventories.

The Company mainly engages in the R&D, design, manufacturing, and sales of wireless communication products. Due to the rapid changes in technology, the short life cycle of electronic products, and outdated products, the risk of inventory backlog is relatively high. The Company's inventories are measured at the lower of cost or the 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. As the Company's inventory amounts are material, inventory items are voluminous, and the accounting estimates are subject to the management's judgment, we listed this as one of the key audit matters.

How our audit addressed the matter

This matter covers Senao Networks Inc. and its subsidiaries (accounted for using the equity method). The procedure for auditing the above key audit matter is as follows:

- Obtained the Company's policy for providing an allowance for inventory valuation losses, checked if the policy was adopted consistently during the period of the financial statements, and checked if the assumptions on the categories of inventories and destocking adopted by the management team to determine the net realizable values were reasonable.
- Tested the adequacy of the Statement of Net Realizable Values of Inventories.
- Learned about, evaluated, and randomly tested the calculation methods in the Stock Age Statement and spot checked if the data in the reports is consistent with the policy.
- Checked the relevant information obtained during the stocktaking process and the discarded reports or obsolete inventory reports prepared by the management team; asked the management team and personnel related to the inventories to confirm that there were no major obsolete, surplus, long-term, or aged inventory, or outdated or damaged items failed to be stated in the inventory statements.
- Assessed the reasonability and obtained supporting documents for the inventory age and the inventory valuation losses after the net realizable value was individually assessed by the management team based on the destocking status.

Sales revenue recognition

Description

Please refer to Note 4(24) to the parent company only financial statements for the accounting policy on revenue recognition; see Note 6(19) to the parent company only financial statements for the details of revenue.

The Company mainly engages in the wireless communications and other related businesses, and most of its customers are international brands with whom it has long-term and stable collaboration. As the revenue from the top ten customers reached 90% of its operating revenue, and the recognition of operating revenue has a significant impact on the financial statements, we believe that the new top ten and former top ten customers in terms of their percentages of its revenue this year have a significant impact on the financial statements. Therefore, we have listed the recognition of the sales revenue from these

customers as one of the key audit matters.

How our audit addressed the matter

This matter covers Senao Networks Inc. and its subsidiaries (accounted for using the equity method). The procedure for auditing the above key audit matter is as follows:

- Learned about and evaluated the Company's internal control procedures for recognition of sales of goods and tested the effectiveness of internal control related to sales of goods.
- Inspected relevant background information on the top ten sales clients.
- Obtained and randomly checked relevant receipts or invoices of the top 10 new sales clients and the top 10 sales clients with a greater increase in the proportion to the Company's revenue this year and confirmed the appropriateness of revenue recognition.
- Checked the statements of sales returns and discounts (after the balance sheet date) of the top 10 new sales clients and the top 10 sales clients with a greater increase in the proportion to the Company's revenue in this year and confirmed that there were no significant sales returns and discounts.

Responsibilities of the management and the governing bodies for the parent company only financial statements

The management's responsibilities are to prepare the parent company only financial statements with fair presentation and maintain necessary internal control associated with the preparation in order to ensure that the financial statements are free from material misstatement arising from fraud or error.

In preparing the parent company only financial statements, the management is responsible for assessing the ability of the Company to continue as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease the operations without other viable alternatives.

The Company's governing bodies (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance on whether the parent company only financial statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the parent company only financial statements, they are considered material.

We have utilized our professional judgment and maintained professional skepticism when performing the audit work in accordance with the auditing standards generally accepted in the Republic of China. We also performed the following tasks:

1. Identified and assessed the risks of material misstatement arising from fraud or error within the parent company only financial statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.

4. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the parent company only financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluated the overall presentation, structure, and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements adequately present the relevant transactions and events.
6. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Company, to express an opinion on the parent company only financial statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion about the Company.

The matters communicated between us and the governing bodies included the planned scope and timing of the audit and material audit findings (including any material defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Company's parent company only financial statements for the year ended December 31, 2025. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate certain items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Pei-Chuan Huang

Yung-Chih Lin

For and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2026

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

SENAO NETWORKS INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,382,220	22	\$ 2,476,250	23
1110	Financial assets at fair value through	6(2)				
	profit or loss – current		143	-	-	-
1150	Notes receivable, net	6(3)	-	-	24	-
1170	Accounts receivable, net	6(3)	1,780,320	16	1,593,931	15
1180	Accounts receivable - related parties, net	7	71,798	1	113,869	1
1200	Other receivables		247,979	2	132,590	1
1210	Other receivables - related parties	7	9,756	-	4,242	-
130X	Inventory	6(4)	1,783,963	16	1,769,140	16
1410	Prepayments		35,201	-	17,717	-
11XX	Total current assets		6,311,380	57	6,107,763	56
Non-current assets						
1550	Investment using the equity method	6(5)	1,412,859	13	1,375,832	13
1600	Property, plant and equipment	6(6) and 8	3,044,827	28	3,073,044	28
1755	Right-of-use assets	6(7) and 7	108,554	1	154,692	1
1780	Intangible assets	6(8)	60,360	1	66,366	1
1840	Deferred income tax assets	6(26)	52,977	-	70,429	1
1900	Other non-current assets	6(9)(11)	19,605	-	13,486	-
15XX	Total non-current assets		4,699,182	43	4,753,849	44
1XXX	Total assets		\$ 11,010,562	100	\$ 10,861,612	100

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SENAO NETWORKS INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2120	Financial liabilities at fair value through profit or loss - current	6(2)	\$ 1,799	-	\$ -	-
2130	Current contract liabilities	6(19)	92,924	1	144,556	1
2150	Notes payable		3,123	-	1,844	-
2170	Accounts payable		2,792,202	25	2,728,387	25
2180	Accounts payable - related parties	7	189,680	2	101,995	1
2200	Other payables	6(10)(28)	699,363	6	823,944	8
2220	Other payables - related parties	7	38,762	-	26,775	-
2230	Current income tax liabilities		30,576	-	19,837	-
2250	Current provisions	6(13)	37,077	-	27,618	-
2280	Current lease liabilities	7	64,802	1	86,313	1
2300	Other current liabilities	6(14)	395,780	4	290,226	3
21XX	Total current liabilities		4,346,088	39	4,251,495	39
Non-current liabilities						
2527	Non-current contract liabilities	6(19)	11,564	-	8,488	-
2540	Long-term borrowings	6(15)	500,000	5	500,000	6
2580	Non-current lease liabilities	7	48,792	1	73,999	1
2600	Other non-current liabilities		600	-	598	-
25XX	Total non-current liabilities		560,956	6	583,085	7
2XXX	Total liabilities		4,907,044	45	4,834,580	46
Equity						
	Share capital	6(16)				
3110	Share capital - common stock		590,609	5	590,609	4
	Capital surplus	6(17)				
3200	Capital surplus		1,886,279	17	1,886,279	17
	Retained earnings	6(18)				
3310	Legal reserve		767,971	7	743,274	7
3320	Special reserve		24,673	-	88,694	1
3350	Unappropriated retained earnings		2,914,335	27	2,742,849	25
	Other equity interest					
3400	Other equity interest		(80,349)	(1)	(24,673)	-
3XXX	Total equity		6,103,518	55	6,027,032	54
3X2X	Total liabilities and equity		\$ 11,010,562	100	\$ 10,861,612	100

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

SENAO NETWORKS INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items		Notes	Year ended December 31			
			2025		2024	
			AMOUNT	%	AMOUNT	%
4000	Operating revenues	6(19) and 7	\$ 12,333,805	100	\$ 8,896,823	100
5000	Operating costs	6(4)(25) and 7	(10,770,941)	(87)	(7,766,881)	(87)
5900	Net operating margin		1,562,864	13	1,129,942	13
5910	Unrealized gain from sales	6(5)	(40,782)	-	(30,370)	(1)
5920	Realized gain from sales	6(5)	30,370	-	58,610	1
5950	Net operating margin		1,552,452	13	1,158,182	13
	Operating expenses	6(25)				
6100	Selling expenses		(294,498)	(2)	(213,052)	(2)
6200	General and administrative expenses		(322,065)	(3)	(274,944)	(3)
6300	Research and development expenses		(806,222)	(7)	(607,753)	(7)
6450	Expected credit loss	12(2)	(891)	-	-	-
6000	Total operating expenses		(1,423,676)	(12)	(1,095,749)	(12)
6500	Net other income (expenses)	6(20)	117,468	1	137,774	1
6900	Operating profit		246,244	2	200,207	2
	Non-operating income and expenses					
7100	Interest income	6(21)	32,185	-	21,742	-
7010	Other income	6(22) and 7	47,966	-	43,912	1
7020	Other gains and losses	6(23)	2,960	-	28,278	-
7050	Finance costs	6(24) and 7	(5,032)	-	(15,716)	-
7070	Share of profit or loss on subsidiaries, affiliates, and joint ventures accounted for using equity method	6(5)	16,491	-	14,211	-
7000	Total non-operating income and expenses		94,570	-	92,427	1
7900	Profit before income tax		340,814	2	292,634	3
7950	Income tax expense	6(26)	(33,762)	-	(52,360)	-
8200	Profit for the period		\$ 307,052	2	\$ 240,274	3
	Other comprehensive income (loss), net					
	Items not reclassified to profit or loss					
8311	Remeasurement of defined benefit plans	6(11)	\$ 2,866	-	\$ 8,374	-
8349	Income tax related to items not reclassified	6(26)	(573)	-	(1,675)	-
8310	Total amount of items not reclassified to profit or loss		2,293	-	6,699	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(55,676)	-	64,021	1
8300	Other comprehensive income (loss), net		(\$ 53,383)	-	\$ 70,720	1
8500	Total comprehensive income (loss) for the period		\$ 253,669	2	\$ 310,994	4
	Earnings per share	6(27)				
9750	Basic earnings per share		\$ 5.20		\$ 4.71	
9850	Diluted earnings per share		\$ 5.18		\$ 4.70	

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

SENAO NETWORKS INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital surplus			Retained earnings			Financial statements translation differences of foreign operations	Total
		Share capital - common stock	Additional paid-in capital	Others	Legal reserve	Special reserve	Unappropriated retained earnings		
<u>2024</u>									
Balance at January 1, 2024		\$ 490,609	\$ 702,817	\$ 310	\$ 660,541	\$ 5,152	\$ 2,858,395	(\$ 88,694)	\$ 4,629,130
Profit for the period		-	-	-	-	-	240,274	-	240,274
Other comprehensive income (loss) for the period		-	-	-	-	-	6,699	64,021	70,720
Total comprehensive income (loss) for the period		-	-	-	-	-	246,973	64,021	310,994
Appropriations of 2023 earnings	6(18)								
Legal reserve		-	-	-	82,733	-	(82,733)	-	-
Special reserve		-	-	-	-	83,542	(83,542)	-	-
Cash dividends		-	-	-	-	-	(196,244)	-	(196,244)
Cash capital increase	6(16)	100,000	1,150,000	-	-	-	-	-	1,250,000
Share-based compensation	6(12)	-	33,152	-	-	-	-	-	33,152
Balance at December 31, 2024		<u>\$ 590,609</u>	<u>\$ 1,885,969</u>	<u>\$ 310</u>	<u>\$ 743,274</u>	<u>\$ 88,694</u>	<u>\$ 2,742,849</u>	<u>(\$ 24,673)</u>	<u>\$ 6,027,032</u>
<u>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
Profit for the period		-	-	-	-	-	307,052	-	307,052
Other comprehensive income (loss) for the period		-	-	-	-	-	2,293	(55,676)	(53,383)
Total comprehensive income (loss) for the period		-	-	-	-	-	309,345	(55,676)	253,669
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)
Balance at December 31, 2025		<u>\$ 590,609</u>	<u>\$ 1,885,969</u>	<u>\$ 310</u>	<u>\$ 767,971</u>	<u>\$ 24,673</u>	<u>\$ 2,914,335</u>	<u>(\$ 80,349)</u>	<u>\$ 6,103,518</u>

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

SENAO NETWORKS INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 340,814	\$ 292,634
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(25)	276,439	236,621
Amortization	6(25)	20,144	14,712
Expected credit loss	12(2)	891	-
Net loss (gain) on financial assets and liabilities at fair value through profit or loss		1,656	-
Interest income	6(21)	(32,185)	(21,742)
Interest expense	6(24)	5,032	15,716
Share of profit or loss on investments accounted for using equity method	6(5)	(16,491)	(14,211)
Net unrealized gain on affiliates	6(5)	10,412	(28,240)
Losses (gains) on disposal of property, plant and equipment	6(23)	(2,083)	220
Gains on disposal of intangible assets	6(23)	(4)	-
Share-based compensation	6(12)	-	33,152
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		24	(24)
Accounts receivable		(187,280)	(51,626)
Accounts receivable - related parties, net		42,071	(46,406)
Other receivables		(112,653)	88,154
Other receivables - related parties		(5,514)	(677)
Inventory		(14,823)	953,864
Prepayments		(17,484)	5,172
Changes in operating liabilities			
Contract liabilities		(48,556)	73,809
Notes payable		1,279	(240)
Accounts payable		63,815	34,445
Accounts payable - related parties		87,685	63,796
Other payables		(14,673)	(364,172)
Other payables - related parties		10,438	25,728
Current provisions		9,459	20,022
Other current liabilities		105,554	11,559
Net defined benefit plan		(867)	(725)
Cash inflow generated from operations		523,100	1,341,541
Interest received		31,771	21,293
Interest paid		(5,221)	(16,409)
Income tax paid		(6,144)	(88,840)
Dividend received	6(5)	78,376	84,380
Net cash flows generated from operating activities		621,882	1,341,965

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SENAO NETWORKS INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of investments using the equity method	6(5)	(\$ 167,322)	(\$ 53,149)
Acquisition of property, plant and equipment (including capitalized interest)	6(28)	(266,564)	(182,200)
Proceeds from disposal of property, plant and equipment		2,607	4,818
Acquisition of intangible assets		(14,138)	(19,529)
Proceeds from disposal of intangible assets		4	57
Decrease (increase) in refundable deposits		(3,559)	1,144
Net cash flows used in investing activities		(448,972)	(248,859)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(29)	-	(1,582,000)
Lease payments	6(7)(29)	(89,759)	(80,265)
Long-term borrowings	6(29)	-	500,000
Other non-current liabilities		2	-
Capital increase by cash	6(16)	-	1,250,000
Payment of cash dividends	6(18)	(177,183)	(196,244)
Net cash flows used in financing activities		(266,940)	(108,509)
(Decrease) increase in cash and cash equivalents		(94,030)	984,597
Cash and cash equivalents at beginning of period		2,476,250	1,491,653
Cash and cash equivalents at end of period		<u>\$ 2,382,220</u>	<u>\$ 2,476,250</u>

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

SENAO NETWORKS INC.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 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 was listed 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 FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

The parent company only financial statements were approved for release by the Board of Directors on March 10, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of adopting new or amended International Financial Reporting Standards (“IFRS”) endorsed 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:

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

The above standards and interpretations have no significant impact on the Company’s financial condition and financial performance based on the Company’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 Company

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 Referencing Nature-dependent Electricity”	January 1, 2026

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
IFRS 17, “Insurance contracts”	January 1, 2023
Amendments to IFRS 17, “Insurance contracts”	January 1, 2023
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 Company’s financial condition and financial performance based on the Company’s assessment.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 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 (Note)
IFRS 19 “Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Amendments to IAS 21, “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note: The FSC announced in a press release dated September 25, 2025, that public companies shall apply International Financial Reporting Standard (IFRS) 18 (hereinafter referred to as IFRS 18) starting from the fiscal year 2028; furthermore, if an entity requires early adoption of IFRS 18, it may elect to apply the provisions of IFRS 18 in advance after the FSC endorses IFRS 18.

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 Company’s financial condition and financial performance based on the Company’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 main accounting policies used in the preparation of the parent company only financial statements are described below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the following important items, the parent company only 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 assets and 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 (collectively referred herein as the “IFRSs”) as endorsed and issued into effect by the FSC requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency exchange

A. The items listed in the financial statements in the Company are measured in the currency (i.e. functional currency) of the main economic environment in which the Company operates. The parent company only financial statements are presented in the Company’s functional currency, the NTD.

B. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency at the rates prevailing of exchange at the transaction date or measurement date, and the exchange difference arising from the translation of such transactions are recognized as the current profit or loss.

- (b) The balance of foreign currency monetary assets and liabilities shall be adjusted as per the rates of exchange prevailing at the balance sheet date, and the exchange difference arising from the adjustment is recognized as the current profit or loss.
- (c) The balance of foreign currency non-monetary assets and liabilities is measured at fair value through profit and loss, and is adjusted based on the spot exchange rate at the balance sheet date. The translation difference arising from the adjustment is recognized in current profit and loss. For measurement at fair value through other comprehensive income, it is adjusted based on the spot exchange rate at the balance sheet date, and the translation difference arising from the adjustment is recognized in other comprehensive income. If it is not measured by fair value, it is measured at the historical exchange rate at the initial transaction date.
- (d) All exchange gains and losses are presented in the “Other gains and losses” in the statement of comprehensive income.

C. Translation of foreign operations

For all entities whose functional currencies are different from the expression one, their business results and financial position are translated into the expression currency in the following methods:

- (a) The assets and liabilities presented at each balance sheet are translated at the closing exchange rate at the balance sheet date;
- (b) The income and expenses presented in each statement of comprehensive income are translated at the average exchange rate of the current period; and
- (c) All exchange differences arising from translation are recognized in other comprehensive income.

(4) Criteria for classification of current and non-current assets and liabilities

A. Assets that meet one of the following criteria are classified as current assets:

- (a) Assets expected to be realized in the ordinary course of business, or intended to be sold or consumed.
- (b) Assets held primarily for the purpose of trading.
- (c) Assets expected to be realized within 12 months after the reporting period.
- (d) Cash or cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period).

The Company classifies all assets that do not meet the criteria above as non-current.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

- (a) Liabilities expected to be settled in the ordinary course of business.
- (b) Liabilities held primarily for the purpose of trading.

- (c) Liabilities expected to be settled within 12 months after the reporting period.
- (d) Liabilities with a repayment deadline that cannot be deferred for at least 12 months after the reporting period.

The Company classifies all liabilities that do not meet the criteria above as non-current.

(5) Cash equivalents

Cash equivalents refer to short-term and highly liquid investments in alignment with the following criteria:

- A. It can be converted into a certain amount of cash at any time.
- B. The risk of value changes is very small.

Time deposits in alignment with the above definition that are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets and liabilities at fair value through profit or loss

- A. It refers to the financial assets that are not at amortized cost or at fair value through other comprehensive income, or financial liabilities held for trading as derivatives whose main purpose is for repurchase in the near future and which are not designated as hedging instruments in line with hedge accounting.
- B. The Company adopts trade date accounting for financial assets and liabilities measured at fair value through profit or loss that are in line with regular-way transactions.
- C. Upon the initial recognition, the Company measures relevant transaction costs at fair value and recognizes them in profit or loss, while measuring them at fair value and recognizing gain or loss thereon in profit or loss.

(7) Accounts and notes receivable

- A. It refers to the receivables that have been unconditionally received in exchange for the right to the amount of consideration for the delivery of goods or services as agreed in the contract. A receivable is recognized when the goods are delivered because only the passage of time is required before the payment is due.
- B. The non-interest-bearing short-term accounts and notes receivable is barely affected by discounting, so the Company measures them based on the original invoice amount.

(8) Impairment of financial assets

The Company, at each balance sheet date, considers all reasonable and corroborative information (including forward-looking one) based on the financial assets at amortized cost and accounts receivable that contain significant financial components. For those with no significant increase in credit risk since initial recognition, the loss allowance is measured at 12-month expected credit losses; for those with a significant increase in credit risk since initial recognition, the loss allowance is measured at the lifetime expected credit losses. For accounts receivable

that do not contain significant financial components, the loss allowance is measured at the lifetime expected credit losses.

(9) Derecognition of financial assets

When the Company's contractual right to receive cash flows from financial assets has expired, said financial assets will be derecognized.

(10) Inventory

Inventories are measured at the lower of cost and net realizable value, and cost is determined by the weighted average method. The cost of finished goods and work-in-progress includes raw materials, direct labor, other direct costs, and production overhead (amortized based on normal production capacity) without including borrowing costs. When cost and the net realizable value are compared to see which is lower, the item-by-item comparison method is adopted. The net realizable value refers to the balance of the estimated selling price in the ordinary course of business, less the estimated cost and the cost necessary to make the sale.

(11) Investment under the equity method - subsidiaries

- A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed or entitled to variable returns from its involvement in the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealized gains and losses between the Company and its subsidiaries have been eliminated. Subsidiaries' accounting policies are consistent with that adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. If the Company's share of loss on a subsidiary that is recognized equals or exceeds its equity in the subsidiary, the Company continues to recognize the loss based on its shareholding percentage.
- D. In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the current profit or loss and other comprehensive income in the parent company only financial statements shall be the same as those attributable to the owners of the parent company in the financial statements prepared on a consolidated basis. The owners' equity in the parent company only financial statements shall be the same as the equity attributable to owners of the parent company in the financial statements prepared on a consolidated basis.

(12) Property, plant and equipment

- A. They are recorded on the basis of acquisition cost, with relevant interest incurred during the construction period being capitalized. Subsequent costs are included in the carrying amount of the assets or recognized as a separate asset only when the future economic

benefits related to an item are likely to flow into the Company and the cost of the item can be reliably measured. All other maintenance costs are recognized in current profit or loss when incurred.

- B. The subsequent measurement of property, plant, and other fixed assets is based on a cost model. Except for land that is not depreciated, other assets in this regard are depreciated on a straight-line basis based on the estimated useful lives. If the components of property, plant, and other fixed assets are significant, they shall be separately depreciated.
- C. The Company conducts annual review at the end of each year to assess the residual value, estimated useful lives, and depreciation methods. If the expected residual value and useful lives are different from the prior estimates, or the expected consumption pattern of future economic benefits contained in an asset has changed significantly, the Company shall adjust it in accordance with the provisions of IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” regarding changes in accounting estimates. The useful life of each asset is as follows:

Buildings	5-50 years
Machinery and equipment	5-10 years
Molding equipment	2 years
Transportation equipment	4 years
Office equipment	5 years
Other equipment	5 years
Leasehold improvements	2-5 years

(13) Lessee’s lease transactions - right-of-use assets and lease liabilities

- A. Leased assets are recognized in right-of-use assets and lease liabilities on the date they are available for use by the Company. When a lease contract is a short-term lease or lease of a low-value asset, the lease payment is recognized as an expense during the lease term using the straight-line method.
- B. Lease liabilities are recognized at the present value of the lease payments that have not been paid at the commencement date of a lease at the discounted interest rate of the Company’s incremental borrowings. The lease payments include:
 - (a) Fixed payments, less any rental incentives that can be collected; and
 - (b) Variable lease payments subject to an index or rate.

Subsequently, the interest approach is adopted to measure said payments at amortized cost, and interest expenses are recognized during the lease term. When changes in the lease term or lease payment due to non-contract modification, the lease liabilities will be reassessed and the right-of-use assets will be adjusted in the remeasurement.

- C. The right-of-use asset is recognized at cost at the commencement date of a lease, and the cost includes:

- (a) Lease liabilities initially measured;
- (b) Any lease payments paid on or before the commencement date; and
- (c) Any original direct costs incurred.

Subsequently, the measurement is based on the cost model, and the depreciation expense is recognized when the useful life of the right-of-use asset expires or the lease term expires, whichever is earlier. When the lease liability is reassessed, the remeasurement of the lease liability will be adjusted for the right-of-use asset.

(14) Intangible assets

Computer software is recognized at acquisition cost and amortized over the estimated useful lives of 2-5 years using the straight-line method.

(15) Impairment of non-financial assets

The Company estimates the recoverable amount of assets with signs of impairment at the balance sheet date. When the recoverable amount is lower than its carrying amount, it is recognized in impairment loss. The recoverable amount refers to the fair value of an asset less the cost of disposal or its value in use, whichever is higher. When there is no impairment or reduced impairment in an asset recognized in prior years, the impairment loss shall be reversed, but the increased portion of the carrying amount of the asset due to the reversal of the impairment loss shall not exceed the carrying amount of the asset less depreciation or amortization without impairment loss recognized.

(16) Borrowings

It refers to the long-term and short-term borrowings from banks. The Company measures borrowings at fair value less transaction costs upon initial recognition and subsequently recognizes interest expenses in profit or loss based on any difference between the monetary amount and the redemption value, less transaction costs, using the effective interest method during the outstanding period according to the amortization procedure.

(17) Accounts and notes payable

- A. It refers to the accounts and notes payable arising from the purchase of raw materials, merchandize, or services on credit, and notes payable arising from business and non-business.
- B. The non-interest-bearing short-term accounts and notes payable is barely affected by discounting, so the Company measures them based on the original invoice amount.

(18) Derecognition of the financial liabilities

The Company derecognizes their financial liabilities when the obligations specified in a contract are fulfilled, canceled, or expired.

(19) Provisions

It refers to a provision for warranty, and it is recognized when there is a present legal or constructive obligation due to past events with a high likelihood that an outflow of economically beneficial resources will be required to settle the obligation and that the amount of the obligation can be reliably estimated. A provision is measured based on the best estimated present value of the expenditure required to settle the obligation on the balance sheet date.

(20) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured by the expected non-discounted amount of cash paid, and are recognized as expenses when the relevant services are provided.

B. Pensions

(a) Defined contribution plan

Regarding the defined contribution plan, the amount of the pension fund that shall be contributed is recognized as current pension cost on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

- i. The net obligation under the defined benefit plan is calculated by discounting the amount of future benefits earned by employees in the current or past service period, with the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets. The net obligation under the defined benefit plan is calculated annually by actuaries using the projected unit benefit method. The discount rate is the market yield rate of government bonds at the balance sheet date.
- ii. The remeasurement from the defined benefit plan is recognized in other comprehensive income in the period, in which it occurs, and presented in retained earnings.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expenses and liabilities when there are legal or constructive obligations and the amount can be reasonably estimated. If there is a difference between the amount actually distributed as resolved by the Company and the estimated amount, it shall be treated as a change in accounting estimates. In addition, the basis for calculating the number of shares is the closing price prevailing on the day before the resolution by the Board of Directors in the year following the financial reporting year.

(21) Employee share-based payments

As for equity-settled share-based payment agreements, employee services received are measured at the fair value of the equity instruments granted on the date of payment and are recognized as compensation costs during the vesting period, with a corresponding adjustment to equity. The fair value of equity instruments should reflect the effects of both vesting and non-vesting conditions on market prices. The compensation costs recognized are adjusted based on the amount of rewards expected to meet service conditions and non-market vesting conditions until the final amount recognized is based on the amount vested on the vesting date.

(22) Income tax

- A. The tax expense for the period comprises current and deferred tax. Except for income tax related to items included in other comprehensive income or directly included in equity recognized in comprehensive income or in equity directly, income tax is recognized in profit and/or loss.
- B. The Company calculates current income tax based on the tax rates that have been enacted or substantively enacted at the balance sheet date. The management regularly evaluates the status of income tax filings with respect to applicable income tax regulations and, where applicable, estimates the income tax liabilities based on the expected taxes to be paid to the taxation authority. A surtax is imposed on the undistributed earnings in accordance with the Income Tax Act. In the year following the year in which the earnings are generated, after the shareholders' meeting has passed the earnings distribution proposal, the income tax expense on the undistributed earnings will be recognized based on the earnings actually distributed.
- C. Deferred tax is recognized, using the balance sheet liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. With temporary differences caused by the investment in subsidiaries, if the Company can control the timing of the reversal of the temporary differences, and it is probable that temporary differences will not be reversed in the foreseeable future, the liabilities will not be recognized. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the relevant deferred tax asset is realized or the deferred tax liability is settled.
- D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

(23) Dividend distribution

Dividends are recognized in the Company's financial statements in the period in which they are approved to be distributed as resolved by the Company's shareholders' meeting. Cash dividends are recognized as liabilities.

(24) Recognition of revenue

A. Sales of goods

- (a) The Company manufactures and sells networking and communications products. Sales revenue represents the fair value of the consideration received or receivable from the sales of goods to clients outside the Company in the normal course of business, presented in a net amount after business tax, sales returns, quantity discounts, and discounts are deducted. Sales revenue is recognized when the control of products is transferred to customers, that is, when products are delivered to the buyer and the buyer has discretion over the distribution channels and price of products sold, and the Company has no outstanding performance obligations that may affect the wholesaler's acceptance of the products. When a product is delivered to the designated location, the risk of obsolescence and loss has been transferred to a wholesaler, and the wholesaler accepts the product as per the sales contract, or when objective evidence show that all criteria for acceptance have been met, the product has been delivered.
- (b) The Company provides standard warranties for the products sold and recognizes an amount in provisions when goods are sold.
- (c) The Company provides a discount for the products sold and estimates the possible product discounts based on historical experience and the sales of such products and recognizes an amount in sales refund liabilities when goods are sold.
- (d) If a consideration has been received (or can be received) from a customer but the goods have not been transferred, the consideration is recognized in contract liabilities.

B. Sales of service

The Company provides services related to communications product processing, repair, and maintenance, and cloud management, and sales of service is recognized in revenue during the financial reporting period when such services are provided to customers. Customers pay the contract prices as per the agreed payment schedule. When the services provided by the Company exceed the amount payable by a customer, it is recognized in contract assets. If a consideration has been received (or can be collected) from a customer but the service has not been transferred, it is recognized in contract liabilities.

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

The preparation of the parent company financial statements requires management to make critical judgements in applying the Company'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 Company's inventories are measured at the lower of cost or 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 Company's inventory amounts are material, inventory items are voluminous and the accounting estimates are subject to management's judgment.

As of December 31, 2025, the carrying amount of the Company's inventories was \$1,783,963.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Checking accounts and demand deposits	\$ 283,373	\$ 340,123
Time deposits	2,098,847	2,136,127
	<u>\$ 2,382,220</u>	<u>\$ 2,476,250</u>

A. The Company works with various financial institutions to disperse credit risk, so it expects that the probability of counterparty default is remote.

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

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

Items	December 31, 2025	December 31, 2024
Current items:		
Financial assets mandatorily at fair value through profit or loss		
Derivatives	<u>\$ 143</u>	<u>\$ -</u>
Financial liabilities mandatorily at fair value through profit or loss		
Derivatives	<u>(\$ 1,799)</u>	<u>\$ -</u>

A. The net gains (losses) on financial assets and liabilities measured at fair value through profit or loss recognized by the Company for 2025 and 2024 were \$14,929 and (\$21,299), respectively.

- B. The Company'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:

December 31, 2025	Currency	Agreement period	Contract amount
Forward exchange agreements sold	USD : NTD	December 4, 2025 - January 14, 2026	USD2,000 / NTD62,464
Forward exchange agreements sold	USD : NTD	December 4, 2025 - January 14, 2026	USD2,000 / NTD62,474
Forward exchange agreements sold	USD : NTD	December 5, 2025 - January 21, 2026	USD2,000 / NTD62,480
Forward exchange agreements sold	USD : NTD	December 8, 2025 - January 28, 2026	USD2,000 / NTD62,140
Forward exchange agreements sold	USD : NTD	December 15, 2025 - January 28, 2026	USD3,000 / NTD93,840
Forward exchange agreements sold	USD : NTD	December 17, 2025 - February 6, 2026	USD 500 / NTD15,723
Forward exchange agreements sold	USD : NTD	December 17, 2025 - February 13, 2026	USD1,000 / NTD31,432

December 31, 2024: None.

- C. The Company 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

	December 31, 2025	December 31, 2024
Notes receivable	\$ -	\$ 24
Accounts receivable	\$ 1,781,211	\$ 1,593,931
Less: Allowance for losses	(891)	-
	<u>\$ 1,780,320</u>	<u>\$ 1,593,931</u>

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

	December 31, 2025		December 31, 2024	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	\$ -	\$ 1,719,444	\$ 24	\$ 1,578,549
Up to 30 days	-	61,767	-	15,382
	<u>\$ -</u>	<u>\$ 1,781,211</u>	<u>\$ 24</u>	<u>\$ 1,593,931</u>

The above aging analysis is based on past due dates.

- B. As of December 31, 2025, December 31, 2024 and January 1, 2024, the balances of receivables (including notes receivable) from contracts with customers amounted to \$1,781,211, \$1,593,955, and \$1,542,305, respectively.

- C. The Company does not hold any collateral.
- D. As of December 31, 2025 and 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 Company's notes and accounts receivable were \$1,780,320 and \$1,593,955, respectively.
- E. Information relating to credit risk of relevant notes and accounts receivable is provided in Note 12(2).

(4) Inventory

	December 31, 2025	December 31, 2024
Raw materials	\$ 739,312	\$ 925,543
Work in progress	379,651	493,971
Finished goods	665,000	349,626
Total	<u>\$ 1,783,963</u>	<u>\$ 1,769,140</u>

Inventory costs recognized as expense by the Company for the years 2025 and 2024 was \$10,740,418 and \$7,745,118, respectively. For 2025, the cost of goods sold included \$20,493 recognized from the write-down of inventories to net realizable value. For 2024, the cost of goods sold decreased by \$13,360 due to the recovery of the net realizable value of inventories resulting from the sale of inventories previously written down or identified as obsolete.

(5) Investment using the equity method

- A. The investments by the Company using the equity method are in subsidiaries; the details are as follows:

Investee	December 31, 2025	December 31, 2024
Emplus Technologies, Inc.	\$ 375,510	\$ 336,833
EnRack Technology Inc.	240,805	240,627
EnGenius Networks Inc.	60,940	57,852
EnGenius Technologies, Inc.	16,372	46,363
Senao Networks Vietnam Co., Ltd.	530,712	613,363
EnGenius Networks Japan	72,409	32,733
EnGenius International (Samoa) Ltd.	44,420	11,148
Senao Networks Japan	29,717	-
Others	41,974	36,913
Total	<u>\$ 1,412,859</u>	<u>\$ 1,375,832</u>

- B. The share of profit or loss on subsidiaries recognized using the equity method is as follows:

Investee	Year ended December 31	
	2025	2024
Emplus Technologies, Inc.	\$ 120,770	\$ 172,481
EnRack Technology Inc.	842 (	23,393)
EnGenius Networks Inc.	5,518 (	4,311)
EnGenius Technologies, Inc.	(19,595) (	80,801)
Senao Networks Vietnam Co., Ltd.	(38,513)	1,303
EnGenius Networks Japan	(9,374) (	2,832)
EnGenius International (Samoa) Ltd.	(24,806) (	42,507)
Senao Networks Japan	(405)	-
Others	(17,946) (	5,729)
Total	<u>\$ 16,491</u>	<u>\$ 14,211</u>

- C. Please refer to Note 4(3) to the Company's 2025 and 2024 consolidated financial statements for the information on the Company's subsidiaries.
- D. In 2025, the Company increased the cash capital of its subsidiaries, EnGenius Networks Japan and EnGenius International (Samoa) Ltd., by \$50,425 and \$59,533, respectively. In 2024, the Company increased the cash capital of its subsidiaries, EnGenius Networks Japan and Senao Networks Private Limited, by \$29,680 and \$23,469, respectively.
- E. The Company established subsidiaries, Senao Networks USA Inc. and Senao Networks Japan in February and March 2025, respectively, with investment costs of \$26,284 and \$2,114, respectively. Additionally, the Company made a cash capital increase of \$28,966 to Senao Networks Japan in September 2025.
- F. The unrealized gross margin from downstream transactions eliminated as required for 2025 and 2024 was \$40,782 and \$30,370, respectively. Said amounts have been written off and debited into "Investment using the equity method".
- G. The Company received cash dividends for investment using the equity method for 2025 and 2024 were \$78,376 and \$84,380, respectively.

(6) Property, plant and equipment

2025

	Land	Buildings	Machinery and equipment	Molding equipment	Office equipment	Other equipment	Leasehold improvements	Unfinished construction and equipment acceptance	Total
At January 1									
Cost	\$ 950,749	\$ 125,132	\$ 1,300,534	\$ 157,103	\$ 122,803	\$ 80,419	\$ 45,618	\$ 1,207,518	\$ 3,989,876
Accumulated depreciation and impairment	- (9,756)	(648,633)	(147,984)	(51,111)	(32,026)	(27,322)	-	(916,832)	
	<u>\$ 950,749</u>	<u>\$ 115,376</u>	<u>\$ 651,901</u>	<u>\$ 9,119</u>	<u>\$ 71,692</u>	<u>\$ 48,393</u>	<u>\$ 18,296</u>	<u>\$ 1,207,518</u>	<u>\$ 3,073,044</u>
At January 1	\$ 950,749	\$ 115,376	\$ 651,901	\$ 9,119	\$ 71,692	\$ 48,393	\$ 18,296	\$ 1,207,518	\$ 3,073,044
Additions	-	17,943	87,495	16,802	14,364	1,599	13,686	5,773	157,662
Disposals	-	-	(179)	(4)	(112)	(229)	-	-	(524)
Transfers (Note)	-	1,207,518	1,905	-	-	-	-	(1,207,518)	1,905
Depreciation	-	(30,371)	(109,118)	(10,103)	(18,363)	(11,119)	(8,186)	-	(187,260)
At December 31	<u>\$ 950,749</u>	<u>\$ 1,310,466</u>	<u>\$ 632,004</u>	<u>\$ 15,814</u>	<u>\$ 67,581</u>	<u>\$ 38,644</u>	<u>\$ 23,796</u>	<u>\$ 5,773</u>	<u>\$ 3,044,827</u>
At December 31									
Cost	\$ 950,749	\$ 1,350,593	\$ 1,389,755	\$ 173,901	\$ 137,055	\$ 81,789	\$ 59,304	\$ 5,773	\$ 4,148,919
Accumulated depreciation and impairment	- (40,127)	(757,751)	(158,087)	(69,474)	(43,145)	(35,508)	-	(1,104,092)	
	<u>\$ 950,749</u>	<u>\$ 1,310,466</u>	<u>\$ 632,004</u>	<u>\$ 15,814</u>	<u>\$ 67,581</u>	<u>\$ 38,644</u>	<u>\$ 23,796</u>	<u>\$ 5,773</u>	<u>\$ 3,044,827</u>

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

2024

	Land	Buildings	Machinery and equipment	Molding equipment	Office equipment	Other equipment	Leasehold improvements	Unfinished construction and equipment acceptance	Total
At January 1									
Cost	\$ 950,749	\$ 60,810	\$ 1,220,801	\$ 146,346	\$ 107,839	\$ 69,552	\$ 66,398	\$ 1,275,851	\$ 3,898,346
Accumulated depreciation and impairment	-	(1,004)	(567,119)	(140,956)	(38,731)	(21,147)	(53,662)	-	(822,619)
	<u>\$ 950,749</u>	<u>\$ 59,806</u>	<u>\$ 653,682</u>	<u>\$ 5,390</u>	<u>\$ 69,108</u>	<u>\$ 48,405</u>	<u>\$ 12,736</u>	<u>\$ 1,275,851</u>	<u>\$ 3,075,727</u>
At January 1	\$ 950,749	\$ 59,806	\$ 653,682	\$ 5,390	\$ 69,108	\$ 48,405	\$ 12,736	\$ 1,275,851	\$ 3,075,727
Additions	-	4,633	11,897	4,027	4,220	6,095	1,568	138,562	171,002
Disposals	-	(123)	(4,772)	-	(143)	-	-	-	(5,038)
Transfers (Note)	-	59,839	93,494	6,730	15,218	4,819	9,893	(206,895)	(16,902)
Depreciation	-	(8,779)	(102,400)	(7,028)	(16,711)	(10,926)	(5,901)	-	(151,745)
At December 31	<u>\$ 950,749</u>	<u>\$ 115,376</u>	<u>\$ 651,901</u>	<u>\$ 9,119</u>	<u>\$ 71,692</u>	<u>\$ 48,393</u>	<u>\$ 18,296</u>	<u>\$ 1,207,518</u>	<u>\$ 3,073,044</u>
At December 31									
Cost	\$ 950,749	\$ 125,132	\$ 1,300,534	\$ 157,103	\$ 122,803	\$ 80,419	\$ 45,618	\$ 1,207,518	\$ 3,989,876
Accumulated depreciation and impairment	-	(9,756)	(648,633)	(147,984)	(51,111)	(32,026)	(27,322)	-	(916,832)
	<u>\$ 950,749</u>	<u>\$ 115,376</u>	<u>\$ 651,901</u>	<u>\$ 9,119</u>	<u>\$ 71,692</u>	<u>\$ 48,393</u>	<u>\$ 18,296</u>	<u>\$ 1,207,518</u>	<u>\$ 3,073,044</u>

Note: The net amount of transfers for current period consists of a transfer-out to intangible assets of \$17,773 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 Company's property, plant and equipment for 2025 and 2024, totaled \$3,136 and \$7,429, respectively, and the capitalized interest rates were 2.55%-2.73% and 1.17%-2.20%, respectively.

(7) Lease transactions - lessee

- A. The Company leased various assets including plants, offices, business vehicles, and multifunction printers. The terms of the rental contracts usually range from one to six years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Except that the leased assets must not be used as collateral for loans, no restrictions are imposed.
- B. Short-term leases with a lease term of 12 months or less comprise buildings and certain offices; 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:

	December 31, 2025	December 31, 2024
	Book value	Book value
Buildings	\$ 102,437	\$ 152,352
Transportation equipment	4,967	971
Office equipment	1,039	1,259
Other equipment	111	110
	<u>\$ 108,554</u>	<u>\$ 154,692</u>

	Year ended December 31	
	2025	2024
	Depreciation	Depreciation
Buildings	\$ 86,370	\$ 83,149
Transportation equipment	2,233	1,162
Office equipment	387	377
Other equipment	189	188
	<u>\$ 89,179</u>	<u>\$ 84,876</u>

- D. The additions to the Company's right-of-use assets during 2025 and 2024 were \$43,041 and \$93,722, respectively.

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

	Year ended December 31	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,403	\$ 2,928
Expense on short-term lease contracts	628	1,900
Expense on low-value asset lease	159	159
Expense on variable lease payments	4,651	4,377
Gain on sublease of right-of-use assets (Note)	18,432	18,034

Note: Recorded as “other income”; please refer to Note 6(22) and 7(3)F.

F. The Company’s total cash outflow relating to lease contracts for 2025 and 2024 was \$97,600 and \$89,629, of which \$89,759 and \$80,265 were lease payments, respectively.

G. Variable lease payments

Some of the Company’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.

H. Extension and termination options

In determining the lease term, the Company 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.

I. As of December 31, 2025, the Company has committed to lease payments totaling \$17,176 for which the leases have not yet commenced.

(8) Intangible assets

A. Changes to intangible assets are as follows:

	Year ended December 31	
	2025	2024
	Computer software	Computer software
At January 1		
Cost	\$ 159,640	\$ 125,467
Accumulated amortization and impairment	(93,274)	(81,634)
	<u>\$ 66,366</u>	<u>\$ 43,833</u>
At January 1	\$ 66,366	\$ 43,833
Additions	14,138	19,529
Transfer (Note)	-	17,773
Disposals	-	(57)
Amortization	(20,144)	(14,712)
At December 31	<u>\$ 60,360</u>	<u>\$ 66,366</u>

	Year ended December 31	
	2025	2024
	Computer software	Computer software
At December 31		
Cost	\$ 173,666	\$ 159,640
Accumulated amortization and impairment	(113,306)	(93,274)
	<u>\$ 60,360</u>	<u>\$ 66,366</u>

Note: The amount of transfer in 2024 consists of a transfer-in from unfinished construction and equipment acceptance.

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

	Year ended December 31	
	2025	2024
Manufacturing expenses	\$ 3,927	\$ 2,942
Selling expenses	41	-
General and administrative expenses	2,298	1,799
Research and development expenses	13,878	9,971
	<u>\$ 20,144</u>	<u>\$ 14,712</u>

(9) Other non-current assets

	December 31, 2025	December 31, 2024
Prepayment for equipment	\$ 872	\$ 2,045
Refundable deposits	10,471	6,912
Net defined benefit assets	8,262	4,529
	<u>\$ 19,605</u>	<u>\$ 13,486</u>

(10) Other payables

	December 31, 2025	December 31, 2024
Accrued salary expenses and bonus	\$ 382,490	\$ 447,856
Accrued employees' compensation and directors' remuneration	35,843	30,776
Construction retainage payable	-	110,970
Payables on equipment	25,100	23,849
Others	255,930	210,493
	<u>\$ 699,363</u>	<u>\$ 823,944</u>

(11) 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) Amounts recognized in balance sheet are as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	\$ 35,146	\$ 34,681
Fair value of plan assets	(43,408)	(39,210)
Net defined benefit assets recognized in the balance sheet (Note)	<u>(\$ 8,262)</u>	<u>(\$ 4,529)</u>

Note: Recorded as "Other non-current assets".

(c) Changes in net defined benefit liability (asset) are as follows:

	2025		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
Balance at January 1	\$ 34,681	(\$ 39,210)	(\$ 4,529)
Service cost in this period	-	-	-
Interest expense (income)	555	(633)	(78)
	<u>35,236</u>	<u>(39,843)</u>	<u>(4,607)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expenses)	-	(2,776)	(2,776)
Effect of change in financial assumptions	935	-	935
Experience adjustments	(1,025)	-	(1,025)
	<u>(90)</u>	<u>(2,776)</u>	<u>(2,866)</u>
Contribution to pension fund	-	(789)	(789)
Pension paid	-	-	-
Balance at December 31	<u>\$ 35,146</u>	<u>(\$ 43,408)</u>	<u>(\$ 8,262)</u>

	2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
Balance at January 1	\$ 43,564	(\$ 38,995)	\$ 4,569
Service cost in this period	-	-	-
Interest expense (income)	532	(480)	52
	<u>44,096</u>	<u>(39,475)</u>	<u>4,621</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expenses)	-	(3,405)	(3,405)
Effect of change in financial assumptions	(1,175)	-	(1,175)
Experience adjustments	(3,794)	-	(3,794)
	<u>(4,969)</u>	<u>(3,405)</u>	<u>(8,374)</u>
Contribution to pension fund	-	(776)	(776)
Pension paid	(4,446)	4,446	-
Balance at December 31	<u>\$ 34,681</u>	<u>(\$ 39,210)</u>	<u>(\$ 4,529)</u>

- (d) The Bank of Taiwan is commissioned to manage the fund of the Company's defined benefit pension plan assets in accordance with the percentages and amount of items as stipulated in the fund's annual investment and utilization plan and Article 6 of the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (i.e. deposits in domestic and overseas financial institutions, investment in domestic and overseas listed equity securities or equity securities through private placement, or investment in domestic and overseas securitization products backed by real estate assets). The relevant utilization status is supervised by the Labor Funds Supervisory Committee. With regard to the utilization of the fund, its minimum earnings in the annual distributions of the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, the government shall offset the deficit after being authorized by competent authorities. The Company does not participate in the management or operation of said fund, so the Company is unable to disclose the classification of the fair value of plan assets in accordance with paragraph 142 of IAS 19. The fair values of the plan assets as of December 31, 2025 and 2024 are available in the Annual Labor Retirement Fund Utilization Report announced by the government.

- (e) The actuarial assumptions related to pension are as follows:

	Year ended December 31	
	2025	2024
Discount rate	1.30%	1.60%
Future salary increases	3.00%	3.00%

The assumptions for the future mortality rate for 2025 and 2024 are based on the Taiwan Standard Ordinary Experience Mortality Table No. 6.

The analysis of the present values of defined benefit obligations affected by changes in the main actuarial assumptions adopted is as follows:

	Discount rate		Future salary increases	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2025				
Effect on the present value of defined benefit obligations	(\$ 794)	\$ 820	\$ 787	(\$ 765)
December 31, 2024				
Effect on the present value of defined benefit obligations	(\$ 852)	\$ 883	\$ 850	(\$ 825)

The sensitivity analysis above is based on the impact of a single assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change at the same time. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

- (f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2026 amount to \$804.
- (g) As of December 31, 2025, the weighted average duration of the pension plan is 9 years. An analysis of the maturity of pension payments is as follows:

Within 1 year	\$ 1,728
1-2 years	180
2-5 years	6,533
Over 5 years	36,802
	<u>\$ 45,243</u>

B. Defined contribution plan

The Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at

the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company for 2025 and 2024 amounted to \$67,002 and \$66,829, respectively.

(12) Share-based compensation

A. The Company's share-based compensation agreements are as follows:

Type of agreement	Grant date	Quantity granted	Agreement period	Vesting conditions
Cash capital increase retained for employee subscription	October 4, 2024	1,000,000	NA	Immediate vesting

B. The Company adopts the Black-Scholes valuation model to estimate the fair value of the stock option for the share-based arrangements on the grant date. The relevant information is as follows:

Type of agreement	Grant date	Stock price (NTD)	Strike price (NTD)	Expected volatility	Expected duration	Expected dividends	Risk-free interest rate	Fair value per unit (NTD)
Cash capital increase retained for employee subscription	October 4, 2024	\$ 158	\$ 125	55.10% (Note)	0.04 years	-	1.22%	\$ 33.1526

Note: The expected volatility is based on the historical volatility estimated by using the daily closing prices for the three months from the grant date and after the ex-rights and dividend effects during the period are restored.

C. The Company recognized compensation costs of \$33,152 in 2024 for the above-mentioned share-based payment; there was no such transaction in 2025.

(13) Provisions

	2025	2024
	Warranty	Warranty
At January 1	\$ 27,618	\$ 7,596
Additional (reversed) provisions during this period	10,455	21,973
Used during this period	(996)	(1,951)
At December 31	<u>\$ 37,077</u>	<u>\$ 27,618</u>

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

(14) Other current liabilities

	December 31, 2025	December 31, 2024
Collection of project development on behalf of others	\$ 389,342	\$ 285,194
Others	6,438	5,032
	<u>\$ 395,780</u>	<u>\$ 290,226</u>

(15) Long-term borrowings

Lending bank	Loan period and repayment methods	Interest rate	Collateral	December 31, 2025
Taipei Fubon Bank	From December 29, 2025 to February 17, 2028, with monthly interest payments (Note 1)	2.30%	Property (Note 2)	\$ 500,000
Less: Long-term borrowings due within one year				<u>-</u>
				<u>\$ 500,000</u>

Lending bank	Loan period and repayment methods	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 2)	\$ 500,000
Less: Long-term borrowings due within one year				<u>-</u>
				<u>\$ 500,000</u>

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

Note 2: Please refer to Note 8 for details of the guarantee.

(16) Share capital

- A. As of December 31, 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. The payments for all issued shares of the Company have been received in full. The details of the changes in the number of shares of the Company in 2025 and 2024 are as follows (unit: shares in thousands):

	2025	2024
At January 1	59,061	49,061
Cash capital increase	-	10,000
At December 31	<u>59,061</u>	<u>59,061</u>

- B. On July 17, 2024, the Board of Directors of the Company 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

- F. The 2025 earnings distribution proposal made by the Board of Directors on March 10, 2026 is detailed below:

	Year ended December 31, 2025	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 30,934	
Special reserve	\$ 55,676	
Cash dividends	\$ 177,183	\$ 3.0

As of March 10, 2026, the above 2025 earnings distribution proposal is still pending the resolution by the shareholders' meeting.

(19) Operating revenues

	Year ended December 31	
	2025	2024
Revenue from contracts with customers	\$ 12,333,805	\$ 8,896,823

A. Contract liabilities

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

	December 31, 2025	December 31, 2024	January 1, 2024
Current contract liabilities:			
- Sale of goods	\$ 82,154	\$ 134,527	\$ 64,006
- Providing of services	10,770	10,029	8,491
Sub-total	92,924	144,556	72,497
Non-current contract liabilities:			
- Providing of services	11,564	8,488	6,738
Total	\$ 104,488	\$ 153,044	\$ 79,235

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

	Year ended December 31	
	2025	2024
Revenue from contracts with customers	\$ 130,860	\$ 60,836

B. Financing components

The Company does not expect to have many contracts where the time interval between the transfer of the committed goods 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 Company does not adjust any of the transaction prices for the time value of money.

(20) Net other income (expenses)

	Year ended December 31	
	2025	2024
Other income		
Project development income	\$ 117,468	\$ 137,774

(21) Interest income

	Year ended December 31	
	2025	2024
Interest on cash in banks	\$ 32,035	\$ 21,634
Other interest income	150	108
	\$ 32,185	\$ 21,742

(22) Other income

	Year ended December 31	
	2025	2024
Revenue recognized from advance receipts	\$ 8,474	\$ 10,699
Rent income	18,432	18,034
Management services income	9,639	2,573
Other income	11,421	12,606
	<u>\$ 47,966</u>	<u>\$ 43,912</u>

(23) Other gains and losses

	Year ended December 31	
	2025	2024
Foreign exchange gains (losses)	(\$ 14,056)	\$ 49,797
Gains (losses) on disposal of property, plant and equipment	2,083	(220)
Gains on disposal of intangible assets	4	-
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	14,929	(21,299)
	<u>\$ 2,960</u>	<u>\$ 28,278</u>

(24) Finance costs

	Year ended December 31	
	2025	2024
Interest expense	<u>\$ 5,032</u>	<u>\$ 15,716</u>

(25) Expenses by nature

	Year ended December 31	
	2025	2024
Wages and salaries	\$ 1,793,589	\$ 1,331,517
Labor and health insurance fees	155,921	146,450
Pension costs	66,924	66,881
Other personnel expenses	46,815	45,908
Employee benefit expense	<u>\$ 2,063,249</u>	<u>\$ 1,590,756</u>
Depreciation	<u>\$ 276,439</u>	<u>\$ 236,621</u>
Amortization	<u>\$ 20,144</u>	<u>\$ 14,712</u>

- A. According to the Articles of Incorporation of the Company, where the Company makes 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' remuneration. Of the employees' compensation, 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' 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. The Company's estimated amounts of employees' compensation for 2025 and 2024 were \$30,184 and \$25,916, respectively; the estimated amounts of directors' remuneration for 2025 and 2024 were \$5,659 and \$4,860, respectively. The aforementioned amounts were recognized in salary expenses. Such amounts were estimated based on the profitability for 2025.

On March 10, 2026, employees' compensation and directors' remuneration for 2025 amounting to \$30,184 and \$5,659, respectively, as resolved at the meeting of the Board of Directors were in agreement with those amounts recognized in the 2025 financial statements.

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.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors can be obtained from the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(26) Income tax

A. Income tax expense

	Year ended December 31	
	2025	2024
Current tax:		
Current tax on profit for the period	\$ 32,351	\$ 12,787
Tax on undistributed surplus earnings	-	9,935
Prior year income tax over-accrual	(15,468)	(2,675)
Total current tax	16,883	20,047
Deferred tax:		
Origination and reversal of temporary differences	16,879	32,313
Income tax expense	<u>\$ 33,762</u>	<u>\$ 52,360</u>

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2025	2024
Income tax calculated based on net income before tax at the statutory tax rate	\$ 68,163	\$ 58,527
Expenses that should be excluded according to the tax law	264	1,019
Unrecognized deferred tax	23,519	28,314
Unrealized investment income from domestic companies recognized using the equity method	(26,817)	(31,156)
Dividends obtained from domestic investees	29,111	16,876
Income exempted from taxation according to the tax law	(29,111)	(16,876)
Tax on undistributed surplus earnings	-	9,935
Prior year income tax over-accrual	(15,468)	(2,675)
Effect of income tax with investment tax credit	(15,899)	(11,604)
Income tax expense	<u>\$ 33,762</u>	<u>\$ 52,360</u>

C. The amounts of deferred tax assets arising from temporary differences are as follows:

	2025			
	At January 1	Recognized in profit or loss	Recognized in other comprehensive income	At December 31
Temporary differences:				
- Deferred income tax assets:				
Unrealized gross margin between affiliates	\$ 6,074	\$ 2,082	\$ -	\$ 8,156
Provisions for warranties	5,524	1,892	-	7,416
Unrealized gross margin with customs declaration filed	8,181	2,086	-	10,267
Allowance for inventory valuation and obsolescence losses	11,063	(836)	-	10,227
Unrealized exchange losses	1,655	1,895	-	3,550
Unpaid accrued expenses	31,461	(24,765)	-	6,696
Others	6,471	767	(573)	6,665
Total	<u>\$ 70,429</u>	<u>(\$ 16,879)</u>	<u>(\$ 573)</u>	<u>\$ 52,977</u>

2024				
	At January 1	Recognized in profit or loss	Recognized in other comprehensive income	At December 31
Temporary differences:				
- Deferred income tax assets:				
Unrealized gross margin between affiliates	\$ 11,722	(\$ 5,648)	\$ -	\$ 6,074
Provisions for warranties	1,519	4,005	-	5,524
Unrealized gross margin with customs declaration filed	3,349	4,832	-	8,181
Allowance for inventory valuation and obsolescence losses	34,073	(23,010)	-	11,063
Unrealized exchange losses	1,867	(212)	-	1,655
Unpaid accrued expenses	43,645	(12,184)	-	31,461
Others	8,242	(96)	(1,675)	6,471
Total	<u>\$ 104,417</u>	<u>(\$ 32,313)</u>	<u>(\$ 1,675)</u>	<u>\$ 70,429</u>

D. The Company did not recognize taxable temporary differences related to investments in subsidiaries in deferred tax liabilities. The temporary differences not recognized in deferred tax liabilities as of December 31, 2025 and 2024, amounted to \$781 and \$622, respectively.

E. The income tax returns of the Company through 2023 have been assessed and approved by the Tax Authority.

(27) Earnings per share

Year ended December 31, 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	\$ 307,052	59,061	<u>\$ 5.20</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	248	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 307,052</u>	<u>59,309</u>	<u>\$ 5.18</u>

	Year ended December 31, 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	\$ 240,274	50,973	<u>\$ 4.71</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	185	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 240,274</u>	<u>51,158</u>	<u>\$ 4.70</u>

(28) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31	
	2025	2024
Purchase of property, plant and equipment and other non-current assets transferred to property, plant and equipment	\$ 159,567	\$ 171,873
Less: Ending balance of payable on equipment	(25,100)	(23,849)
Ending balance of other payables to related parties	(2,100)	(551)
Ending balance of construction retainage payable (Note)	-	(110,970)
Opening balance of prepayments for equipment	(2,045)	(6,200)
Add: Opening balance of payable on equipment	23,849	40,611
Opening balance of other payables to related parties	551	-
Opening balance of construction retainage payable (Note)	110,970	109,241
Ending balance of prepayments for equipment	<u>872</u>	<u>2,045</u>
Cash paid during the period for purchase of property, plant and equipment	<u>\$ 266,564</u>	<u>\$ 182,200</u>

Note: Recorded as "other payables".

(29) Changes in liabilities from financing activities

2025				
	Short-term borrowings	Lease liabilities	Long-term borrowings	Liabilities from financing gross
At January 1	\$ -	\$ 160,312	\$ 500,000	\$ 660,312
Changes in cash flow from financing activities	-	(89,759)	-	(89,759)
Changes in other non-cash items	-	43,041	-	43,041
At December 31	<u>\$ -</u>	<u>\$ 113,594</u>	<u>\$ 500,000</u>	<u>\$ 613,594</u>
2024				
	Short-term borrowings	Lease liabilities	Long-term borrowings	Liabilities from financing gross
At January 1	\$ 1,582,000	\$ 146,852	\$ -	\$ 1,728,852
Changes in cash flow from financing activities	(1,582,000)	(80,265)	500,000	(1,162,265)
Changes in other non-cash items	-	93,725	-	93,725
At December 31	<u>\$ -</u>	<u>\$ 160,312</u>	<u>\$ 500,000</u>	<u>\$ 660,312</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party:

As of December 31, 2025 and 2024, the Company does not have a parent company. Senao International Co., Ltd. held 33.16% of the Company's shares, respectively, and is the most influential entity to the Company.

(2) Name of related party and relations with the Company:

Name of related party	Relations with the Company
Senao International Co., Ltd. (SIC)	Entities with joint control or significant influence over the Company
EnGenius Technologies, Inc. (ETI)	Subsidiary
EnGenius International (Samoa) Ltd. (EIS)	Subsidiary
EnGenius Networks Singapore Pte. Ltd. (ENSPL)	Subsidiary
EnGenius Networks Europe B.V. (ENEBV)	Subsidiary
EnRack Technology Inc. (EnRack)	Subsidiary
Emplus Technologies, Inc. (Emplus)	Subsidiary
EnGenius Technologies Canada Inc. (ETCI)	Subsidiary
EnGenius Networks Inc. (EnGenius)	Subsidiary
EnGenius Networks Japan (ENJ)	Subsidiary
Senao Networks Vietnam Co., Ltd. (SVN)	Subsidiary
Senao Networks USA Inc. (SNA)	Subsidiary
Senao Networks Private Ltd. (SIN)	Subsidiary
Senao Networks Japan (SJP)	Subsidiary
EnGenius Networks Private Ltd. (EIN)	Subsidiary
Appleuser Co., Ltd.	Other related parties

(3) Significant transactions between related party and the Company are as follows:

A. Operating revenues

	Year ended December 31	
	2025	2024
Merchandise sales:		
Subsidiaries	\$ 396,403	\$ 489,138
Sales of services:		
Subsidiaries	15,783	13,683
	<u>\$ 412,186</u>	<u>\$ 502,821</u>

- (a) The above discounts on the sales were offered depending on the sales volume. The credit terms were approximately the same with third parties, which is 60 days from the first day of the month following the month of sales. Since October 2024, subsidiaries have revised the term to collect payments within net 90 days end of the month.
- (b) There are no other comparable transactions of the same type available for the processing, repair or maintenance, and cloud management services provided by the Company, and such services are handled based on the prices and conditions agreed in the contracts between both parties.

B. Operating costs and operating expenses

	Year ended December 31	
	2025	2024
<u>Operating costs</u>		
Merchandise purchase:		
Subsidiaries	\$ 485,046	\$ 262,883
Other expenses:		
Subsidiaries	13,523	6,185
	<u>498,569</u>	<u>269,068</u>
<u>Operating expenses</u>		
Subsidiaries	7,347	2,627
	<u>\$ 505,916</u>	<u>\$ 271,695</u>

- (a) Merchandise purchase: The purchases from subsidiaries are based on the general commercial terms and conditions, with the payment term within net 90 days end of the month.
- (b) Other expenses and operating expenses: Samples and molds purchased from subsidiaries are based on the general commercial terms and conditions, with the payment term within net 90 days end of the month.

C. Receivables from related parties

	December 31, 2025	December 31, 2024
Accounts payable:		
Subsidiaries	\$ 71,798	\$ 113,869
Other receivables - payment on behalf of others:		
Entities with joint control or significant influence over the Company	934	871
Subsidiaries	8,822	3,371
	9,756	4,242
	<u>\$ 81,554</u>	<u>\$ 118,111</u>

Receivables from related parties mainly come from sales of merchandise and services and payments made on behalf of related parties. The receivables are unsecured and non-interest-bearing. No impairment loss was recognized for the receivable from related parties.

D. Payables to related parties

	December 31, 2025	December 31, 2024
Accounts payable:		
Subsidiaries	\$ 189,680	\$ 101,995
Other payables:		
Entities with joint control or significant influence over the Company	121	135
Subsidiaries	38,609	26,640
Other related parties	32	-
	38,762	26,775
	<u>\$ 228,442</u>	<u>\$ 128,770</u>

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

E. Property transactions

(a) Acquisition of property, plant and equipment

	Year ended December 31	
	2025	2024
Entities with joint control or significant influence over the Company	\$ 333	\$ 885
Subsidiaries	8,780	4,655
Other related parties	123	-
	<u>\$ 9,236</u>	<u>\$ 5,540</u>

(b) Disposal of property, plant and equipment and intangible assets

Year ended December 31				
2025			2024	
Subsidiaries	Disposal proceeds	Gain (loss) on disposal	Disposal proceeds	Gain (loss) on disposal
- SVN	\$ 1,130	\$ 900	\$ -	\$ -
- SIN	1,481	1,350	-	-
- EnRack	-	-	4,875	-
	\$ 2,611	\$ 2,250	\$ 4,875	\$ -

(c) Acquisition of financial assets

Year ended December 31, 2025				
Subsidiaries	Account	Number of shares traded (in thousands)	Object of transaction	Acquisition price
- EIS	Investment using the equity method	1,968	Stock	\$ 59,533
- ENJ	"	5	Stock	50,425
- SJP	"	3	Stock	28,966

Year ended December 31, 2024				
Subsidiaries	Account	Number of shares traded (in thousands)	Object of transaction	Acquisition price
- ENJ	Investment using the equity method	14	Stock	\$ 29,680
- SIN	"	6,000	Stock	23,469

F. Other income

(a) Lessor's lease transactions - operating lease

Year ended December 31			
		2025	2024
Subsidiaries			
- Emplus	\$	12,922	\$ 12,545
- Others		129	116
	\$	<u>13,051</u>	<u>\$ 12,661</u>

(b) Management services income

	Year ended December 31	
	2025	2024
Subsidiaries		
- EnGenius	\$ 7,820	\$ 960
- Others	1,819	1,613
	<u>\$ 9,639</u>	<u>\$ 2,573</u>

G. Lease transactions - lessee

- (a) i. Office buildings are leased 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.
- ii. The Company has leased office buildings from Emplus with a lease term from 2022 through 2027. The rent was negotiated and agreed by both parties in accordance with mutual and paid monthly.

(b) Acquisition of right-of-use assets

The Company acquired rights-of-use assets, totaling \$93,722, from SIC during 2024. There was no such case during 2025.

(c) Lease liabilities

i. Ending balance:

	December 31, 2025	December 31, 2024
Entities with joint control or significant influence over the Company	\$ 15,915	\$ 62,949
Subsidiary		
- Emplus	2,758	4,606
	<u>\$ 18,673</u>	<u>\$ 67,555</u>

The balances of above lease liabilities - current and non-current as at December 31, 2025 and 2024 were \$17,849, \$48,882, \$824, and \$18,673, respectively.

ii. Interest expense:

	Year ended December 31	
	2025	2024
Entities with joint control or significant influence over the Company	\$ 846	\$ 1,170
Subsidiary		
- Emplus	54	81
	<u>\$ 900</u>	<u>\$ 1,251</u>

(4) Key management compensation

	Year ended December 31	
	2025	2024
Salaries and other short-term employee benefits	\$ 61,290	\$ 61,902
Post-employment benefits	1,028	863
	<u>\$ 62,318</u>	<u>\$ 62,765</u>

8. PLEDGED ASSETS

Assets	Book value		Purpose
	December 31, 2025	December 31, 2024	
Property (under property, plant and equipment)	<u>\$ 2,261,746</u>	<u>\$ 2,273,643</u>	Medium- and long-term borrowing facility

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The proposals approved by the Board of Directors on March 10, 2026 are detailed below:

- (1) Please refer to Note 6(18) F. for the 2025 earnings distribution proposal.
- (2) The Company renewed the lease terms of the current plant and office buildings from the related party, Senao International Co., Ltd., for another two years, starting from May 2026. The amount of the right-of-use assets estimated based on the monthly rental amount is approximately NT\$98,420 thousand.

12. OTHERS

(1) Capital risk management

The Company's objectives when managing capital are to maintain an optimal capital ratio to support the operations and to maximize the shareholders' equity. The Company 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 Company normally utilizes a meticulous risk management policy.

(2) Financial instruments

A. Financial instruments by category

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

B. Financial risk management policies

The Company 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 Company's management can effectively control and evaluate market risk, credit risk, liquidity risk and cash flow risk.

The Company 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, to achieve the optimal risk position, maintain an appropriate liquidity position, and centrally manage all market risks.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions.

- ii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 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	\$ 75,269	31.430	\$ 2,365,720
<u>Non-monetary items</u>			
USD:NTD	1,189	31.430	37,363
CAD:NTD	541	22.940	12,414
JPY:NTD	508,595	0.201	102,126
VND:NTD	451,669,587	0.001	530,712
INR:NTD	24,589	0.349	8,569
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 61,604	31.430	\$ 1,936,214

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	\$ 67,368	32.785	\$ 2,208,658
JPY:NTD	450,258	0.210	94,509
<u>Non-monetary items</u>			
USD:NTD	1,414	32.785	46,343
CAD:NTD	504	22.820	11,506
JPY:NTD	155,946	0.210	32,733
VND:NTD	484,872,102	0.001	613,363
INR:NTD	66,301	0.383	25,407
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 58,799	32.785	\$ 1,927,727

- 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 Company.

Year ended December 31, 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	\$	-	31.430	\$ 17,168
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$	-	31.430	(\$ 35,220)
Year ended December 31, 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	\$	-	32.785	\$ 24,340
JPY:NTD		-	0.210	(1,330)
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$	-	32.785	(\$ 31,288)

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

	Year ended December 31, 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%	\$	23,657	\$	-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	1%	\$	19,362	\$	-

Year ended December 31, 2024				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 22,087	\$	-
JPY:NTD	1%	945		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 19,277	\$	-

Price risk

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

Cash flow and fair value interest rate risk

- i. The Company's interest rate risk arises from long-term borrowings. Long-term borrowings taken out at floating rates have exposed the Company to cash flow interest rate risk.
- ii. As of December 31, 2025 and 2024, if the interest rate on long-term borrowings increased by 1%, with all other factors remaining unchanged, net income after tax for 2025 and 2024 would have decreased by of \$4,000 and \$99, respectively, mainly due to the increase in interest expenses caused by floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. According to the Company's credit policy, the Company 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 Company adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- iv. The Company 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:
- v. 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.
- vi. The Company 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 losses.
- vii. The Company takes into account the forecasts of the Basel Committee on Banking Supervision to adjust historical and timely information to assess the loss allowance for notes receivable and accounts receivable (including related parties) as of December 31, 2025 and 2024.

	Not past due	30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
December 31, 2025							
Expected loss rate	0.05%	0.05%	10%	30%	50%	100%	
Total book value	\$ 1,790,922	\$ 62,087	\$ -	\$ -	\$ -	\$ -	\$ 1,853,009
Loss allowance	\$ 860	\$ 31	\$ -	\$ -	\$ -	\$ -	\$ 891
December 31, 2024							
Expected loss rate	0.03%	0.03%	10%	30%	50%	100%	
Total book value	\$ 1,692,442	\$ 15,382	\$ -	\$ -	\$ -	\$ -	\$ 1,707,824
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

- viii. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2025	2024
At January 1	\$ -	\$ -
Provision for impairment loss	891	-
At December 31	\$ 891	\$ -

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

- ii. 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 Company chooses instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above mentioned forecasts.
- iii. The table below shows the Company's non-derivative financial liabilities and derivative financial liabilities settled on a gross basis. They were grouped by relevant maturity dates. Non-derivative financial liabilities were analyzed based on the remaining period from the balance sheet date to the contract maturity date. Derivative financial liabilities were analyzed based on the remaining period from the balance sheet date to the expected 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
December 31, 2025				
Notes payable	\$ 3,123	\$ -	\$ -	\$ -
Accounts payable (including related parties)	2,981,882	-	-	-
Other payables (including related parties)	738,125	-	-	-
Long-term borrowings	-	-	502,712	-
Lease liabilities	66,162	26,596	21,546	2,115

Non-derivative financial
liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
December 31, 2024				
Notes payable	\$ 1,844	\$ -	\$ -	\$ -
Accounts payable (including related parties)	2,830,382	-	-	-
Other payables (including related parties)	850,719	-	-	-
Long-term borrowings	-	-	502,521	-
Lease liabilities	88,275	56,919	17,730	-

Derivative financial liabilities:

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

(3) Fair value estimation

- 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 Company's financial instruments that are not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), refundable deposits (under other non-current assets), long-term borrowings, notes payable, accounts payable (including related parties), other payables (including related parties), and guarantee deposits (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 Company as per the nature, characteristics, and risks of assets and liabilities, and the fair value level. The details are as follows:

December 31, 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	\$ -	\$ 143	\$ -	\$ 143
Liabilities				
<u>Fair value on a recurring basis</u>				
Financial liabilities at fair value through profit or loss				
Derivatives	\$ -	(\$ 1,799)	\$ -	(\$ 1,799)

December 31, 2024: None.

- D. The Company'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 2 fair values during 2025: There was no such a transfer during 2024.

13. SEGMENT INFORMATION

(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

Operation segments may be exempted for the parent company only financial statements as required by IFRS 8 in accordance with Article 22 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Senao Networks Inc.
Statement of Cash and Cash Equivalents
December 31, 2025

(Expressed in thousands of New Taiwan dollars)

Items	Summary	Amount
Checking deposits		\$ 12
Demand deposits		
- NTD deposits		261,109
- Foreign-currency deposits	391 thousand USD at an exchange rate of 1 NTD: 31.430 USD	22,252
	49,652 thousand JPY at an exchange rate of 1 NTD: 0.201 JPY	
Time deposits	13,200 thousand USD at an exchange rate	
- Foreign-currency deposits	of 1 NTD: 31.430 USD. Interest rate ranges from 3.45% to 4.04%, successively maturing in January 2026	418,647
- NTD deposits	Interest rate ranges from 1.23% to 1.60%; due in March 2026	1,680,200
		<u>\$ 2,382,220</u>

Senao Networks Inc.
Statement of Net Accounts Receivable
December 31, 2025

(Expressed in thousands of New Taiwan dollars)

Name of customer	Amount	Remarks
Company A	\$ 870,595	
Company B	124,752	
Company C	124,159	
Company D	101,606	
Company E	99,693	
Company F	92,477	
Others	<u>367,929</u>	Each customer's balance did not exceed 5% of the total amount of this account.
	1,781,211	
Less: Allowance for losses	(<u>891</u>)	
	<u>\$ 1,780,320</u>	

Senao Networks Inc.
Statement of Inventories
December 31, 2025

(Expressed in thousands of New Taiwan dollars)

Items	Amount		Remarks
	Cost	Market price	
Raw materials	\$ 778,035	\$ 921,659	Based on net realizable value as market price
Work in progress	379,651	448,880	"
Finished goods	<u>677,412</u>	<u>751,370</u>	"
	1,835,098	<u>\$ 2,121,909</u>	
Less: Allowance for inventory valuation and obsolescence losses	(51,135)		
	<u>\$ 1,783,963</u>		

Senao Networks Inc.
Statement of Changes in Long-term Equity Investment Using the Equity Method
For the Year Ended December 31, 2025

(Expressed in thousands of New Taiwan dollars)

Name	Opening balance		Increase during this period		Decrease during this period		Ending balance			Market price or net worth of equity		Collateral or pledge	Remarks
	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Ownership (%)	Amount	Unit price (NTD)	Total price		
EnGenius Technologies, Inc.	60	\$ 46,363	-	\$ -	-	(\$ 29,991)	60	100.00%	\$ 16,372	750.17	\$ 45,010	None	Note 1
EnRack Technology Inc.	24,900	240,627	-	178	-	-	24,900	100.00%	240,805	9.75	242,674	"	Note 2
Emplus Technologies, Inc.	11,197	336,833	6,718	120,770	-	(82,093)	17,915	50.99%	375,510	20.86	373,764	"	Note 3
EnGenius International (Samoa) Ltd.	1,832	11,148	1,968	60,733	-	(27,461)	3,800	100.00%	44,420	13.57	51,567	"	Note 4
EnGenius Technologies Canada Inc.	0.1	11,506	-	908	-	-	0.1	100.00%	12,414	124,140	12,414	"	Note 5
EnGenius Networks Inc.	6,000	57,852	-	5,189	-	(2,101)	6,000	100.00%	60,940	10.35	62,126	"	Note 6
EnGenius Networks Japan	10	32,733	5	50,425	-	(10,749)	15	100.00%	72,409	4,845.33	72,680	"	Note 7
Senao Networks Vietnam Co., Ltd.	Note 8	613,363	Note 8	-	Note 8	(82,651)	Note 8	100.00%	530,712	-	530,712	"	Note 9
Senao Networks Private Ltd.	7,640	25,407	-	-	-	(16,838)	7,640	100.00%	8,569	1.14	8,679	"	Note 10
Senao Networks USA Inc.	-	-	0.001	26,284	-	(5,293)	0.001	100.00%	20,991	20,991,000	20,991	"	Note 11
Senao Networks Japan	-	-	4	31,080	-	(1,363)	4	100.00%	29,717	7,429.25	29,717	"	Note 12
Total		<u>\$ 1,375,832</u>		<u>\$ 295,567</u>		<u>(\$ 258,540)</u>			<u>\$ 1,412,859</u>		<u>\$ 1,450,334</u>		

Note 1: The decrease during this period refers to the net unrealized gross margin, cumulative translation adjustment for EnGenius Technologies, Inc. and investment loss recognized.

Note 2: The increase during this period refers to the net unrealized gross margin from recognized and investment income recognized for EnRack Technology Inc.

Note 3: The increase during this period refers to the investment income and net unrealized gross margin from Emplus Technologies, Inc. recognized, and the decrease during this period refers to the cash dividends received and recognized cumulative translation adjustments; the increase in the number of shares during this period refers to stock dividends.

Note 4: The increase during this period refers to a cash capital increase and the cumulative translation adjustment for EnGenius International (Samoa) Ltd. recognized, and the decrease during this period refers to the net unrealized gross margin and investment loss recognized for this period.

Note 5: The decrease during this period refers to the cumulative translation adjustment for EnGenius Technologies Canada Inc. and investment income recognized.

Note 6: The increase during this period refers to the investment income and net unrealized gross margin from EnGenius Networks Inc. recognized, and the decrease during this period refers to the cumulative translation adjustment recognized.

Note 7: The increase during this period refers to a cash capital increase for EnGenius Networks Japan, and the decrease during this period refers to the net unrealized gross margin, investment loss, and cumulative translation adjustment recognized.

Note 8: It is a limited company, so it has no shares.

Note 9: The decrease during this period refers to investment loss and cumulative translation adjustment recognized for Senao Networks Vietnam Co., Ltd.

Note 10: The decrease during this period represents investment loss, cumulative translation adjustments, and net unrealized gross margin recognized for Senao Networks Private Ltd.

Note 11: The increase during this period refers to the new investment in equity of Senao Networks USA Inc., and the decrease during this period refers to the investment loss and the cumulative translation adjustment recognized for this period.

Note 12: The increase during this period refers to the additional equity investment and cash capital increase for Senao Networks Japan, and the decrease during this period refers to the investment loss and cumulative translation adjustment recognized.

Senao Networks Inc.
Statement of Movements in Costs and Accumulated Depreciation of Property, Plant and Equipment
For the Year Ended December 31, 2025
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6.(6) for relevant movements.

Senao Networks Inc.
Statement of Movements in Costs and Accumulated Depreciation of Right-of-use Assets
For the Year Ended December 31, 2025

(Expressed in thousands of New Taiwan dollars)

Cost

Items	Opening balance	Increase during this period	Decrease during this period	Ending balance	Remarks
Buildings	\$ 278,917	\$ 36,455	\$ -	\$ 315,372	
Transportation equipment	2,057	6,229	-	8,286	
Office equipment	1,889	167	-	2,056	
Other equipment	376	190	-	566	
	<u>\$ 283,239</u>	<u>\$ 43,041</u>	<u>\$ -</u>	<u>\$ 326,280</u>	

Accumulated depreciation

Items	Opening balance	Increase during this period	Decrease during this period	Ending balance	Remarks
Buildings	\$ 126,565	\$ 86,370	\$ -	\$ 212,935	
Transportation equipment	1,086	2,233	-	3,319	
Office equipment	630	387	-	1,017	
Other equipment	266	189	-	455	
	<u>\$ 128,547</u>	<u>\$ 89,179</u>	<u>\$ -</u>	<u>\$ 217,726</u>	

Senao Networks Inc.
Statement of Accounts Payable
December 31, 2025

(Expressed in thousands of New Taiwan dollars)

Name of supplier	Amount	Remarks
WT Microelectronics Co., Ltd.	\$ 331,009	
Others	2,461,193	Each customer's balance did not exceed
	<u>\$ 2,792,202</u>	5% of the total amount of this account.

Senao Networks Inc.
Statement of Other Payables
December 31, 2025
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6.(10) for details of other payables.

Senao Networks Inc.
Statement of Long-term Borrowings
December 31, 2025
(Expressed in thousands of New Taiwan dollars)

Please refer to Note 6.(15) for relevant details of long-term borrowings.

Senao Networks Inc.
Statement of Lease Liabilities
December 31, 2025

(Expressed in thousands of New Taiwan dollars)

Items	Summary	Lease term	Discount rate	Ending balance	Remarks
Buildings	Plants, offices, and employee dormitories	June 1, 2022 - September 30, 2031	1.50%~2.36%	\$ 107,366	
Transportation equipment	Company vehicles	May 20, 2023 - March 11, 2030	2.30%~3.60%	4,968	
Office equipment	Multifunction printers	April 29, 2021 - October 30 2028	0.84%~2.36%	1,132	
Other equipment	Coffee machines	August 1, 2023 - July 31, 2026	2.26%~2.36%	<u>128</u>	
				<u>\$ 113,594</u>	

Note: The portion of lease liabilities maturing within one year has been reclassified to current liabilities.

Senao Networks Inc.
Statement of Operating Revenues
For the Year Ended December 31, 2025
 (Expressed in thousands of New Taiwan dollars)

Items	Quantity (in thousands of units)	Amount
Sales of goods		
Wireless networking systems	920	\$ 3,280,387
Wired networking systems	483	3,997,728
Network computing equipment and systems	677	3,667,649
Server and edge computing equipment and systems	14	410,044
Cloud management software		14,655
Others		924,049
		12,294,512
Sales of service		39,293
		<u>\$ 12,333,805</u>

Senao Networks Inc.
Statement of Operating Costs
For the Year Ended December 31, 2025
 (Expressed in thousands of New Taiwan dollars)

Items	Amount
Raw materials at the beginning of the period	\$ 973,579
Add: Purchases during this period	8,808,926
Others	376,421
Less: Raw materials at the end of the period	(778,035)
Raw materials sold	(99,633)
Raw materials scrapped	(2,047)
Raw materials consumed during this period	9,279,211
Direct labor	639,960
Manufacturing expenses	979,760
Manufacturing cost	10,898,931
Add: Work in progress at the beginning of the period	493,971
Less: Work in progress at the end of the period	(379,651)
Cost of finished goods	11,013,251
Add: Finished goods at the beginning of the period	356,903
Add: Finished goods purchased during the period	1,628
Less: Finished goods at the end of the period	(677,412)
Finished goods scrapped	(22,624)
Reclassification to development project costs	(56,809)
Finished goods reclassified to expenses	(3,514)
Production and sales costs for finished goods	10,611,423
Losses on inventory valuation loss and obsolescence	20,493
Warranty costs	10,455
Costs of raw materials sold	99,633
Revenue from scrap	(1,586)
Costs of sales	10,740,418
Repair or maintenance costs	17,387
Other operating costs	13,136
Operating costs	\$ 10,770,941

Senao Networks Inc.
Statement of Overhead
For the Year Ended December 31, 2025
 (Expressed in thousands of New Taiwan dollars)

Items	Amount	Remarks
Salary and wages	\$ 411,270	
Depreciation	182,634	
Consumables	60,410	
Processing expenses	52,649	
Utilities	52,061	
Miscellaneous purchases	49,105	
Others		Each customer's balance did not exceed 5% of the total amount of this account.
	171,631	
	\$ 979,760	

Senao Networks Inc.
Statement of Selling Expenses
For the Year Ended December 31, 2025
 (Expressed in thousands of New Taiwan dollars)

Items	Amount	Remarks
Salary and wages	\$ 174,714	
Export expense	24,744	
Certification fees	18,056	
Insurance	17,004	
Sample fees	15,560	
Others	44,420	Each customer's balance did not exceed 5% of the total amount of this account.
	<u>44,420</u>	
	<u>\$ 294,498</u>	

Senao Networks Inc.
Statement of General and Administrative Expenses
For the Year Ended December 31, 2025
 (Expressed in thousands of New Taiwan dollars)

Items	Amount	Remarks
Salary and wages	\$ 147,646	
Depreciation	37,360	
Insurance	25,233	
Miscellaneous purchases	17,404	
Others	94,422	Each customer's balance did not exceed 5% of the total amount of this account.
	<u>\$ 322,065</u>	

Senao Networks Inc.
Statement of Research and Development Expenses
For the Year Ended December 31, 2025
 (Expressed in thousands of New Taiwan dollars)

Items	Amount	Remarks
Salary and wages	\$ 573,177	
Depreciation	51,105	
Insurance	48,482	
Research and development expenses	48,200	
Others	85,258	Each customer's balance did not exceed 5% of the total amount of this account.
	<u>\$ 806,222</u>	

Senao Networks Inc.
Statement of Employee Benefits, Depreciation, and Amortization Expenses During the Period by Function (Continued)
For the Years Ended December 31, 2025 and 2024

(Expressed in thousands of New Taiwan dollars)

By nature	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense						
Wages and salaries	\$ 938,279	\$ 831,994	\$ 1,770,273	\$ 709,396	\$ 592,698	\$ 1,302,094
Labor and health insurance fees	82,923	72,998	155,921	82,664	63,786	146,450
Pension costs	26,697	40,227	66,924	31,320	35,561	66,881
Directors' remuneration	-	23,316	23,316	-	29,423	29,423
Other employee benefit expenses	11,800	35,015	46,815	10,303	35,605	45,908
	<u>\$ 1,059,699</u>	<u>\$ 1,003,550</u>	<u>\$ 2,063,249</u>	<u>\$ 833,683</u>	<u>\$ 757,073</u>	<u>\$ 1,590,756</u>
Depreciation	<u>\$ 182,634</u>	<u>\$ 93,805</u>	<u>\$ 276,439</u>	<u>\$ 161,271</u>	<u>\$ 75,350</u>	<u>\$ 236,621</u>
Amortization	<u>\$ 3,927</u>	<u>\$ 16,217</u>	<u>\$ 20,144</u>	<u>\$ 2,942</u>	<u>\$ 11,770</u>	<u>\$ 14,712</u>

Note 1. The number of employees for this year and the prior year was 1,851 and 1,854, respectively, of which the number of directors who did not concurrently serve as employees was seven in both years.

Note 2. Companies whose stocks have been listed on TWSE or traded on TPEX shall disclose the information below additionally:

- (1) The average employee benefit expense for this year was \$1,106 thousand ("Total employee benefit expense for this year - Total directors' remuneration" / "Number of employees for this year - Number of directors who did not concurrently serve as employees").
The average employee benefit expense for the prior year was \$845 thousand ("Total employee benefit expense for the prior year - Total directors' remuneration" / "Number of employees for the prior year - Number of directors who did not concurrently serve as employees").
- (2) The average salary and wages for this year were \$960 thousand (Total salary and wages for this year / "Number of employees for this year - Number of directors who did not concurrently serve as employees").
The average salary and wages for the prior year were \$705 thousand (Total salary and wages for the prior year / "Number of employees for the prior year - Number of directors who did not concurrently serve as employees").
- (3) The increase of the average employee salary and wages is 36% ("Average employee salary and wages for this year - Average employee salary and wages for the prior year" / Average employee salary and wages for the prior year).
- (4) The Company has established an Audit Committee and therefore does not pay any supervisor's remuneration.
- (5) The Company's salary and remuneration policy (including directors, managers, and employees).

Senao Networks Inc.
Statement of Employee Benefits, Depreciation, and Amortization Expenses During the Period by Function (Continued)
For the Years Ended December 31, 2025 and 2024

(Expressed in thousands of New Taiwan dollars)

A. Directors:

- (a) Remuneration to all directors: The Board of Directors is delegated to determine the remuneration to directors based on the degree of their participation in and the values of their contribution to the Company's operations as well as the general standards adopted in the industry. The honoraria to such parties regardless of the Company's profit or loss may also be paid based on the general standards adopted in the industry.
- (b) Where the Company makes a profit for a fiscal year, it shall provide no higher than 3% of the balance for directors' remuneration. Independent directors' remuneration is fixed and paid on a monthly basis, and they do not participate in the distribution of annual profit. However, if the Company has a cumulative deficit, it should reserve an amount first to offset it.

B. Managers and employees:

- (a) If the Company makes a profit for a fiscal year, they shall provide no lower than 3% of the net income before tax as employees' compensation. Of the employees' compensation, no less than 10% shall be distributed to non-executive employees.
- (b) The Company refers to the annual salary increase percentage in the manufacturing industry, the Company's annual operating performance, and profitability, and determines the salary increase percentage after comprehensive considerations per year. Meanwhile, the Company offers differentiated rewards and remuneration to ensure fairness of the salary structure and provides different salary increase percentages depending on the employees/managers performance evaluation results. As per the performance evaluation policy, the Company links strategic targets and performance evaluation results and adopts the results as the basis for employees/managers' salary, promotion, training, and development, to motivate them to work hard.

Senao Networks Inc. Provisions of endorsements and guarantees to others For the Year Ended December 31, 2025														Expressed in thousands of NTD (except as otherwise indicated)
Number (Note 1)	Name of endorser/guarantor	Party endorsed/guaranteed		Limits on endorsement/ guarantee to each enterprise (Note 3)	Maximum balance of endorsement/ guarantee in this period	Ending balance of endorsements/ guarantees (Note 4)	Amount drawn	Amount of property-backed endorsements/ guarantees	Ratio of cumulative endorsement/ guarantee to the net worth as stated in the latest financial statements	Maximum endorsement/ guarantee to be provided (Note 3)	Endorsement/ guarantee provided by parent company to subsidiary	Endorsement/ guarantee provided by subsidiary to parent company	Endorsement/ guarantee to entity in Mainland China	Remarks
		Name of company	Relations (Note 2)											
0	Senao Networks Inc.	EnGenius Networks Inc.	4	\$ 610,352	\$ 100,000	\$ 100,000	\$ -	\$ -	1.64%	\$ 2,441,407	Y	N	N	
0	Senao Networks Inc.	Senao Networks Vietnam Co., Ltd.	4	610,352	251,440	251,440	-	-	4.12%	2,441,407	Y	N	N	
0	Senao Networks Inc.	Senao Networks Vietnam Co., Ltd.	4	610,352	314,300	314,300	119,962	-	5.15%	2,441,407	Y	N	N	

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.

Senao Networks Inc.

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

For the Year Ended December 31, 2025

Table 2

Expressed in thousands of NTD
(except as otherwise indicated)

							Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
			Transaction								
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
EnRack Technology Inc.	Senao Networks Inc.	Parent company and subsidiaries	Sales	\$ 456,492	84	Note	Note	Note	\$ 191,752	90	
Senao Networks Inc.	EnRack Technology Inc.	Parent company and subsidiaries	Purchases	456,492	5	"	"	"	(191,752)	6	
Senao Networks Inc.	EnGenius Technologies, Inc.	Parent company and subsidiaries	Sales	189,189	2	"	"	"	33,299	2	
EnGenius Technologies, Inc.	Senao Networks Inc.	Parent company and subsidiaries	Purchases	189,189	83	"	"	"	(33,299)	89	
Emplus Technologies, Inc.	Emplus Technologies India Private Ltd.	An affiliate	Sales	401,081	16	"	"	"	22	-	
Emplus Technologies India Private Ltd.	Emplus Technologies, Inc.	An affiliate	Purchases	401,081	100	"	"	"	(22)	100	

Note: Sales prices are based on the sales volume. The collection term is net 90 days end of the month.

Senao Networks Inc.

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

December 31, 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	Remarks
					Amount	Handling method			
EnRack Technology Inc.	Senao Networks Inc.	Parent company and subsidiaries	\$ 191,752	3.13	\$ -	-	\$ 128,159	\$ -	

Note: The receivables recovered after the balance sheet date and as of March 10, 2026.

Senao Networks Inc.
The business relationship between the parent company and subsidiaries, and the circumstances of any significant transactions between them
For the Year Ended December 31, 2025

Expressed in thousands of NTD
(except as otherwise indicated)

Table 4

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount (Note 6)	Transaction terms	
0	Senao Networks Inc.	EnGenius Technologies, Inc.	1	Sales of goods	\$ 189,189	Note 4	1
0	Senao Networks Inc.	EnGenius Technologies, Inc.	1	Accounts receivable	33,299	"	-
0	Senao Networks Inc.	EnGenius Networks Singapore Pte. Ltd.	1	Sales of goods	63,062	"	-
0	Senao Networks Inc.	EnGenius Networks Singapore Pte. Ltd.	1	Accounts receivable	12,549	"	-
0	Senao Networks Inc.	EnGenius Networks Europe B.V.	1	Sales of goods	63,623	"	-
0	Senao Networks Inc.	Senao Networks Private Ltd.	1	Sales of goods	24,381	"	-
0	Senao Networks Inc.	EnGenius Networks Japan	1	Sales of goods	13,938	"	-
0	Senao Networks Inc.	Senao Networks Vietnam Co., Ltd.	1	Sales of goods	10,399	"	-
0	Senao Networks Inc.	EnGenius Networks Inc.	1	Sales of goods	15,429	"	-
1	EnGenius Networks Inc.	EnGenius Technologies, Inc.	3	Sales of goods	39,257	"	-
1	EnGenius Networks Inc.	EnGenius Networks Singapore Pte. Ltd.	3	Sales of goods	25,681	"	-
1	EnGenius Networks Inc.	EnGenius Networks Europe B.V.	3	Sales of goods	16,629	"	-
2	EnRack Technology Inc.	Senao Networks Inc.	2	Sales of goods	456,492	"	3
2	EnRack Technology Inc.	Senao Networks Inc.	2	Accounts receivable	191,752	"	1
2	EnRack Technology Inc.	Emplus Technologies, Inc.	3	Sales of goods	76,592	"	1
2	EnRack Technology Inc.	Emplus Technologies, Inc.	3	Accounts receivable	20,679	"	-
3	Emplus Technologies, Inc.	Emplus Technologies India Private Ltd.	3	Sales of goods	401,081	"	3
3	Emplus Technologies, Inc.	EnGenius Networks Inc.	3	Sales of goods	81,064	"	1
3	Emplus Technologies, Inc.	EnGenius Networks Inc.	3	Accounts receivable	14,828	"	-
3	Emplus Technologies, Inc.	Senao Networks Inc.	2	Sales of goods	44,930	"	-
3	Emplus Technologies, Inc.	Senao Networks Inc.	2	Lease liabilities	18,734	Note 5	-
4	EnGenius Technologies, Inc.	EnGenius Technologies Canada Inc.	3	Sales of goods	13,231	Note 4	-

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.

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 December 31, 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.

Senao Networks Inc.
Information on investees
For the Year Ended December 31, 2025

Table 5

Expressed in thousands of NTD (except as otherwise indicated)											
				Initial investment amount (Note 1)		Holding at the end of the period			Income (loss) of the investee for this period	Investment income (loss) recognized by the Company for this period (Note 2)	Remarks
Name of investor	Investee	Location	Main business activities	Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Senao Networks Inc.	EnGenius Technologies, Inc.	USA	Sales of communication products	\$ 62,860	\$ 62,860	60,000	100.00	\$ 16,372	(\$ 20,287)	(\$ 19,595)	
Senao Networks Inc.	EnRack Technology Inc.	Taiwan	Stamping components manufacturing and trading	194,000	194,000	24,900,000	100.00	240,805	771	842	
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	375,510	237,608	120,770	
Senao Networks Inc.	EnGenius International (Samoa) Ltd.	Samoa	Investment holdings	250,111	188,266	3,800,000	100.00	44,420	(25,177)	(24,806)	
Senao Networks Inc.	EnGenius Technologies Canada Inc.	Canada	Sales of communication products	4,308	4,308	100	100.00	12,414	794	794	
Senao Networks Inc.	EnGenius Networks Inc.	Taiwan	Sales of communication products	60,000	60,000	6,000,000	100.00	60,940	2,530	5,518	
Senao Networks Inc.	EnGenius Networks Japan	Japan	Sales of communication products	84,336	34,136	15,000	100.00	72,409	(9,389)	(9,374)	
Senao Networks Inc.	Senao Networks Vietnam Co., Ltd.	Vietnam	Manufacture and sales of communication products	628,600	628,600	-	100.00	530,712	(38,513)	(38,513)	Note 3
Senao Networks Inc.	Senao Networks Private Ltd.	India	Sales of communication products	29,212	29,212	7,640,000	100.00	8,569	(14,695)	(14,690)	
Senao Networks Inc.	Senao Networks USA Inc.	USA	Manufacture and sales of communication products	25,144	-	1	100.00	20,991	(4,050)	(4,050)	
Senao Networks Inc.	Senao Networks Japan	Japan	Sales of communication products	30,120	-	3,800	100.00	29,717	(405)	(405)	
EnGenius International (Samoa) Ltd.	EnGenius Networks Singapore Pte. Ltd.	Singapore	Sales of communication products	248,539	187,009	3,750,000	100.00	51,052	(25,127)	(25,127)	
EnGenius Networks Singapore Pte. Ltd.	EnGenius Networks Europe B.V.	Netherlands	Sales of communication products	111,577	63,739	1,750,000	100.00	32,472	(8,945)	(8,945)	
EnGenius Networks Inc.	EnGenius Networks Private Ltd.	India	Sales of communication products	66,571	43,587	17,850,000	100.00	41,299	(6,971)	(6,971)	
Emplus Technologies, Inc.	Emplus Technologies India Private Ltd.	India	Sales of communication products	3,862	3,862	1,000,000	100.00	5,784	9,317	9,317	

Note 1: The column “Initial investment amount” is translated into New Taiwan Dollars at the spot exchange rate prevailing at the end of the period.

Note 2: Regarding “Investment income (loss) recognized by the Company for this period,” please only enter the income or loss on each direct subsidiary recognized by the Company and each investee valued using the equity method. Regarding the “income or loss on each direct subsidiary recognized by the Company for this period”, it should be confirmed that the amount of income or loss on each direct subsidiary for this period has included its investment income or loss that should be recognized in accordance with the regulations on its investment.

Note 3: It is a limited company, so it has no shares.