

SENAO NETWORKS INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW
REPORT
JUNE 30, 2026 AND 2025

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

INDEPENDENT AUDITORS' REVIEW REPORT

(26) PWCR 26001149

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Senao Networks, Inc. and subsidiaries (the "Group") as at June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and six months then ended as well as of changes in equity and cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports" by Securities Issuers and the International Accounting Standards 34 "Interim Financial Reporting", which has been endorsed and issued into effect by the Financial Supervisory Commission (FSC) of Republic of China, to present the consolidated financial position of the Group fairly, while our responsibility is to express a conclusion on the consolidated financial statements based on our review results.

Scope

Except for that stated in the Basis for Qualified Conclusion paragraph, we conducted our review in accordance with Statement of Auditing Standards No.2410, "Review of Financial Information Performed by the Independent Auditor of the Entity". The procedures performed when we reviewed the consolidated financial statements included inquiries (mainly from personnel in charge of financial and accounting affairs), analytical procedures, and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(3) to the consolidated financial statements, the non-significant subsidiaries' financial statements for the same period included in the above consolidated financial statements have not been reviewed by us. As of June 30, 2026, and 2025, their total assets were NT\$880,370 thousand and NT\$786,973 thousand, respectively, both representing 6% of the total consolidated assets; the total liabilities were NT\$491,356 thousand and NT\$372,961 thousand, respectively, both accounting for 6% of the total consolidated liabilities. For the three months and six months ended June 30, 2026 and 2025, the total comprehensive loss totaled NT\$4,851 thousand, NT\$35,384 thousand, NT\$16,236 thousand, and NT\$40,861 thousand, respectively, accounting for (9%), 469%, (20%), and (20%) of the total consolidated comprehensive income/loss, respectively.

Qualified Conclusion

According to our review results, except that the financial statements of the non-significant subsidiaries described in the Basis for Qualified Conclusion paragraph may result in adjustment to and disclosure of the consolidated financial statements if reviewed by us, we have determined that the foregoing consolidated financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC, with a fair presentation of the Group's consolidated financial position as of June 30, 2026 and 2025, consolidated financial performance for the three months and the six months ended June 30, 2026 and 2025 as well as consolidated cash flows for the six months ended June 30, 2026 and 2025.

Pei-Chuan Huang

Yung-Chih Lin

For and on behalf of PricewaterhouseCoopers, Taiwan

August 4, 2026

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

SENAO NETWORKS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	June 30, 2026		December 31, 2025		June 30, 2025	
			Amount	%	Amount	%	Amount	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 2,348,681	16	\$ 3,673,172	27	\$ 3,908,629	31
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	167	-	11,869	-
1136	Financial assets at amortized cost - current	6(3)	-	-	100,000	1	-	-
1170	Accounts receivable, net	6(4)	2,172,087	15	2,209,638	17	2,332,279	18
1180	Accounts receivable - related parties, net	7	1,033	-	37	-	4,075	-
1200	Other receivables	6(5)	189,459	1	300,221	2	180,434	1
1210	Other receivables - related parties	7	1,261	-	934	-	954	-
1220	Current income tax assets		3,759	-	4,842	-	2,951	-
130X	Inventory	6(6)	4,374,441	30	2,076,303	16	1,912,337	15
1410	Prepayments		185,331	2	63,967	-	62,256	1
1470	Other current assets		3	-	3	-	-	-
11XX	Total current assets		9,276,055	64	8,429,284	63	8,415,784	66
Non-current assets								
1600	Property, plant and equipment	6(7) and 8	4,475,563	31	4,241,313	31	3,684,661	29
1755	Right-of-use assets	6(8) and 7	522,010	4	476,339	3	455,410	3
1780	Intangible assets	6(9)	62,920	-	70,995	1	69,485	1
1840	Deferred income tax assets		81,076	1	86,219	1	77,568	1
1900	Other non-current assets	6(10)	69,298	-	75,923	1	42,373	-
15XX	Total non-current assets		5,210,867	36	4,950,789	37	4,329,497	34
1XXX	Total assets		\$ 14,486,922	100	\$ 13,380,073	100	\$ 12,745,281	100

(Continued)

SENAO NETWORKS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			June 30, 2026		December 31, 2025		June 30, 2025	
			Amount	%	Amount	%	Amount	%
Current liabilities								
2100	Short-term borrowings	6(11)	\$ 261,395	2	\$ 174,557	1	\$ 32,523	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)	1,132	-	1,915	-	-	-
2130	Current contract liabilities	6(20)	438,344	3	164,736	1	254,850	2
2150	Notes payable		-	-	9,900	-	3,702	-
2170	Accounts payable		4,645,710	32	3,476,333	26	3,472,866	28
2200	Other payables	6(12)(29)	1,168,503	8	1,076,577	8	1,078,658	9
2220	Other payables - related parties	7	58,747	1	153	-	58,923	-
2230	Current income tax liabilities		7,780	-	31,876	-	45,680	-
2250	Current provisions	6(14)	54,473	-	57,531	1	49,063	-
2280	Current lease liabilities	7	160,763	1	125,088	1	141,497	1
2320	Current portion of long-term liabilities	6(16)	36,810	-	-	-	-	-
2399	Other current liabilities – other	6(15)	459,864	3	430,242	3	342,399	3
21XX	Total current liabilities		7,293,521	50	5,548,908	41	5,480,161	43
Non-current liabilities								
2527	Non-current contract liabilities	6(20)	18,340	-	17,630	-	16,493	-
2540	Long-term borrowings	6(16)	699,390	5	1,163,646	9	810,868	7
2550	Non-current provisions	6(14)	27,254	-	26,309	-	-	-
2570	Deferred income tax liabilities		1,019	-	1,192	-	9,216	-
2580	Non-current lease liabilities	7	167,822	1	159,342	1	132,777	1
2600	Other non-current liabilities		90	-	90	-	93	-
25XX	Total non-current liabilities		913,915	6	1,368,209	10	969,447	8
2XXX	Total liabilities		8,207,436	56	6,917,117	51	6,449,608	51
Equity								
Equity attributable to owners of the parent								
	Share capital	6(17)						
3110	Share capital - common stock		590,609	4	590,609	4	590,609	5
	Capital surplus	6(18)						
3200	Capital surplus		1,886,279	13	1,886,279	14	1,886,279	15
	Retained earnings	6(19)						
3310	Legal reserve		798,905	6	767,971	6	767,971	6
3320	Special reserve		80,349	1	24,673	-	24,673	-
3350	Unappropriated retained earnings		2,698,383	19	2,914,335	22	2,833,554	22
	Other equity							
3400	Other equity		(75,528)	(1)	(80,349)	-	(121,872)	(1)
31XX	Equity attributable to owners of the parent		5,978,997	42	6,103,518	46	5,981,214	47
36XX	Non-controlling interest	4(3)	300,489	2	359,438	3	314,459	2
3XXX	Total equity		6,279,486	44	6,462,956	49	6,295,673	49
3X2X	Total liabilities and equity		\$ 14,486,922	100	\$ 13,380,073	100	\$ 12,745,281	100

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

SENAO NETWORKS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenues	6(20) and 7	\$ 3,569,389	100	\$ 3,967,827	100	\$ 6,627,594	100	\$ 7,961,953	100
5000 Operating costs	6(6)(26)	(2,975,819)	(83)	(3,339,991)	(84)	(5,537,312)	(84)	(6,620,637)	(83)
5900 Net operating margin		<u>593,570</u>	<u>17</u>	<u>627,836</u>	<u>16</u>	<u>1,090,282</u>	<u>16</u>	<u>1,341,316</u>	<u>17</u>
Operating expenses	6(26)								
6100 Selling expenses		(145,602)	(4)	(144,116)	(4)	(291,947)	(4)	(283,616)	(4)
6200 General and administrative expenses		(137,057)	(4)	(134,833)	(3)	(249,972)	(4)	(265,561)	(3)
6300 Research and development expenses		(270,909)	(8)	(255,735)	(6)	(532,788)	(8)	(504,631)	(6)
6450 Expected credit impairment loss	12(2)	(1,281)	-	(1,612)	-	(1,155)	-	(2,644)	-
6000 Total operating expenses		<u>(554,849)</u>	<u>(16)</u>	<u>(536,296)</u>	<u>(13)</u>	<u>(1,075,862)</u>	<u>(16)</u>	<u>(1,056,452)</u>	<u>(13)</u>
6500 Net other income (expenses)	6(21)	<u>24,615</u>	<u>1</u>	<u>17,564</u>	<u>-</u>	<u>61,639</u>	<u>1</u>	<u>45,936</u>	<u>1</u>
6900 Operating profit		<u>63,336</u>	<u>2</u>	<u>109,104</u>	<u>3</u>	<u>76,059</u>	<u>1</u>	<u>330,800</u>	<u>5</u>
Non-operating income and expenses									
7100 Interest income	6(22)	13,606	-	14,714	-	20,753	-	23,937	-
7010 Other income	6(23)	4,047	-	6,781	-	12,060	-	12,260	-
7020 Other gains and losses	6(24)	(1,546)	-	(27,346)	(1)	2,987	-	(11,804)	-
7050 Finance costs	6(25) and 7	(5,989)	-	(2,429)	-	(11,254)	-	(5,374)	-
7000 Total non-operating income and expenses		<u>10,118</u>	<u>-</u>	<u>(8,280)</u>	<u>(1)</u>	<u>24,546</u>	<u>-</u>	<u>19,019</u>	<u>-</u>
7900 Profit before income tax		<u>73,454</u>	<u>2</u>	<u>100,824</u>	<u>2</u>	<u>100,605</u>	<u>1</u>	<u>349,819</u>	<u>5</u>
7950 Income tax (expense) benefits	6(27)	(18,212)	(1)	491	-	(25,537)	-	(49,511)	(1)
8200 Profit for the period		<u>\$ 55,242</u>	<u>1</u>	<u>\$ 101,315</u>	<u>2</u>	<u>\$ 75,068</u>	<u>1</u>	<u>\$ 300,308</u>	<u>4</u>
Other comprehensive income (loss), net									
Components of other comprehensive income (loss) that will be reclassified to profit or loss									
8361 Financial statements translation differences of foreign operations		(\$ 3,798)	-	(\$ 108,860)	(3)	\$ 4,729	-	(\$ 99,457)	(1)
8300 Other comprehensive income (loss), net		<u>(\$ 3,798)</u>	<u>-</u>	<u>(\$ 108,860)</u>	<u>(3)</u>	<u>\$ 4,729</u>	<u>-</u>	<u>(\$ 99,457)</u>	<u>(1)</u>
8500 Total comprehensive income (loss) for the period		<u>\$ 51,444</u>	<u>1</u>	<u>(\$ 7,545)</u>	<u>(1)</u>	<u>\$ 79,797</u>	<u>1</u>	<u>\$ 200,851</u>	<u>3</u>
Profit attributable to:									
8610 Owners of the parent		<u>\$ 41,882</u>	<u>1</u>	<u>\$ 75,971</u>	<u>1</u>	<u>\$ 47,841</u>	<u>1</u>	<u>\$ 228,564</u>	<u>3</u>
8620 Non-controlling interest		<u>\$ 13,360</u>	<u>-</u>	<u>\$ 25,344</u>	<u>1</u>	<u>\$ 27,227</u>	<u>-</u>	<u>\$ 71,744</u>	<u>1</u>
Comprehensive income (loss) attributable to:									
8710 Owners of the parent		<u>\$ 38,098</u>	<u>1</u>	<u>(\$ 30,393)</u>	<u>(1)</u>	<u>\$ 52,662</u>	<u>1</u>	<u>\$ 131,365</u>	<u>2</u>
8720 Non-controlling interest	4(3)	<u>\$ 13,346</u>	<u>-</u>	<u>\$ 22,848</u>	<u>-</u>	<u>\$ 27,135</u>	<u>-</u>	<u>\$ 69,486</u>	<u>1</u>
Earnings per share	6(28)								
9750 Basic earnings per share		<u>\$ 0.71</u>		<u>\$ 1.29</u>		<u>\$ 0.81</u>		<u>\$ 3.87</u>	
9850 Diluted earnings per share		<u>\$ 0.71</u>		<u>\$ 1.28</u>		<u>\$ 0.81</u>		<u>\$ 3.86</u>	

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

SENAO NETWORKS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent									
		Capital surplus			Retained earnings			Financial statements			
		Share capital - common stock	Additional paid- in capital	Others	Legal reserve	Special reserve	Unappropriated retained earnings	translation differences of foreign operations	Total	Non-controlling interest	Total equity
Notes											
<u>Six months ended June 30, 2025</u>											
		\$ 590,609	\$ 1,885,969	\$ 310	\$ 743,274	\$ 88,694	\$ 2,742,849	(\$ 24,673)	\$ 6,027,032	\$ 320,297	\$ 6,347,329
		-	-	-	-	-	228,564	-	228,564	71,744	300,308
		-	-	-	-	-	-	(97,199)	(97,199)	(2,258)	(99,457)
		-	-	-	-	-	228,564	(97,199)	131,365	69,486	200,851
Appropriations of 2024 earnings	6(19)										
		-	-	-	24,697	-	(24,697)	-	-	-	-
		-	-	-	-	(64,021)	64,021	-	-	-	-
		-	-	-	-	-	(177,183)	-	(177,183)	-	(177,183)
Change in non-controlling interest	4(3)	-	-	-	-	-	-	-	-	(75,324)	(75,324)
		\$ 590,609	\$ 1,885,969	\$ 310	\$ 767,971	\$ 24,673	\$ 2,833,554	(\$ 121,872)	\$ 5,981,214	\$ 314,459	\$ 6,295,673
<u>Six months ended June 30, 2026</u>											
		\$ 590,609	\$ 1,885,969	\$ 310	\$ 767,971	\$ 24,673	\$ 2,914,335	(\$ 80,349)	\$ 6,103,518	\$ 359,438	\$ 6,462,956
		-	-	-	-	-	47,841	-	47,841	27,227	75,068
		-	-	-	-	-	-	4,821	4,821	(92)	4,729
		-	-	-	-	-	47,841	4,821	52,662	27,135	79,797
Appropriations of 2025 earnings	6(19)										
		-	-	-	30,934	-	(30,934)	-	-	-	-
		-	-	-	-	55,676	(55,676)	-	-	-	-
		-	-	-	-	-	(177,183)	-	(177,183)	-	(177,183)
Change in non-controlling interest	4(3)	-	-	-	-	-	-	-	-	(86,084)	(86,084)
		\$ 590,609	\$ 1,885,969	\$ 310	\$ 798,905	\$ 80,349	\$ 2,698,383	(\$ 75,528)	\$ 5,978,997	\$ 300,489	\$ 6,279,486

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

SENAO NETWORKS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

		Six months ended June 30	
	Notes	2026	2025
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 100,605	\$ 349,819
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(26)	223,481	185,709
Amortization	6(26)	13,662	10,301
Expected credit impairment loss	12(2)	1,155	2,644
Net gain on financial assets and liabilities at fair value			
through profit or loss	(	616)	(15,104)
Interest income	6(22)	(20,753)	(23,937)
Interest expense	6(25)	10,730	5,023
Losses (gains) on disposal of property, plant and equipment	6(24)	2,144	(1,076)
Property, plant and equipment reclassified to expenses	6(7)	136	-
Gains on lease modification	6(24)	(87)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		-	24
Accounts receivable		36,397	(195,331)
Accounts receivable - related parties, net	(	996)	(4,075)
Other receivables		106,875	(21,097)
Other receivables - related parties	(	327)	(83)
Inventory	(	2,298,138)	277,836
Prepayments	(	121,364)	(25,013)
Changes in operating liabilities			
Contract liabilities		274,318	(7,508)
Notes payable	(	9,900)	994
Accounts payable		1,169,377	(188,838)
Other payables	(	30,433)	(76,678)
Other payables - related parties	(	121)	(171)
Current provisions	(	3,580)	6,060
Other current liabilities – other		29,622	(6,783)
Net defined benefit plan	(	123)	(430)
Other non-current liabilities		-	3
Cash (used in) generated from operating activities	(	517,936)	272,289
Interest received		21,130	23,784
Interest paid	(	10,299)	(5,180)
Income tax paid	(	41,504)	(35,268)
Net cash flow (used in) generated from operating activities	(	548,609)	255,625

(Continued)

SENAO NETWORKS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

		Six months ended June 30	
	Notes	2026	2025
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Disposal of financial assets at amortized cost	6(3)	\$ 100,000	\$ -
Acquisition of property, plant and equipment (including capitalized interest)	6(29)	(340,421)	(491,058)
Proceeds from disposal of property, plant and equipment		1,644	1,315
Acquisition of intangible assets	6(9)	(5,572)	(11,384)
Decrease (increase) in refundable deposits		(1,548)	221
Increase in other non-current assets		(1,697)	(66)
Net cash flows used in investing activities		(247,594)	(500,972)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(30)	84,448	18,273
Long-term borrowings	6(30)	60,813	259,941
Repayment of long-term borrowings	6(30)	(500,000)	-
Lease payments	6(8)(30)	(83,626)	(72,429)
Change in non-controlling interest	4(3)	(86,084)	(75,324)
Net cash flows (used in) generated from financing activities		(524,449)	130,461
Effect of exchange rate changes on cash and cash equivalents		(3,839)	(50,351)
Decrease in cash and cash equivalents		(1,324,491)	(165,237)
Cash and cash equivalents at beginning of period		3,673,172	4,073,866
Cash and cash equivalents at end of period		\$ 2,348,681	\$ 3,908,629

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

SENAO NETWORKS INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

(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 CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

The consolidated financial statements were approved for release by the Board of Directors on August 4, 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 2026, as endorsed and issued into effect by the FSC:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to 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
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 on the Group’s financial condition and financial performance based on the Group’s assessment.

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

The table below lists the new, revised, and amended standards and interpretations of the IFRS Accounting Standards, which apply to the reporting period for 2027, as endorsed by the FSC:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 1)
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
Amendments to IAS 28 “Fair Value Option for Investments in Associates and Joint Ventures”	January 1, 2027 (Note 2)

Note 1: An entity shall apply International Financial Reporting Standard 18 (hereinafter referred to as IFRS 18) for annual reporting periods beginning on or after January 1, 2028, with earlier application permitted.

Note 2: An entity shall apply this concurrently with 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 Group’s financial condition and financial performance based on the Group’s assessment:

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

(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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 20, “Regulatory Assets and Regulatory Liabilities”	January 1, 2029

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2025, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Statements by Securities Issuers” and IAS 34, “Interim Financial Reporting” as endorsed and issued into effect by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of preparation

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

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial reports:

The basis for preparation of consolidated financial statements are consistent with those of the year ended December 31, 2025.
- B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2026	December 31, 2025	June 30, 2025	
Senao Networks Inc.	EnGenius Technologies, Inc.	Sales of communication products	100	100	100	Note
Senao Networks Inc.	EnRack Technology Inc.	Stamping components manufacturing and trading	100	100	100	Note

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2026	December 31, 2025	June 30, 2025	
Senao Networks Inc.	Emplus Technologies, Inc.	Research and development, manufacture and sales of communication products	50.99	50.99	50.99	
Senao Networks Inc.	EnGenius International (Samoa) Ltd.	Investment holdings	100	100	100	Note
Senao Networks Inc.	EnGenius Technologies Canada Inc.	Sales of communication products	100	100	100	Note
Senao Networks Inc.	EnGenius Networks Inc.	Sales of communication products	100	100	100	Note
Senao Networks Inc.	EnGenius Networks Japan	Sales of communication products	100	100	100	Note
Senao Networks Inc.	Senao Networks Private Ltd.	Sales of communication products	100	100	100	Note
Senao Networks Inc.	Senao Networks Vietnam Co., Ltd.	Manufacture and sales of communication products	100	100	100	
Senao Networks Inc.	Senao Networks USA Inc.	Manufacture and sales of communication products	100	100	100	Note
Senao Networks Inc.	Senao Networks Japan	Sales of communication products	100	100	100	Note
EnGenius International (Samoa) Ltd.	EnGenius Networks Singapore Pte. Ltd.	Sales of communication products	100	100	100	Note
EnGenius Networks Singapore Pte. Ltd.	EnGenius Networks Europe B.V.	Sales of communication products	100	100	100	Note
EnGenius Networks Inc.	EnGenius Networks Private Ltd.	Sales of communication products	100	100	100	Note
Emplus Technologies, Inc.	Emplus Technologies India Private Ltd.	Sales of communication products	100	100	100	

Note: The financial statements as of and for the six months ended June 30, 2026 and 2025 were not reviewed by independent auditors as the entity did not meet the definition of significant subsidiary.

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

As of June 30, 2026, December 31, 2025, and June 30, 2025, the non-controlling interests amounted to \$300,489, \$359,438, and \$314,459, respectively. The information on non-controlling interests and respective subsidiary is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest June 30, 2026		Non-controlling interest December 31, 2025	
		Amount	Ownership (%)	Amount	Ownership (%)
Emplus Technologies, Inc. and subsidiaries	Taiwan	\$ 300,489	49.01%	\$ 359,438	49.01%

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

Aggregated financial information on subsidiaries:

Balance sheet

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	\$ 1,437,868	\$ 1,435,396	\$ 1,425,378
Non-current assets	227,250	226,483	246,084
Current liabilities	(1,028,927)	(885,927)	(973,440)
Non-current liabilities	(23,026)	(42,500)	(56,351)
Total net assets	<u>\$ 613,165</u>	<u>\$ 733,452</u>	<u>\$ 641,671</u>

Statement of comprehensive income

	Three months ended June 30	
	2026	2025
Revenue	<u>\$ 528,624</u>	<u>\$ 660,643</u>
Profit before income tax	\$ 32,738	\$ 51,594
Income tax (expense) benefits	(5,477)	121
Profit for the period from continuing operations	27,261	51,715
Other comprehensive income (loss), net of tax	(26)	(5,092)
Total comprehensive income (loss) for the period	<u>\$ 27,235</u>	<u>\$ 46,623</u>
Comprehensive income (loss) attributable to non-controlling interest	<u>\$ 13,346</u>	<u>\$ 22,848</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

	Six months ended June 30	
	2026	2025
Revenue	<u>\$ 990,201</u>	<u>\$ 1,312,337</u>
Profit before income tax	\$ 60,480	\$ 169,094
Income tax expense	(4,923)	(22,699)
Profit for the period from continuing operations	55,557	146,395
Other comprehensive income (loss), net of tax	(187)	(4,606)
Total comprehensive income (loss) for the period	<u>\$ 55,370</u>	<u>\$ 141,789</u>
Comprehensive income (loss) attributable to non-controlling interest	<u>\$ 27,135</u>	<u>\$ 69,486</u>
Dividends paid to non-controlling interest	<u>\$ 86,084</u>	<u>\$ 75,324</u>

Statement of cash flows

	Six months ended June 30	
	2026	2025
Net cash flow generated from (used in) operating activities	\$ 47,722	(\$ 22,228)
Net cash flows generated from (used in) investing activities	73,141	(24,781)
Net cash flows used in financing activities	(199,149)	(173,809)
Effect of exchange rate changes on cash and cash equivalents	(187)	(4,606)
Decrease in cash and cash equivalents	(78,473)	(225,424)
Cash and cash equivalents at beginning of period	737,204	964,386
Cash and cash equivalents at end of period	<u>\$ 658,731</u>	<u>\$ 738,962</u>

(4) Employee benefits

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

(5) Income tax

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

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

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

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

As of June 30, 2026, the carrying amount of inventories was \$4,374,441.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand and revolving funds	\$ 150	\$ 164	\$ 391
Checking accounts and demand deposits	457,422	838,283	840,394
Time deposits	1,891,109	2,834,725	3,067,844
	<u>\$ 2,348,681</u>	<u>\$ 3,673,172</u>	<u>\$ 3,908,629</u>

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

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

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

	June 30, 2026	December 31, 2025	June 30, 2025
Current items:			
Financial assets mandatorily at fair value through profit or loss			
Derivatives	<u>\$ -</u>	<u>\$ 167</u>	<u>\$ 11,869</u>
Financial liabilities mandatorily at fair value through profit or loss			
Derivatives	<u>(\$ 1,132)</u>	<u>(\$ 1,915)</u>	<u>\$ -</u>

A. The net gains (losses) on financial assets and liabilities at fair value through profit or loss recognized by the Group for the three months and six months ended June 30, 2026 and 2025 were (\$158), \$88,426, (\$1,662), and \$78,017, respectively.

B. The Group's forward exchange agreements, for which hedge accounting is not adopted and which have not yet matured on the balance sheet date, are as follows:

June 30, 2026	Currency	Agreement period	Contract amount
Forward exchange agreements sold	USD : NTD	June 5, 2026 - July 15, 2026	USD 1,000 / NTD 31,457
Forward exchange agreements sold	USD : NTD	June 5, 2026 - July 29, 2026	USD 1,000 / NTD 31,426
Forward exchange agreements sold	USD : NTD	June 9, 2026 - August 12, 2026	USD 1,000 / NTD 31,541
Forward exchange agreements sold	USD : NTD	June 24, 2026 - September 2, 2026	USD 1,000 / NTD 31,556

December 31, 2025	Currency	Agreement period	Contract amount
Forward exchange agreements sold	USD : NTD	December 4, 2025 - January 14, 2026	USD 2,000 / NTD 62,464
Forward exchange agreements sold	USD : NTD	December 4, 2025 - January 14, 2026	USD 2,000 / NTD 62,474
Forward exchange agreements sold	USD : NTD	December 5, 2025 - January 21, 2026	USD 2,000 / NTD 62,480
Forward exchange agreements sold	USD : NTD	December 8, 2025 - January 28, 2026	USD 2,000 / NTD 62,140
Forward exchange agreements sold	USD : NTD	December 15, 2025 - January 14, 2026	USD 1,000 / NTD 31,295
Forward exchange agreements sold	USD : NTD	December 15, 2025 - January 28, 2026	USD 3,000 / NTD 93,840
Forward exchange agreements sold	USD : NTD	December 17, 2025 - January 14, 2026	USD 1,000 / NTD 31,423
Forward exchange agreements sold	USD : NTD	December 17, 2025 - February 6, 2026	USD 500 / NTD 15,723
Forward exchange agreements sold	USD : NTD	December 17, 2025 - February 13, 2026	USD 1,000 / NTD 31,432
Forward exchange agreements sold	USD : NTD	December 24, 2025 - January 14, 2026	USD 700 / NTD 21,967

June 30, 2025	Currency	Agreement period	Contract amount
Forward exchange agreements sold	USD : NTD	May 7, 2025 - July 2, 2025	USD 1,000 / NTD 30,042
Forward exchange agreements sold	USD : NTD	May 7, 2025 - July 16, 2025	USD 1,000 / NTD 30,002
Forward exchange agreements sold	USD : NTD	May 15, 2025 - July 9, 2025	USD 1,000 / NTD 30,030
Forward exchange agreements sold	USD : NTD	June 5, 2025 - August 20, 2025	USD 2,000 / NTD 59,422
Forward exchange agreements sold	USD : NTD	June 5, 2025 - August 6, 2025	USD 1,000 / NTD 29,752
Forward exchange agreements sold	USD : NTD	June 13, 2025 - August 27, 2025	USD 2,000 / NTD 58,764
Forward exchange agreements sold	USD : NTD	June 25, 2025 - September 10, 2025	USD 1,000 / NTD 29,210
Forward exchange agreements sold	USD : NTD	May 23, 2025 - July 11, 2025	USD 3,000 / NTD 89,655
Forward exchange agreements sold	USD : NTD	May 23, 2025 - July 16, 2025	USD 2,000 / NTD 59,746
Forward exchange agreements sold	USD : NTD	June 5, 2025 - July 18, 2025	USD 3,000 / NTD 89,370
Forward exchange agreements sold	USD : NTD	June 5, 2025 - July 18, 2025	USD 2,000 / NTD 59,620
Forward exchange agreements sold	USD : NTD	June 13, 2025 - July 23, 2025	USD 2,000 / NTD 58,942

June 30, 2025	Currency	Agreement period	Contract amount
Forward exchange agreements sold	USD : NTD	June 13, 2025 - July 25, 2025	USD 2,000 / NTD 59,104
Forward exchange agreements sold	USD : NTD	June 25, 2025 - July 30, 2025	USD 2,000 / NTD 58,750
Forward exchange agreements sold	USD : NTD	June 25, 2025 - August 13, 2025	USD 3,000 / NTD 87,846

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

(3) Financial assets at amortized cost

	June 30, 2026	December 31, 2025	June 30, 2025
Current items:			
Time deposits with original maturities of more than 3 months.	\$ -	\$ 100,000	\$ -

- A. The details of financial assets at amortized cost recognized in profit or loss are as follows:

	Three months ended June 30	
	2026	2025
Interest income	\$ -	\$ -

	Six months ended June 30	
	2026	2025
Interest income	\$ 304	\$ -

- B. As of December 31, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposures to credit risk of financial assets at amortized cost held by the Group was \$100,000. There was no such situation as of June 30, 2026 and 2025.
- C. The counterparties for the Group's investments in certificates of deposit are financial institutions with good credit quality; the probability of default is expected to be very low.
- D. The Group has no financial assets at amortized cost pledged to others.

(4) Accounts receivable, net

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable	\$ 2,174,401	\$ 2,210,798	\$ 2,334,896
Less: Allowance for bad debts	(2,314)	(1,160)	(2,617)
	<u>\$ 2,172,087</u>	<u>\$ 2,209,638</u>	<u>\$ 2,332,279</u>

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

	June 30, 2026	December 31, 2025	June 30, 2025
Not past due	\$ 2,139,583	\$ 2,071,506	\$ 2,242,206
Up to 30 days	25,911	138,778	85,527
31 to 60 days	8,377	510	3,391
61 to 90 days	241	-	1,661
91 to 180 days	-	-	2,111
Over 180 days	289	4	-
	<u>\$ 2,174,401</u>	<u>\$ 2,210,798</u>	<u>\$ 2,334,896</u>

The above aging analysis is based on past due dates.

- B. As of June 30, 2026, December 31, 2025, June 30, 2025 and January 1, 2025, the balances of receivables (including notes receivable) from contracts with customers amounted to \$2,174,401, \$2,210,798, \$2,334,896, and \$2,139,589, respectively.
- C. The Group does not hold any collateral.
- D. As of June 30, 2026, December 31, 2025 and June 30, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposures to credit risk in respect of the amounts that best represented the Group's accounts receivable were \$2,172,087, \$2,209,638 and \$2,332,279, respectively.
- E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Transfer of financial assets

- A. The Group entered into a factoring agreement with certain banks to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognized the transferred accounts receivable. As of June 30, 2026, December 31, 2025 and June 30, 2025, the transferred accounts receivable are as follows:

June 30, 2026					
Purchaser of accounts receivable	Accounts receivable transferred (Note)	Amount derecognized	Facilities (thousand)	Amount advanced	Interest rate of amount advanced
CTBC Bank	\$ 15,424	\$ 15,424	USD 1,680	\$ -	-
Taishin International Bank	4,469	4,469	USD 1,383	-	-
Total	<u>\$ 19,893</u>	<u>\$ 19,893</u>		<u>\$ -</u>	

December 31, 2025					
Purchaser of accounts receivable	Accounts receivable transferred (Note)	Amount derecognized	Facilities (thousand)	Amount advanced	Interest rate of amount advanced
CTBC Bank	\$ 12,029	\$ 12,029	USD 1,200	\$ -	-
Taishin International Bank	20,758	20,758	USD 1,383	-	-
Total	<u>\$ 32,787</u>	<u>\$ 32,787</u>		<u>\$ -</u>	

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

Note: Recorded as “other receivables”.

- B. The Group paid factoring expenses of \$254, \$174, \$524 and \$351 upon transfer of the derecognized accounts receivable for the three months and six months ended June 30, 2026 and 2025, respectively, which was recorded as “finance costs”.

(6) Inventory

	June 30, 2026	December 31, 2025	June 30, 2025
Raw materials	\$ 2,967,267	\$ 824,462	\$ 884,678
Work in progress	737,745	487,044	583,409
Finished goods	669,429	764,797	444,250
	<u>\$ 4,374,441</u>	<u>\$ 2,076,303</u>	<u>\$ 1,912,337</u>

The cost of inventories recognized as expense for the three months and six months ended June 30, 2026 and 2025, were \$2,959,127, \$3,331,056, \$5,514,652, and \$6,604,375, respectively, for which some inventories had been recognized in valuation losses due to destocking for the three months ended June 30, 2026 and 2025, and the six months ended June 30, 2026, and the net realizable value of inventories recovered and a decrease in the cost of goods sold by \$2,853, \$6,306, and \$2,273, respectively, was recognized; and the Group wrote down the cost to net realizable value, that is \$20,984, for the six months ended June 30, 2025.

(7) Property, plant and equipment

2026									
	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	\$ 1,350,594	\$ 1,779,155	\$ 212,848	\$ 189,310	\$ 88,117	\$ 102,412	\$ 875,896	\$ 5,549,081
Accumulated depreciation and impairment	-	(40,128)	(869,095)	(189,514)	(99,955)	(44,298)	(64,778)	-	(1,307,768)
	<u>\$ 950,749</u>	<u>\$ 1,310,466</u>	<u>\$ 910,060</u>	<u>\$ 23,334</u>	<u>\$ 89,355</u>	<u>\$ 43,819</u>	<u>\$ 37,634</u>	<u>\$ 875,896</u>	<u>\$ 4,241,313</u>
At January 1	\$ 950,749	\$ 1,310,466	\$ 910,060	\$ 23,334	\$ 89,355	\$ 43,819	\$ 37,634	\$ 875,896	\$ 4,241,313
Additions	-	1,775	73,361	6,547	14,170	811	4,305	230,999	331,968
Disposals	-	-	(3,691)	-	(52)	(19)	(26)	-	(3,788)
Transfer (Note)	-	-	5,685	3,510	-	1,164	-	15,416	25,775
Depreciation	-	(22,463)	(76,109)	(11,849)	(13,191)	(6,146)	(8,014)	-	(137,772)
Net exchange differences	-	2	1,974	13	37	12	(176)	16,205	18,067
At June 30	<u>\$ 950,749</u>	<u>\$ 1,289,780</u>	<u>\$ 911,280</u>	<u>\$ 21,555</u>	<u>\$ 90,319</u>	<u>\$ 39,641</u>	<u>\$ 33,723</u>	<u>\$ 1,138,516</u>	<u>\$ 4,475,563</u>
At June 30									
Cost	\$ 950,749	\$ 1,352,371	\$ 1,846,318	\$ 217,097	\$ 200,577	\$ 89,771	\$ 106,495	\$ 1,138,516	\$ 5,901,894
Accumulated depreciation and impairment	-	(62,591)	(935,038)	(195,542)	(110,258)	(50,130)	(72,772)	-	(1,426,331)
	<u>\$ 950,749</u>	<u>\$ 1,289,780</u>	<u>\$ 911,280</u>	<u>\$ 21,555</u>	<u>\$ 90,319</u>	<u>\$ 39,641</u>	<u>\$ 33,723</u>	<u>\$ 1,138,516</u>	<u>\$ 4,475,563</u>

Note: The net amount of transfers during the current period consists of \$136 transferred out to expenses, \$3,510 transfers of tooling originally held for collection and payment purposes to own-use assets, and \$22,401 transferred in from other non-current assets.

2025

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

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

- A. Please refer to Note 8 for more information on property, plant and equipment provided as collateral.
- B. The capitalized amounts of borrowing costs for the Group's property, plant and equipment for the six months ended June 30, 2026 and 2025, totaled \$27,074 and \$8,809, respectively, and the capitalized interest rates were 5.70%-8.80% and 2.55%-5.85%, respectively.

(8) Lease transactions - lessee

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

	June 30, 2026	December 31, 2025	June 30, 2025
	Book value	Book value	Book value
Land	\$ 206,177	\$ 205,070	\$ 195,057
Buildings	305,989	259,937	248,179
Transportation equipment	7,457	8,056	8,505
Office equipment	993	1,270	1,242
Other equipment	1,394	2,006	2,427
	<u>\$ 522,010</u>	<u>\$ 476,339</u>	<u>\$ 455,410</u>

	Three months ended June 30	
	2026	2025
	Depreciation	Depreciation
Land	\$ 1,177	\$ 1,131
Buildings	40,292	35,338
Transportation equipment	1,013	1,085
Office equipment	132	149
Other equipment	306	305
	<u>\$ 42,920</u>	<u>\$ 38,008</u>

	Six months ended June 30	
	2026	2025
	Depreciation	Depreciation
Land	\$ 2,369	\$ 2,427
Buildings	80,426	70,599
Transportation equipment	2,025	1,983
Office equipment	277	299
Other equipment	612	611
	<u>\$ 85,709</u>	<u>\$ 75,919</u>

D. For the three months and six months ended June 30, 2026 and 2025, the additions to right-of-use assets were \$102,197, \$7,709, \$130,483 and \$22,382, respectively.

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

	Three months ended June 30	
	2026	2025
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,189	\$ 1,736
Expense on short-term lease contracts	1,809	2,413
Expense on low-value asset lease	58	58
Expense on variable lease payments	1,217	1,826
Gains on lease modification	53	-
Gain on sublease of right-of-use assets (Note)	1,970	1,521
	Six months ended June 30	
	2026	2025
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 4,342	\$ 3,674
Expense on short-term lease contracts	4,057	5,042
Expense on low-value asset lease	116	110
Expense on variable lease payments	2,570	3,827
Gains on lease modification	87	-
Gain on sublease of right-of-use assets (Note)	3,389	2,878

Note: Recorded as “other income”, please refer to Note 6(23).

F. For the six months ended June 30, 2026 and 2025, the Group’s total cash outflow relating to lease contracts was \$94,711 and \$85,082, respectively, of which \$83,626 and \$72,429 were lease liabilities, respectively.

G. Due to the early termination of the contract during the six months ended June 30, 2026, the Group's right-of-use assets and lease liabilities decreased by \$2,625 and \$2,712, respectively, and a gain on lease modification of \$87 was recognized. There was no such case during the six months ended June 30, 2025.

H. Variable lease payments

The underlying subjects of the variable lease payment terms in the Group's lease contracts are calculated based on the average annual Consumer Price Index (CPI) growth rate, and the lease payment amounts are reassessed and adjusted per year.

I. Extension and termination options

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

(9) Intangible assets

A. Changes to intangible assets are as follows:

	2026		
	Computer software	Goodwill	Total
At January 1			
Cost	\$ 200,233	\$ 480	\$ 200,713
Accumulated amortization and impairment	(129,718)	-	(129,718)
	<u>\$ 70,515</u>	<u>\$ 480</u>	<u>\$ 70,995</u>
At January 1	\$ 70,515	\$ 480	\$ 70,995
Additions	5,572	-	5,572
Amortization	(13,662)	-	(13,662)
Net exchange differences	15	-	15
At June 30	<u>\$ 62,440</u>	<u>\$ 480</u>	<u>\$ 62,920</u>
At June 30			
Cost	\$ 205,613	\$ 480	\$ 206,093
Accumulated amortization and impairment	(143,173)	-	(143,173)
	<u>\$ 62,440</u>	<u>\$ 480</u>	<u>\$ 62,920</u>
	2025		
	Computer software	Goodwill	Total
At January 1			
Cost	\$ 174,668	\$ 480	\$ 175,148
Accumulated amortization and impairment	(106,739)	-	(106,739)
	<u>\$ 67,929</u>	<u>\$ 480</u>	<u>\$ 68,409</u>
At January 1	\$ 67,929	\$ 480	\$ 68,409
Additions	11,384	-	11,384
Amortization	(10,301)	-	(10,301)
Net exchange differences	(7)	-	(7)
At June 30	<u>\$ 69,005</u>	<u>\$ 480</u>	<u>\$ 69,485</u>
At June 30			
Cost	\$ 185,482	\$ 480	\$ 185,962
Accumulated amortization and impairment	(116,477)	-	(116,477)
	<u>\$ 69,005</u>	<u>\$ 480</u>	<u>\$ 69,485</u>

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

	Three months ended June 30	
	2026	2025
Manufacturing expenses	\$ 1,118	\$ 969
Selling expenses	61	-
General and administrative expenses	909	829
Research and development expenses	4,794	3,466
	<u>\$ 6,882</u>	<u>\$ 5,264</u>

	Six months ended June 30	
	2026	2025
Manufacturing expenses	\$ 2,258	\$ 2,065
Selling expenses	122	-
General and administrative expenses	1,714	1,573
Research and development expenses	9,568	6,663
	<u>\$ 13,662</u>	<u>\$ 10,301</u>

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

Due to the recoverable amount determined by asset's value in use was more than book value, there were no indicators that the Group's goodwill may be impaired. Value in use was evaluated based on the assumptions such as gross profit ratio and growth ratio.

(10) Other non-current assets

	June 30, 2026	December 31, 2025	June 30, 2025
Prepayment for construction and equipment	\$ 22,489	\$ 32,482	\$ 11,216
Refundable deposits	36,727	35,179	26,069
Net defined benefit assets	8,385	8,262	4,959
Others	1,697	-	129
	<u>\$ 69,298</u>	<u>\$ 75,923</u>	<u>\$ 42,373</u>

(11) Short-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured bank borrowings (Note)	<u>\$ 261,395</u>	<u>\$ 174,557</u>	<u>\$ 32,523</u>
Interest rate	<u>4.42%~4.82%</u>	<u>4.64%~4.76%</u>	<u>5.13%~5.15%</u>

Note: As of June 30, 2026 and December 31, 2025, a portion of the borrowings of the subsidiary Senao Networks Vietnam Co., Ltd. is endorsed and guaranteed by the Company; please refer to Table 1.

(12) Other payables

	June 30, 2026	December 31, 2025	June 30, 2025
Accrued salary expenses and bonus	\$ 394,694	\$ 551,428	\$ 508,545
Accrued employees' compensation and directors' and supervisors' remuneration	71,284	72,704	108,957
Dividends payable	118,435	-	118,435
Construction retainage payable	52,689	36,741	-
Payables on equipment	29,306	41,267	27,997
Refunds of project development funds collected on behalf of customers	94,698	-	-
Customer refunds payable	59,428	-	-
Others	347,969	374,437	314,724
	<u>\$ 1,168,503</u>	<u>\$ 1,076,577</u>	<u>\$ 1,078,658</u>

(13) Pensions

A. Defined benefit plan

- (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account at the end of each year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by next March.
- (b) The pension costs under the defined contribution pension plan of the Group for the three months and six months ended June 30, 2026 and 2025 amounted to (\$28), (\$19), (\$56) and (\$39), respectively.
- (c) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2026 amount to \$804.

B. Defined contribution plan

- (a) The Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all Taiwan-based employees. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to

the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company and its domestic subsidiaries for the three months and six months ended June 30, 2026 and 2025 amounted to \$21,147, \$20,961, \$43,571 and \$40,635, respectively.

- (b) Some foreign subsidiaries of the Group participate in defined contribution pension plans in accordance with the regulations of the respective local governments. Under these plans, the subsidiaries are required to make monthly contributions and have no further obligations. Pension expenses recognized for the three months ended June 30, 2026 and 2025 amounted to \$1,028 and \$680, respectively, while pension expenses recognized for the six months ended June 30, 2026 and 2025 amounted to \$1,993 and \$1,406, respectively.

(14) Provisions

	Warranty	Decommissioning liabilities	Total
2026			
At January 1	\$ 57,531	\$ 26,309	\$ 83,840
Additional provisions during this period	20,887	494	21,381
Provisions used and reversed during the period	(24,467)	-	(24,467)
Effect of exchange rate changes	522	451	973
At June 30	<u>\$ 54,473</u>	<u>\$ 27,254</u>	<u>\$ 81,727</u>
2025			
At January 1	\$ 43,717	\$ -	\$ 43,717
Additional provisions during this period	24,711	-	24,711
Provisions used and reversed during the period	(18,651)	-	(18,651)
Effect of exchange rate changes	(714)	-	(714)
At June 30	<u>\$ 49,063</u>	<u>\$ -</u>	<u>\$ 49,063</u>

Analysis of provisions is as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Current	<u>\$ 54,473</u>	<u>\$ 57,531</u>	<u>\$ 49,063</u>
Non-current	<u>\$ 27,254</u>	<u>\$ 26,309</u>	<u>\$ -</u>

A. Warranty

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

B. Decommissioning liabilities

In accordance with contract requirements, the Group has an obligation to restore the land leased in the Henan Taihe Industrial Zone to its original state as recorded at the time of handover, either upon the expiration of the lease or early termination. Therefore, the present value of the expected restoration costs at the site is recognized as a provision.

(15) Other current liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Collection of project development on behalf of others	\$ 448,922	\$ 418,534	\$ 329,712
Sales refund liabilities	3,647	3,445	5,515
Others	7,295	8,263	7,172
	<u>\$ 459,864</u>	<u>\$ 430,242</u>	<u>\$ 342,399</u>

(16) Long-term borrowings

<u>Lending bank</u>	<u>Loan period and repayment methods</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>June 30, 2026</u>
CTBC Bank	From December 27, 2024 to December 27, 2029, with monthly interest payments (Note 2)	8.20%	None	77,187
CTBC Bank	From January 22, 2025 to December 27, 2029, with monthly interest payments (Note 2)	7.50%	None	102,916
CTBC Bank	From April 11, 2025 to December 27, 2029, with monthly interest payments (Note 2)	8.00%	None	51,458
CTBC Bank	From June 18, 2025 to December 27, 2029, with monthly interest payments (Note 2)	8.20%	None	104,627
CTBC Bank	From September 10, 2025 to December 27, 2029, with monthly interest payments (Note 2)	7.90%	None	143,878
CTBC Bank	From October 27, 2025 to December 27, 2029, with monthly interest payments (Note 2)	7.40%	None	77,187
CTBC Bank	From November 26, 2025 to December 27, 2029, with monthly interest payments (Note 2)	7.90%	None	117,690
CTBC Bank	From February 10, 2026 to December 27, 2029, with monthly interest payments (Note 2)	7.40%	None	61,257
				<u>736,200</u>
Less: Current portion of long-term borrowings				<u>(36,810)</u>
				<u>\$ 699,390</u>

<u>Lending bank</u>	<u>Loan period and repayment methods</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>December 31, 2025</u>
Taipei Fubon Bank	From December 29, 2025 to February 17, 2028, with monthly interest payments (Note 1)	2.30%	Property (Note 3)	\$ 500,000
CTBC Bank	From December 27, 2024 to December 27, 2029, with monthly interest payments (Note 2)	7.50%	None	75,895
CTBC Bank	From January 22, 2025 to December 27, 2029, with monthly interest payments (Note 2)	5.70%	None	101,193
CTBC Bank	From April 11, 2025 to December 27, 2029, with monthly interest payments (Note 2)	5.85%	None	50,597
CTBC Bank	From June 18, 2025 to December 27, 2029, with monthly interest payments (Note 2)	7.80%	None	102,876
CTBC Bank	From September 10, 2025 to December 27, 2029, with monthly interest payments (Note 2)	7.70%	None	141,470
CTBC Bank	From October 27, 2025 to December 27, 2029, with monthly interest payments (Note 2)	6.20%	None	75,895
CTBC Bank	From November 26, 2025 to December 27, 2029, with monthly interest payments (Note 2)	8.20%	None	115,720
				<u>1,163,646</u>
Less: Current portion of long-term borrowings				<u>-</u>
				<u>\$ 1,163,646</u>

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

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

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

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

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

(17) Share capital

As of June 30, 2026, the Company's authorized capital was \$1.2 million, consisting of 59,061 thousand shares of common stock outstanding, with a par value of NT\$10 per share. The payments for all issued shares of the Company have been received in full. There was no change in the number of the Company's ordinary shares outstanding for the six months ended June 30, 2026 and 2025.

(18) 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.

(19) 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 2025 and 2024 earnings distribution proposals, which were approved by the resolution of the shareholders' meetings on May 28, 2026 and May 27, 2025, respectively, are detailed below:

	Year ended December 31			
	2025		2024	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 30,934		\$ 24,697	
Special reserve	\$ 55,676		(\$ 64,021)	
Cash dividends	\$ 177,183	\$ 3.0	\$ 177,183	\$ 3.0

(20) Operating revenues

	Three months ended June 30	
	2026	2025
Revenue from contracts with customers	\$ 3,569,389	\$ 3,967,827

	Six months ended June 30	
	2026	2025
Revenue from contracts with customers	\$ 6,627,594	\$ 7,961,953

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

B. Contract liabilities

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

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Current contract liabilities:				
- Sale of goods	\$ 417,363	\$ 147,616	\$ 235,329	\$ 245,023
- Providing of services	20,981	17,120	19,521	17,411
Sub-total	438,344	164,736	254,850	262,434
Non-current contract liabilities:				
- Providing of services	18,340	17,630	16,493	16,417
Total	\$ 456,684	\$ 182,366	\$ 271,343	\$ 278,851

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

	Three months ended June 30	
	2026	2025
Revenue from contracts with customers	\$ 4,985	\$ 63,925

	Six months ended June 30	
	2026	2025
Revenue from contracts with customers	\$ 72,971	\$ 168,486

C. Financing components

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

(21) Net other income (expenses)

		Three months ended June 30	
		2026	2025
Other income			
Project development income		\$ 24,615	\$ 17,564
		Six months ended June 30	
		2026	2025
Other income			
Project development income		\$ 61,639	\$ 45,936

(22) Interest income

		Three months ended June 30	
		2026	2025
Interest income		\$ 13,546	\$ 14,670
Other interest income		60	44
		\$ 13,606	\$ 14,714
		Six months ended June 30	
		2026	2025
Interest on cash in banks		\$ 20,597	\$ 23,822
Other interest income		156	115
		\$ 20,753	\$ 23,937

(23) Other income

		Three months ended June 30	
		2026	2025
Rent income		\$ 1,970	\$ 1,521
Other income		2,077	5,260
		\$ 4,047	\$ 6,781
		Six months ended June 30	
		2026	2025
Revenue recognized from advance receipts		\$ 3,194	\$ -
Rent income		3,389	2,878
Other income		5,477	9,382
		\$ 12,060	\$ 12,260

(24) Other gains and losses

		Three months ended June 30	
		2026	2025
Foreign exchange gains (losses)	\$	4,405	(\$ 116,622)
Gains (losses) on disposal of property, plant and equipment	(	65)	855
Gains on lease modification		53	-
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(	158)	88,426
Others	(	5,781)	(5)
	(\$	1,546)	(\$ 27,346)

		Six months ended June 30	
		2026	2025
Foreign exchange gains (losses)	\$	12,510	(\$ 90,733)
Gains (losses) on disposal of property, plant and equipment	(	2,144)	1,076
Gains on lease modification		87	-
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(	1,662)	78,017
Others	(	5,804)	(164)
	\$	2,987	(\$ 11,804)

(25) Finance costs

		Three months ended June 30	
		2026	2025
Interest expense	\$	5,735	\$ 2,255
Other financial expense		254	174
	\$	5,989	\$ 2,429

		Six months ended June 30	
		2026	2025
Interest expense	\$	10,730	\$ 5,023
Other financial expense		524	351
	\$	11,254	\$ 5,374

(26) Expenses by nature

		Three months ended June 30	
		2026	2025
Wages and salaries	\$	555,522	\$ 640,470
Labor and health insurance fees		51,001	50,646
Pension costs		22,147	21,622
Other personnel expenses		25,001	24,554
Employee benefit expense	\$	653,671	\$ 737,292
Depreciation	\$	111,568	\$ 94,484
Amortization	\$	6,882	\$ 5,264

	Six months ended June 30	
	2026	2025
Wages and salaries	\$ 1,116,615	\$ 1,254,250
Labor and health insurance fees	108,837	102,712
Pension costs	45,508	42,002
Other personnel expenses	31,130	47,419
Employee benefit expense	<u>\$ 1,302,090</u>	<u>\$ 1,446,383</u>
Depreciation	<u>\$ 223,481</u>	<u>\$ 185,709</u>
Amortization	<u>\$ 13,662</u>	<u>\$ 10,301</u>

- A. According to the Articles of Incorporation of the Company and its domestic subsidiaries, where the Company or its domestic subsidiaries make a profit for a fiscal year, they shall provide no lower than 3% of the balance for employees' compensation and no higher than 3% for directors' and supervisors' remuneration. Of the employees' compensation allocated by the Company, no less than 10% shall be distributed to non-executive employees. However, if the Company has accumulated deficit, the Company should cover accumulated losses first. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned employees' compensation may be specified in the Articles of Incorporation. Qualification requirements are set by the Board of Directors. Distribution of employees' compensation and directors' and supervisors' remuneration shall be reported to the stockholders during their meeting and distributed in the form of shares or in cash as resolved by the Board of Directors.
- B. For the three months and six months ended June 30, 2026 and 2025, employees' compensation was accrued at \$7,466, \$10,862, \$10,863 and \$36,392, respectively; while directors' and supervisors' remuneration was accrued at \$1,421, \$2,068, \$1,847 and \$6,938, respectively. The aforementioned amounts were recognized in salary expenses. The expenses recognized were accrued based on the earnings as of the end of this period. On 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 24, 2026, employees' compensation and directors' and supervisors' remuneration of the subsidiary, Emplus Technologies, Inc., for 2025 amounting to \$22,504 and \$4,410, respectively, as resolved at the meeting of the Board of Directors were in agreement with those amounts recognized in the 2025 financial statements.
- The subsidiary, EnRack Technology Inc., incurred accumulated losses in 2025, and another subsidiary, EnGenius Networks Inc., had no employees. Accordingly, no employee compensation or directors and supervisors remuneration was estimated.

(27) Income tax

A. Income tax expense

	Three months ended June 30	
	2026	2025
Current tax:		
Current tax on profit for the period	\$ 9,577	\$ 9,869
Tax on undistributed surplus earnings	-	5,456
Prior year income tax under-accrual and over-accrual	5,703	(25,234)
Total current tax	15,280	(9,909)
Deferred tax:		
Origination and reversal of temporary differences	2,932	9,418
Income tax expense	\$ 18,212	(\$ 491)

	Six months ended June 30	
	2026	2025
Current tax:		
Current tax on profit for the period	\$ 18,143	\$ 34,560
Tax on undistributed surplus earnings	-	5,456
Prior year income tax under-accrual and over-accrual	2,424	(24,844)
Total current tax	20,567	15,172
Deferred tax:		
Origination and reversal of temporary differences	4,970	34,339
Income tax expense	\$ 25,537	\$ 49,511

- B. The income tax returns of the Company and subsidiaries, EnRack Technology Inc., EnGenius Network Inc., and Emplus Technologies, Inc. through 2024 have been assessed and approved by the Tax Authority.

(28) Earnings per share

	Three months ended June 30, 2026		
	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	\$ 41,882	59,061	\$ 0.71
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	42	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 41,882	59,103	\$ 0.71

Three months ended June 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 75,971	59,061	<u>\$ 1.29</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	131	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 75,971</u>	<u>59,192</u>	<u>\$ 1.28</u>
Six months ended June 30, 2026			
	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	\$ 47,841	59,061	<u>\$ 0.81</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	134	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 47,841</u>	<u>59,195</u>	<u>\$ 0.81</u>
Six months ended June 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to the parent	\$ 228,564	59,061	<u>\$ 3.87</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	164	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 228,564</u>	<u>59,225</u>	<u>\$ 3.86</u>

(29) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Six months ended June 30	
	2026	2025
Purchase of property, plant and equipment and other non-current assets transferred to property, plant and equipment	\$ 354,369	\$ 368,396
Less: Ending balance of payable on equipment	(29,306)	(27,997)
Ending balance of other payables to related parties	-	(150)
Ending balance of construction retainage payable (Note)	(52,689)	-
Ending balance of decommissioning liabilities	(27,254)	-
Opening balance of prepayment for construction and equipment	(32,482)	(2,045)
Add: Opening balance of payable on equipment	41,267	30,629
Opening balance of other payables to related parties	32	39
Opening balance of construction retainage payable (Note)	36,741	110,970
Opening balance of decommissioning liabilities	26,309	-
Ending balance of prepayment for construction and equipment	22,489	11,216
Amortization of discount on decommissioning liabilities and effect of exchange rate changes	945	-
Cash paid during the period for purchase of property, plant and equipment	<u>\$ 340,421</u>	<u>\$ 491,058</u>

Note: Recorded as “other payables”.

B. Financing activities with no cash flow effects:

	Six months ended June 30	
	2026	2025
Cash dividends declared but not yet paid	<u>\$ 177,183</u>	<u>\$ 177,183</u>

(30) Changes in liabilities from financing activities

	2026				
	Short-term borrowings	Lease liabilities	Long-term borrowings (including current portion)	Other non-current liabilities	Liabilities from financing gross
At January 1	\$ 174,557	\$284,430	\$ 1,163,646	\$ 90	\$ 1,622,723
Changes in cash flow from financing activities	84,448	(83,626)	(439,187)	-	(438,365)
Impact of changes in foreign exchange rate	2,390	10	11,741	-	14,141
Changes in other non-cash items	-	127,771	-	-	127,771
At June 30	<u>\$ 261,395</u>	<u>\$328,585</u>	<u>\$ 736,200</u>	<u>\$ 90</u>	<u>\$ 1,326,270</u>

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

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

As of June 30, 2026, December 31, 2025, and June 30, 2025, the Group does not have a parent company. Senao International Co., Ltd. held 33.16% of the Company's outstanding shares and was considered the Company's most influential shareholder.

(2) Name of related party and relationship

<u>Name of related party</u>	<u>Relationship with the Group</u>
Senao International Co., Ltd. (SIC)	Entities with joint control or significant influence over the Group
Appleuser Co., Ltd.	Other related parties
Sakuyo Health Science Co., Ltd.	Other related parties

(3) Significant related party transactions

A. Operating revenues

	Three months ended June 30	
	2026	2025
Merchandise sales:		
Entities with joint control or significant influence over the Group	\$ 3,144	\$ 6,260
	Six months ended June 30	
	2026	2025
Merchandise sales:		
Entities with joint control or significant influence over the Group	\$ 4,141	\$ 6,526

The Group's selling prices and payment terms for the merchandise sold to the related parties are based on mutual agreement with payment due within 60 days after month end.

B. Receivables from related parties

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable:			
Entities with joint control or significant influence over the Group	\$ 1,033	\$ 37	\$ 4,075
Other receivables - payment on behalf of others:			
Entities with joint control or significant influence over the Group	\$ 1,099	\$ 934	\$ 954
Other related parties	162	-	-
	\$ 1,261	\$ 934	\$ 954

C. Payables to related parties

	June 30, 2026	December 31, 2025	June 30, 2025
Dividends payable			
Entities with joint control or significant influence over the Group	\$ 58,748	\$ -	\$ 58,748
Other payables:			
Entities with joint control or significant influence over the Group	\$ -	\$ 121	\$ 175
Other related parties	-	32	-
	\$ -	\$ 153	\$ 175

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

D. Property transactions

		Three months ended June 30	
		2026	2025
Acquisition of property, plant and equipment:			
Entities with joint control or significant influence over the Group			
	\$	-	\$ 143
		Six months ended June 30	
		2026	2025
Acquisition of property, plant and equipment:			
Entities with joint control or significant influence over the Group			
	\$	-	\$ 284

E. Lease transactions - lessee

- (a) The Group has leased office buildings from SIC. The rental contracts are typically made for periods from 2026 through 2028 and from 2024 through 2026. The lease terms and prices were determined in accordance with mutual agreement, and rent is paid monthly.
- (b) Acquisition of right-of-use assets
The Group acquired rights-of-use assets, totaling \$98,420, from SIC during the six months ended June 30, 2026. There was no such case during the six months ended June 30, 2025.
- (c) Lease liabilities

i. Ending balance:

	June 30, 2026	December 31, 2025	June 30, 2025
Entities with joint control or significant influence over the Group			
Current	\$ 48,838	\$ 15,915	\$ 39,565
Non-current	41,548	-	-
	<u>\$ 90,386</u>	<u>\$ 15,915</u>	<u>\$ 39,565</u>

ii. Interest expense:

	Three months ended June 30	
	2026	2025
Entities with joint control or significant influence over the Group	\$ 347	\$ 244

	Six months ended June 30	
	2026	2025
Entities with joint control or significant influence over the Group	\$ 392	\$ 555

(4) Key management compensation

	Three months ended June 30	
	2026	2025
Salaries and other short-term employee benefits	\$ 20,937	\$ 20,696
Post-employment benefits	403	349
	<u>\$ 21,340</u>	<u>\$ 21,045</u>

	Six months ended June 30	
	2026	2025
Salaries and other short-term employee benefits	\$ 39,921	\$ 40,565
Post-employment benefits	781	628
	<u>\$ 40,702</u>	<u>\$ 41,193</u>

8. PLEDGED ASSETS

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

Assets	Book value			Purpose
	June 30, 2026	December 31, 2025	June 30, 2025	
Property (under property, plant and equipment)	<u>\$ 2,240,716</u>	<u>\$ 2,261,746</u>	<u>\$ 2,273,380</u>	Medium- and long-term borrowing facility

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

As of June 30, 2026, the Group had capital expenditures contracted for but not yet incurred in the amount of \$124,004.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital risk management

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

(2) Financial instruments

A. Financial instruments by category

The Group's financial assets and liabilities at amortized cost include cash and cash equivalents, financial assets at fair value through profit or loss, time deposits with original maturities of more than 3 months, accounts receivable (including related parties), other receivables (including related parties), refundable deposits (under other non-current assets), financial liabilities at fair value through profit or loss, long-term and short-term borrowings, notes payable, accounts payable, other payables (including related parties), guarantee deposits (under other non-current liabilities), and lease liabilities.

B. Financial risk management policies

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

The Group maintains an optimal level of liquidity and centralizes risk management operations in order to effectively monitor and control the various kinds of market risks and to achieve management objectives. This decision is made with consideration of the economic environment, competitive status and market value risk, 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 Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and various subsidiaries used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions.
- ii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, CAD, JPY, VND, and INR). The

information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

June 30, 2026			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
Monetary items			
USD:NTD	\$ 109,743	31.850	\$3,495,323
JPY:NTD	199,336	0.196	39,130
USD:VND (Note)	206	26,286	6,484
Non-monetary items			
USD:NTD	3,421	31.850	108,953
CAD:NTD	602	22.390	13,471
JPY:NTD	530,528	0.196	104,143
VND:NTD	411,296,487	0.001	491,499
INR:NTD	166,994	0.337	56,294
<u>Financial liabilities</u>			
Monetary items			
USD:NTD	\$ 120,316	31.850	\$3,832,059
USD:VND (Note)	8,322	26,286	261,395

December 31, 2025			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
Monetary items			
USD:NTD	\$ 91,967	31.430	\$2,890,509
JPY:NTD	173,348	0.201	34,808
USD:VND (Note)	360	26,227	11,084
Non-monetary items			
USD:NTD	2,813	31.430	88,415
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	159,692	0.349	55,652
<u>Financial liabilities</u>			
Monetary items			
USD:NTD	\$ 69,480	31.430	\$2,183,769
USD:VND (Note)	4,457	26,227	137,344

June 30, 2025			
(Foreign currency: functional currency)	Foreign currency		Book value
	amount (in thousands)	Exchange rate	(NTD)
<u>Financial assets</u>			
Monetary items			
USD:NTD	\$ 96,737	29.300	\$2,834,399
JPY:NTD	463,871	0.203	94,351
USD:VND (Note)	504	26,030	14,487
Non-monetary items			
USD:NTD	1,997	29.300	58,525
CAD:NTD	526	21.430	11,276
JPY:NTD	129,946	0.203	26,431
VND:NTD	482,231,407	0.001	532,866
INR:NTD	229,040	0.340	77,827
<u>Financial liabilities</u>			
Monetary items			
USD:NTD	\$ 69,445	29.300	\$2,034,724

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

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

Three months ended June 30, 2026			
(Foreign currency: functional currency)	Exchange gain (loss)		
	Foreign currency amount (in thousands)	Exchange rate	Book value
<u>Financial assets</u>			
Monetary items			
USD:NTD	\$ -	31.850	\$ 12,099
JPY:NTD	-	0.196	(557)
USD:VND (Note)	11,136	26,286	13
<u>Financial liabilities</u>			
Monetary items			
USD:NTD	\$ -	31.850	\$ 1,299
USD:VND (Note)	229,424	26,286	270

Three months ended June 30, 2025			
Exchange gain (loss)			
	Foreign currency amount (in thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
Monetary items			
USD:NTD	\$ -	29.300	(\$ 129,991)
JPY:NTD	-	0.203	(9,376)
USD:VND (Note)	25,402	26,030	33
<u>Financial liabilities</u>			
Monetary items			
USD:NTD	\$ -	29.300	\$ 182,427
Six months ended June 30, 2026			
Exchange gain (loss)			
	Foreign currency amount (in thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
Monetary items			
USD:NTD	\$ -	31.850	\$ 29,590
JPY:NTD	-	0.196	(305)
USD:VND (Note)	13,773	26,286	16
<u>Financial liabilities</u>			
Monetary items			
USD:NTD	\$ -	31.850	(\$ 29,240)
USD:VND (Note)	313,748	26,286	371
Six months ended June 30, 2025			
Exchange gain (loss)			
	Foreign currency amount (in thousands)	Exchange rate	Book value
(Foreign currency: functional currency)			
<u>Financial assets</u>			
Monetary items			
USD:NTD	\$ -	29.300	(\$ 95,930)
JPY:NTD	-	0.203	(4,152)
USD:VND (Note)	45,331	26,030	59
<u>Financial liabilities</u>			
Monetary items			
USD:NTD	\$ -	29.300	\$ 149,724

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

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

Six months ended June 30, 2026				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
Monetary items				
USD:NTD	1%	\$ 34,953	\$	-
JPY:NTD	1%	391		-
USD:VND (Note)	1%	65		-
<u>Financial liabilities</u>				
Monetary items				
USD:NTD	1%	\$ 38,321	\$	-
USD:VND (Note)	1%	2,614		-

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

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

Price risk

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

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from long-term and short-term borrowings and accounts receivable factoring. Long-term and short-term borrowings at floating rates expose the Group to cash flow interest rate risk. Factoring expenses charged at fixed rate expose the Group to fair value interest rate risk.
- ii. For the six months ended June 30, 2026 and 2025, if the interest rate on long-term and short-term borrowings had increased by 1%, with all other factors remaining unchanged, net income after tax for the six months ended June 30, 2026 and 2025, would have decreased by \$3,658 and \$2,786, 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 Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. According to the Group's credit policy, the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Credit risk arises from cash and cash equivalents, financial assets at amortized cost, derivative financial instruments, notes receivable and other receivables as well as credit exposures to customers, including outstanding receivables. For banks and financial institutions, only the parties with excellent credit ratings are accepted.
- iii. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- iv. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments are past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Group classifies customer's accounts receivable in accordance with credit rating of customer and historical information of default. The Company applies loss rate methodology to estimate expected credit losses.
- vi. The Group takes into account the forecasts of the Basel Committee on Banking Supervision to adjust historical and timely information to assess the loss allowance for accounts receivable (including related parties) as of June 30, 2026, December 31, 2025 and June 30, 2025.

	Not past due	30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
<u>June 30, 2026</u>							
Expected loss rate	0.05%	0.05%	10%	30%	50%	100%	
Total book value	\$2,140,616	\$ 25,911	\$ 8,377	\$ 241	\$ -	\$ 289	\$2,175,434
Loss allowance	\$ 1,078	\$ 72	\$ 838	\$ 37	\$ -	\$ 289	\$ 2,314

	Not past due	30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
<u>December 31, 2025</u>							
Expected loss rate	0.05%	0.05%	10%	30%	50%	100%	
Total book value	\$2,071,543	\$ 138,778	\$ 510	\$ -	\$ -	\$ 4	\$2,210,835
Loss allowance	\$ 1,036	\$ 69	\$ 51	\$ -	\$ -	\$ 4	\$ 1,160
	Not past due	30 days	31-60 days	61-90 days	91-180 days	Over 180 days	Total
<u>June 30, 2025</u>							
Expected loss rate	0.05%	0.05%	10%	30%	50%	100%	
Total book value	\$2,246,281	\$ 85,527	\$ 3,391	\$ 1,661	\$ 2,111	\$ -	\$2,338,971
Loss allowance	\$ 660	\$ 25	\$ 339	\$ 498	\$ 1,095	\$ -	\$ 2,617

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

	2026	2025
At January 1	\$ 1,160	\$ 59
Provision for impairment loss	1,155	2,644
Effect of exchange rate changes	(1)	(86)
At June 30	\$ 2,314	\$ 2,617

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- 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 Group 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 Group'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
June 30, 2026				
Short-term borrowings	\$ 266,590	\$ -	\$ -	\$ -
Accounts payable	4,645,710	-	-	-
Other payables (including related parties)	1,227,250	-	-	-
Lease liabilities	168,565	98,146	69,612	7,718
Long-term borrowings (including current portion)	93,033	124,212	690,129	-
Other non-current liabilities	-	90	-	-

Non-derivative financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
December 31, 2025				
Short-term borrowings	\$ 178,752	\$ -	\$ -	\$ -
Notes payable	9,900	-	-	-
Accounts payable	3,476,333	-	-	-
Other payables (including related parties)	1,076,730	-	-	-
Lease liabilities	131,892	76,709	84,756	7,637
Long-term borrowings (including current portion)	47,370	109,947	1,171,112	-
Other non-current liabilities	-	90	-	-

Non-derivative financial liabilities:

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

Derivative financial liabilities:

On June 30, 2026 and December 31, 2025, the derivative financial liabilities traded by the Group will all mature within one year; there was no such a liability as of June 30, 2025.

(3) Fair value

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

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

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

Level 3: Unobservable inputs of assets or liabilities.

- B. The carrying amounts of the Group's financial instruments that are not measured at fair value (including cash and cash equivalents, financial assets at amortized cost, accounts receivable (including related parties), other receivables (including related parties), refundable deposits (under other non-current assets), long-term and short-term borrowings, notes payable, accounts payable, other payables (including related parties), and guarantee deposits (under other non-current liabilities) are reasonable approximations of their fair values.

- C. Financial and non-financial instruments at fair value are classified by the Group as per the nature, characteristics, and risks of assets and liabilities, and the fair value level. The details are as follows:

June 30, 2026	Level 1	Level 2	Level 3	Total
Liabilities				
<u>Fair value on a recurring basis</u>				
Financial liabilities at fair value through profit or loss				
Derivatives	\$ -	\$ 1,132	\$ -	\$ 1,132
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	\$ -	\$ 167	\$ -	\$ 167
Liabilities				
<u>Fair value on a recurring basis</u>				
Financial liabilities at fair value through profit or loss				
Derivatives	\$ -	\$ 1,915	\$ -	\$ 1,915
June 30, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Fair value on a recurring basis</u>				
Financial assets at fair value through profit or loss				
Derivatives	\$ -	\$ 11,869	\$ -	\$ 11,869

- D. The Group's derivative financial instruments are forward exchange agreements, and the method used to measure their fair values is usually based on the present forward exchange rates.
- E. There were no transfers between level 1 and level 2 of the fair value hierarchy during the six months ended June 30, 2026 and 2025.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information:

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

F. The business relationship between the parent company and subsidiaries, and the circumstances of any significant transactions between them: Please refer to table 4.

(2) Information on investments

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

(3) Information on investments in Mainland China

None.

14. SEGMENT INFORMATION

(1) General information

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

(2) Assessment of segment information

The operational performance evaluation of each segment is based on operating revenue and income (not including administrative expense). All the operating segments consistently apply uniform accounting policies as described in Note 4, "Summary of significant accounting policies". The interdepartmental sales are in accordance with the fair value principle. Revenues from external customers provided to the chief operating decision-maker are measured in a manner consistent with that used for the income statement. The Group's segment information for the three months and six months ended June 30, 2026 and 2025 is provided as follows:

	Three months ended June 30, 2026				
	Taiwan	America	Others	Eliminated transactions during the consolidation	Total
Revenue from external customers	\$ 3,349,376	\$ 84,953	\$ 135,060	\$ -	\$ 3,569,389
Inter-segment revenue	357,297	16,426	6,750	(380,473)	-
Total segment revenue	<u>\$ 3,706,673</u>	<u>\$ 101,379</u>	<u>\$ 141,810</u>	<u>(\$ 380,473)</u>	<u>\$ 3,569,389</u>
Segment income	<u>\$ 198,724</u>	<u>\$ 12,735</u>	<u>(\$ 13,007)</u>	<u>\$ 1,941</u>	<u>\$ 200,393</u>
Segment income, including Depreciation and amortization	<u>\$ 97,245</u>	<u>\$ 2,403</u>	<u>\$ 5,877</u>	<u>(\$ 3,171)</u>	<u>\$ 102,354</u>

Three months ended June 30, 2025

	Taiwan	America	Others	Eliminated transactions during the consolidation	Total
Revenue from external customers	\$ 3,652,775	\$ 104,907	\$ 210,145	\$ -	\$ 3,967,827
Inter-segment revenue	417,150	3,283	398	(420,831)	-
Total segment revenue	<u>\$ 4,069,925</u>	<u>\$ 108,190</u>	<u>\$ 210,543</u>	<u>(\$ 420,831)</u>	<u>\$ 3,967,827</u>
Segment income	<u>\$ 231,975</u>	<u>\$ 7,184</u>	<u>(\$ 1,323)</u>	<u>\$ 6,101</u>	<u>\$ 243,937</u>
Segment income, including Depreciation and amortization	<u>\$ 84,146</u>	<u>\$ 2,320</u>	<u>\$ 352</u>	<u>(\$ 3,118)</u>	<u>\$ 83,700</u>

Six months ended June 30, 2026

	Taiwan	America	Others	Eliminated transactions during the consolidation	Total
Revenue from external customers	\$ 6,232,712	\$ 169,785	\$ 225,097	\$ -	\$ 6,627,594
Inter-segment revenue	635,479	19,688	8,092	(663,259)	-
Total segment revenue	<u>\$ 6,868,191</u>	<u>\$ 189,473</u>	<u>\$ 233,189</u>	<u>(\$ 663,259)</u>	<u>\$ 6,627,594</u>
Segment income	<u>\$ 332,089</u>	<u>\$ 9,292</u>	<u>(\$ 29,521)</u>	<u>\$ 14,171</u>	<u>\$ 326,031</u>
Segment income, including Depreciation and amortization	<u>\$ 195,357</u>	<u>\$ 4,803</u>	<u>\$ 11,419</u>	<u>(\$ 6,177)</u>	<u>\$ 205,402</u>

Six months ended June 30, 2025

	Taiwan	America	Others	Eliminated transactions during the consolidation	Total
Revenue from external customers	\$ 7,327,595	\$ 241,870	\$ 392,488	\$ -	\$ 7,961,953
Inter-segment revenue	797,304	10,012	697	(808,013)	-
Total segment revenue	<u>\$ 8,124,899</u>	<u>\$ 251,882</u>	<u>\$ 393,185</u>	<u>(\$ 808,013)</u>	<u>\$ 7,961,953</u>
Segment income	<u>\$ 559,281</u>	<u>\$ 20,579</u>	<u>\$ 6,103</u>	<u>\$ 10,398</u>	<u>\$ 596,361</u>
Segment income, including Depreciation and amortization	<u>\$ 166,145</u>	<u>\$ 4,772</u>	<u>\$ 689</u>	<u>(\$ 6,237)</u>	<u>\$ 165,369</u>

(3) Reconciliation for segment income (loss)

The Group's segments' operating income reported to the chief operating decision-maker is measured in a manner consistent with the revenue and expenses in the statement of comprehensive income. The Group did not provide the chief operating decision-maker with the amount of total assets and liabilities for decision-making purposes. A reconciliation of reportable segment income or loss and income from continuing operations before income tax for the three months and six months ended June 30, 2026 and 2025 is provided as follows:

	Three months ended June 30	
	2026	2025
Reportable segments profit	\$ 200,393	\$ 243,937
Undistributed amount		
General administrative expense	(137,057)	(134,833)
Non-operating income	10,118	8,280
Income from continuing operations before income tax	<u>\$ 73,454</u>	<u>\$ 100,824</u>
	Six months ended June 30	
	2026	2025
Reportable segments profit	\$ 326,031	\$ 596,361
Undistributed amount		
General administrative expense	(249,972)	(265,561)
Non-operating income	24,546	19,019
Income from continuing operations before income tax	<u>\$ 100,605</u>	<u>\$ 349,819</u>

SENAO NETWORKS INC. AND SUBSIDIARIES
Provisions of endorsements and guarantees to others
Six months ended June 30, 2026

Table 1

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	\$ 597,900	\$ 100,000	\$ 100,000	\$ -	\$ -	1.67%	\$ 2,391,599	Y	N	N	
0	Senao Networks Inc.	Senao Networks Vietnam Co., Ltd.	4	597,900	254,800	254,800	-	-	4.26%	2,391,599	Y	N	N	
0	Senao Networks Inc.	Senao Networks Vietnam Co., Ltd.	4	597,900	318,500	318,500	136,117	-	5.33%	2,391,599	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.

Note 5: The maximum balances and ending balances in this table are presented in NTD. Foreign currencies involved were translated to USD at an exchange rate of 1 USD to 31.85 NTD on the balance sheet date.

SENAO NETWORKS INC. AND SUBSIDIARIES

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

Six months ended June 30, 2026

Expressed in thousands of NTD
(except as otherwise indicated)

Table 2

			Transaction				Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Remarks (Note 2)
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)		
EnRack Technology Inc.	Senao Networks Inc.	Parent company and subsidiaries	Sales	\$ 327,443	87	Note 1	Note 1	Note 1	\$ 207,404	88		
Senao Networks Inc.	EnRack Technology Inc.	Parent company and subsidiaries	Purchases	327,443	6	"	"	"	(207,404)	5		

Note 1: Sales prices are based on the sales volume. The collection term is net 90 days end of the month.

Note 2: The transactions were eliminated when preparing the consolidated financial statements.

Table 2 Page1

SENAO NETWORKS INC. AND SUBSIDIARIES
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
June 30, 2026

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 1)	Allowance for losses	Remarks (Note 2)
					Amount	Handling method			
EnRack Technology Inc.	Senao Networks Inc.	Parent company and subsidiaries	\$ 207,404	3.28	\$ -	-	\$ 58,108	\$ -	

Note 1: The receivables recovered after the balance sheet date and as of August 4, 2026.
Note 2: The transactions were eliminated when preparing the consolidated financial statements.

SENAO NETWORKS INC. AND SUBSIDIARIES
The business relationship between the parent company and subsidiaries, and the circumstances of any significant transactions between them
Six months ended June 30, 2026

Table 4

Expressed in thousands of NTD
(except as otherwise indicated)

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 (Notes 8 and 9)	
0	Senao Networks Inc.	EnGenius Technologies, Inc.	1	Accounts receivable	\$ 28,892	Note 4 -
0	Senao Networks Inc.	EnGenius Technologies, Inc.	1	Sales of goods	34,418	" 1
0	Senao Networks Inc.	EnGenius Networks Singapore Pte. Ltd.	1	Accounts receivable	17,567	" -
0	Senao Networks Inc.	EnGenius Networks Singapore Pte. Ltd.	1	Sales of goods	26,097	" -
0	Senao Networks Inc.	EnGenius Networks Europe B.V.	1	Sales of goods	18,131	" -
0	Senao Networks Inc.	EnGenius Networks Japan	1	Sales of goods	35,059	" 1
0	Senao Networks Inc.	Senao Networks Private Ltd.	1	Sales of goods	12,062	" -
0	Senao Networks Inc.	Senao Networks Vietnam Co., Ltd.	1	Accounts receivable	42,619	Note 5 -
1	EnGenius Networks Inc.	EnGenius Technologies, Inc.	3	Sales of goods	10,080	Note 4 -
1	EnGenius Networks Inc.	EnGenius Networks Singapore Pte. Ltd.	3	Sales of goods	19,661	" -
1	EnGenius Networks Inc.	EnGenius Networks Japan	3	Sales of goods	11,874	" -
2	EnRack Technology Inc.	Senao Networks Inc.	2	Accounts receivable	207,404	" 1
2	EnRack Technology Inc.	Senao Networks Inc.	2	Sales of goods	327,443	" 5
2	EnRack Technology Inc.	Emplus Technologies, Inc.	3	Accounts receivable	22,388	" -
2	EnRack Technology Inc.	Emplus Technologies, Inc.	3	Sales of goods	39,941	" 1
3	Emplus Technologies, Inc.	Senao Networks Inc.	2	Accounts receivable	11,453	" -
3	Emplus Technologies, Inc.	Senao Networks Inc.	2	Sales of goods	24,458	" -
3	Emplus Technologies, Inc.	Senao Networks Inc.	2	Lease liabilities	12,273	Note 6 -
3	Emplus Technologies, Inc.	EnGenius Networks Inc.	3	Accounts receivable	18,367	Note 4 -
3	Emplus Technologies, Inc.	EnGenius Networks Inc.	3	Sales of goods	41,657	" 1
3	Emplus Technologies, Inc.	Emplus Technologies India Private Ltd.	2	Sales of goods	12,843	" -
4	EnGenius Technologies, Inc.	Senao Networks Inc.	2	Accounts receivable	12,991	Note 7 -
4	EnGenius Technologies, Inc.	Senao Networks Inc.	2	Sales of service	12,333	" -

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

- (1) Parent company is "0"
- (2) The subsidiaries are numbered in order starting from "1".

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

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

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

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

Note 5: Senao Networks' sales transactions with Senao Networks Vietnam Co., Ltd. are recognized on a net basis. 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 6: The rental payments were determined by mutual agreements and were paid monthly. The right-of-use assets and lease liabilities were the balance recognized on June 30, 2026 in line with IFRS 16.

Note 7: Service revenue is negotiated by both parties. 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 8: Only amounts in excess of \$10 million of related party transactions are disclosed, and the opposite side of the transaction is not disclosed.

Note 9: The transactions were eliminated when preparing the consolidated financial statements.

SENAO NETWORKS INC. AND SUBSIDIARIES
Information on investees
Six months ended June 30, 2026

Expressed in thousands of NTD
(except as otherwise indicated)

Table 5

Name of investor	Investee	Location	Main business activities	Initial investment amount (Note 1)		Holding at the end of the period			Income or loss on investees for this period	Investment income (loss) recognized by the Company for this period (Note 2)	Remarks (Note 4)
				Balance as at June 30, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value			
Senao Networks Inc.	EnGenius Technologies, Inc.	USA	Sales of communication products	\$ 89,180	\$ 63,700	60,000	100.00	\$ 52,126	(\$ 5,291)	(\$ 6,936)	
Senao Networks Inc.	EnRack Technology Inc.	Taiwan	Stamping components manufacturing and trading	194,000	194,000	24,900,000	100.00	251,926	11,177	11,121	
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	313,672	55,557	27,830	
Senao Networks Inc.	EnGenius International (Samoa) Ltd.	Samoa	Investment holdings	253,453	253,453	2,430,000	100.00	34,636	(13,247)	(13,331)	
Senao Networks Inc.	EnGenius Technologies Canada Inc.	Canada	Sales of communication products	4,366	4,366	100	100.00	13,471	1,387	1,387	
Senao Networks Inc.	EnGenius Networks Inc.	Taiwan	Sales of communication products	60,000	60,000	6,000,000	100.00	62,535	2,514	2,487	
Senao Networks Inc.	EnGenius Networks Japan	Japan	Sales of communication products	82,446	82,446	15,000	100.00	74,887	4,816	4,853	
Senao Networks Inc.	Senao Networks Vietnam Co., Ltd.	Vietnam	Manufacture and sales of communication products	637,000	637,000	-	100.00	491,499	(47,894)	(47,894)	Note 3
Senao Networks Inc.	Senao Networks Private Ltd.	India	Sales of communication products	45,208	29,602	12,040,000	100.00	11,643	(11,104)	(11,094)	
Senao Networks Inc.	Senao Networks USA Inc.	USA	Manufacture and sales of communication products	25,480	25,480	1	100.00	18,375	(2,874)	(2,874)	
Senao Networks Inc.	Senao Networks Japan	Japan	Sales of communication products	29,445	29,445	3,800	100.00	29,256	209	209	
EnGenius International (Samoa) Ltd.	EnGenius Networks Singapore Pte. Ltd.	Singapore	Sales of communication products	251,861	251,861	2,380,000	100.00	38,452	(13,169)	(13,169)	
EnGenius Networks Singapore Pte. Ltd.	EnGenius Networks Europe B.V.	Netherlands	Sales of communication products	113,068	113,068	770,000	100.00	30,208	(2,667)	(2,667)	
EnGenius Networks Inc.	EnGenius Networks Private Ltd.	India	Sales of communication products	67,461	67,461	17,850,000	100.00	39,917	49	49	
Emplus Technologies, Inc.	Emplus Technologies India Private Ltd.	India	Sales of communication products	3,914	3,914	1,000,000	100.00	4,734	(863)	(863)	

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.

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