

**Senao International Co., Ltd. and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2025 and 2024 and
Independent Auditors' Review Report**

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

The Board of Directors and Shareholders
Senao International Co., Ltd.

Introduction

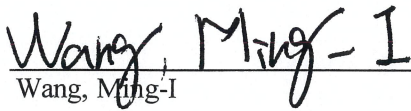
We have reviewed the accompanying consolidated balance sheets of Senao International Co., Ltd. and its subsidiaries (collectively, the “Group”) as of September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of material 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 International Accounting Standard 34 “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission (FSC). Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit 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.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the nine months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the FSC.


Wang, Ming-I


Lin, Yung-Chih

For and on behalf of PricewaterhouseCoopers, Taiwan

November 7, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the review 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' review 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.

SENAO INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

ASSETS	September 30, 2025		December 31, 2024		September 30, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 26)	\$ 1,895,687	17	\$ 1,897,404	18	\$ 2,404,884	22
Financial assets at fair value through profit or loss – current (Notes 7 and 30)	1,482	-	263	-	-	-
Notes receivable, net (Note 8)	75,788	1	55,369	1	75,992	1
Trade receivables, net (Note 8)	1,192,426	11	633,304	6	628,145	6
Trade receivables from related parties (Note 26)	962,940	9	1,002,895	10	1,072,870	10
Other receivables (Note 8)	271,106	2	278,682	3	263,775	2
Other receivables from related parties (Note 26)	169,962	2	165,150	2	172,773	2
Inventories (Note 9)	2,587,157	24	2,598,586	25	2,662,645	25
Prepayments (Note 26)	101,463	1	82,907	1	87,953	1
Other current assets (Note 15)	22,971	-	22,996	-	22,956	-
Total current assets	<u>7,280,982</u>	<u>67</u>	<u>6,737,556</u>	<u>66</u>	<u>7,391,993</u>	<u>69</u>
NONCURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Note 30)	10,191	-	11,091	-	11,076	-
Investments accounted for using equity method (Note 11)	2,009,391	19	1,998,346	19	1,583,693	15
Property, plant and equipment (Notes 12 and 22)	776,482	7	777,533	7	779,982	7
Right-of-use assets (Notes 13, 22 and 26)	545,212	5	643,621	6	705,007	7
Intangible assets (Notes 14 and 22)	94,895	1	96,139	1	101,145	1
Deferred tax assets	26,199	-	20,499	-	23,553	-
Refundable deposits (Note 26)	54,679	1	54,838	1	54,296	1
Net defined benefit assets - noncurrent (Notes 15, 19 and 22)	25,960	-	23,030	-	1,462	-
Other noncurrent assets (Note 15)	47,559	-	50,426	-	47,559	-
Total noncurrent assets	<u>3,590,568</u>	<u>33</u>	<u>3,675,523</u>	<u>34</u>	<u>3,307,773</u>	<u>31</u>
TOTAL	<u>\$ 10,871,550</u>	<u>100</u>	<u>\$ 10,413,079</u>	<u>100</u>	<u>\$ 10,699,766</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	\$ 535,000	5	\$ -	-	\$ -	-
Financial liabilities at fair value through profit or loss – current (Notes 7 and 30)	-	-	-	-	951	-
Contract liabilities (Note 21)	175,196	2	95,713	1	195,989	2
Notes payable (Note 17)	2,105	-	3,496	-	2,077	-
Trade payables (Note 17)	1,831,404	17	1,887,263	18	1,895,952	18
Trade payables to related parties (Note 26)	452,800	4	244,098	2	614,015	6
Other payables (Note 18)	648,180	6	699,231	7	648,819	6
Other payables to related parties (Note 26)	264,796	2	251,629	2	238,066	2
Current tax liabilities	30,359	-	38,379	-	9,793	-
Lease liabilities - current (Notes 13, 22 and 26)	240,313	2	279,988	3	285,263	3
Other current liabilities	61,889	1	49,452	-	45,736	-
Total current liabilities	<u>4,242,042</u>	<u>39</u>	<u>3,549,249</u>	<u>33</u>	<u>3,936,661</u>	<u>37</u>
NONCURRENT LIABILITIES						
Contract liabilities - noncurrent (Note 21)	2,026	-	-	-	-	-
Deferred tax liabilities	19,757	-	16,558	-	19,987	-
Lease liabilities – noncurrent (Notes 13, 22 and 26)	317,382	3	376,666	4	432,396	4
Guarantee deposits	21,596	-	22,547	-	22,547	-
Total noncurrent liabilities	<u>360,761</u>	<u>3</u>	<u>415,771</u>	<u>4</u>	<u>474,930</u>	<u>4</u>
Total liabilities	<u>4,602,803</u>	<u>42</u>	<u>3,965,020</u>	<u>37</u>	<u>4,411,591</u>	<u>41</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT						
Share capital - ordinary shares (Note 20)	2,582,527	24	2,582,527	25	2,582,527	24
Capital surplus (Note 20)	738,199	7	738,199	7	717,664	7
Retained earnings (Note 20)						
Legal reserve	1,789,226	16	1,739,517	17	1,739,517	16
Special reserve	9,318	-	32,003	-	32,003	-
Unappropriated earnings	1,176,491	11	1,355,510	14	1,198,313	12
Total retained earnings	2,975,035	27	3,127,030	31	2,969,833	28
Other equity	(35,860)	-	(9,318)	-	8,342	-
Equity attributable to shareholders of the parent	6,259,901	58	6,438,438	63	6,278,366	59
NONCONTROLLING INTERESTS (Note 20)	8,846	-	9,621	-	9,809	-
Total equity	<u>6,268,747</u>	<u>58</u>	<u>6,448,059</u>	<u>63</u>	<u>6,288,175</u>	<u>59</u>
TOTAL	<u>\$ 10,871,550</u>	<u>100</u>	<u>\$ 10,413,079</u>	<u>100</u>	<u>\$ 10,699,766</u>	<u>100</u>

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

SENAO INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 26)								
Sales	\$ 7,723,781	98	\$ 7,561,810	97	\$ 22,190,574	97	\$ 22,505,406	96
Less: Sales returns	51,308	1	65,006	1	169,135	1	193,767	1
Sales discounts and allowances	219,915	3	234,864	3	666,845	2	642,954	3
Net sales	7,452,558	94	7,261,940	93	21,354,594	94	21,668,685	92
Service and repairs revenue	469,373	6	551,729	7	1,436,995	6	1,696,391	8
Total operating revenues	7,921,931	100	7,813,669	100	22,791,589	100	23,365,076	100
OPERATING COSTS (Notes 9, 19, 22 and 26)								
Cost of goods sold	6,994,151	88	6,854,206	88	20,066,285	89	20,468,195	88
Service and repairs costs	90,548	1	115,903	1	273,289	1	333,639	1
Total operating costs	7,084,699	89	6,970,109	89	20,339,574	90	20,801,834	89
GROSS PROFIT	837,232	11	843,560	11	2,452,015	10	2,563,242	11
OPERATING EXPENSES (Notes 19, 22 and 26)								
Selling and marketing expenses	688,638	9	675,263	9	2,017,324	9	2,009,042	9
General and administrative expenses	98,398	1	82,365	1	277,233	1	257,285	1
Total operating expenses	787,036	10	757,628	10	2,294,557	10	2,266,327	10
NET OTHER INCOME AND EXPENSES (Note 22)	30	-	318	-	473	-	295	-
INCOME FROM OPERATIONS	50,226	1	86,250	1	157,931	-	297,210	1
NON-OPERATING INCOME AND EXPENSES								
Other income (Notes 22 and 26)	22,262	-	28,125	-	66,549	-	67,779	-
Share of profit of associates accounted for using equity method	19,651	-	20,514	-	95,434	1	46,460	-
Interest income (Note 26)	589	-	1,548	-	6,904	-	9,439	-
Net (loss) gain on foreign currency exchange	(2,153)	-	2,066	-	737	-	2,020	-
Net gain (loss) on financial assets and liabilities at fair value through profit or loss (Note 7)	1,250	-	(951)	-	1,219	-	(951)	-
Interest expense (Notes 22 and 26)	(3,824)	-	(3,402)	-	(9,768)	-	(9,620)	-
Miscellaneous disbursements	1	-	(10)	-	(121)	-	(18)	-
Total non-operating income and expenses	37,776	-	47,890	-	160,954	1	115,109	-

(Continued)

SENAO INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 88,002	1	\$ 134,140	2	\$ 318,885	1	\$ 412,319	2
INCOME TAX EXPENSE (Note 23)	<u>13,563</u>	-	<u>23,564</u>	-	<u>45,538</u>	-	<u>73,186</u>	-
NET INCOME	<u>74,439</u>	<u>1</u>	<u>110,576</u>	<u>1</u>	<u>273,347</u>	<u>1</u>	<u>339,133</u>	<u>1</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified to profit or loss:								
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income	(<u>787</u>)	-	(<u>206</u>)	-	(<u>900</u>)	-	<u>1,107</u>	-
	(<u>787</u>)	-	(<u>206</u>)	-	(<u>900</u>)	-	<u>1,107</u>	-
Items that may be reclassified subsequently to profit or loss:								
Share of exchange differences arising from the translation of the foreign operations of associates	<u>6,586</u>	-	<u>11,510</u>	-	(<u>25,642</u>)	-	<u>39,238</u>	-
	<u>6,586</u>	-	<u>11,510</u>	-	(<u>25,642</u>)	-	<u>39,238</u>	-
Total other comprehensive income (loss), net of income tax	<u>5,799</u>	-	<u>11,304</u>	-	(<u>26,542</u>)	-	<u>40,345</u>	-
TOTAL COMPREHENSIVE INCOME	<u>\$ 80,238</u>	<u>1</u>	<u>\$ 121,880</u>	<u>2</u>	<u>\$ 246,805</u>	<u>1</u>	<u>\$ 379,478</u>	<u>2</u>
NET INCOME								
ATTRIBUTABLE TO:								
Shareholders of the parent	\$ 74,659	1	\$ 110,833	1	\$ 274,122	1	\$ 339,894	1
Noncontrolling interests	(<u>220</u>)	-	(<u>257</u>)	-	(<u>775</u>)	-	(<u>761</u>)	-
	<u>\$ 74,439</u>	<u>1</u>	<u>\$ 110,576</u>	<u>1</u>	<u>\$ 273,347</u>	<u>1</u>	<u>\$ 339,133</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Shareholders of the parent	\$ 80,458	1	\$ 122,137	2	\$ 247,580	1	\$ 380,239	2
Noncontrolling interests	(<u>220</u>)	-	(<u>257</u>)	-	(<u>775</u>)	-	(<u>761</u>)	-
	<u>\$ 80,238</u>	<u>1</u>	<u>\$ 121,880</u>	<u>2</u>	<u>\$ 246,805</u>	<u>1</u>	<u>\$ 379,478</u>	<u>2</u>
EARNINGS PER SHARE (Note 24)								
Basic	<u>\$ 0.29</u>		<u>\$ 0.43</u>		<u>\$ 1.06</u>		<u>\$ 1.32</u>	
Diluted	<u>\$ 0.29</u>		<u>\$ 0.42</u>		<u>\$ 1.06</u>		<u>\$ 1.31</u>	

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

(Concluded)

SENAO INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)
(Reviewed, Not Audited)

	Equity Attributable to Stockholders of the Parent					Other Equity		Total	Noncontrolling Interests (Note 20)	Total Equity
	Share Capital - Ordinary Shares (Note 20)	Capital Surplus (Note 20)	Retained Earnings (Note 20)			Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
			Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE, JANUARY 1, 2024	\$ 2,582,527	\$ 717,664	\$ 1,667,579	\$ -	\$ 1,478,865	(\$ 29,973)	(\$ 2,030)	\$ 6,414,632	\$ 10,570	\$ 6,425,202
Appropriations of 2023 earnings										
Legal reserve	-	-	71,938	-	(71,938)	-	-	-	-	-
Special reserve	-	-	-	32,003	(32,003)	-	-	-	-	-
Cash dividends distributed by the Company - \$2.00 per share	-	-	-	-	(516,505)	-	-	(516,505)	-	(516,505)
	-	-	71,938	32,003	(620,446)	-	-	(516,505)	-	(516,505)
Net income (loss) for the nine months ended September 30, 2024	-	-	-	-	339,894	-	-	339,894	(761)	339,133
Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	39,238	1,107	40,345	-	40,345
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	339,894	39,238	1,107	380,239	(761)	379,478
BALANCE, SEPTEMBER 30, 2024	\$ 2,582,527	\$ 717,664	\$ 1,739,517	\$ 32,003	\$ 1,198,313	\$ 9,265	(\$ 923)	\$ 6,278,366	\$ 9,809	\$ 6,288,175
BALANCE, JANUARY 1, 2025	\$ 2,582,527	\$ 738,199	\$ 1,739,517	\$ 32,003	\$ 1,355,510	(\$ 8,410)	(\$ 908)	\$ 6,438,438	\$ 9,621	\$ 6,448,059
Appropriations of 2024 earnings										
Legal reserve	-	-	49,709	-	(49,709)	-	-	-	-	-
Special reserve	-	-	-	(22,685)	22,685	-	-	-	-	-
Cash dividends distributed by the Company - \$1.65 per share	-	-	-	-	(426,117)	-	-	(426,117)	-	(426,117)
	-	-	49,709	(22,685)	(453,141)	-	-	(426,117)	-	(426,117)
Net income (loss) for the nine months ended September 30, 2025	-	-	-	-	274,122	-	-	274,122	(775)	273,347
Other comprehensive loss for the nine months ended September 30, 2025	-	-	-	-	-	(25,642)	(900)	(26,542)	-	(26,542)
Total comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	274,122	(25,642)	(900)	247,580	(775)	246,805
BALANCE, SEPTEMBER 30, 2025	\$ 2,582,527	\$ 738,199	\$ 1,789,226	\$ 9,318	\$ 1,176,491	(\$ 34,052)	(\$ 1,808)	\$ 6,259,901	\$ 8,846	\$ 6,268,747

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

SENAO INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 318,885	\$ 412,319
Adjustments for:		
Depreciation expense	259,637	258,896
Amortization expense	34,190	24,795
Expected credit loss	5,205	2,589
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(1,219)	951
Interest expense	9,768	9,620
Interest income	(6,904)	(9,439)
Dividend income	(1,092)	(372)
Share of profit of associates accounted for using equity method	(95,434)	(46,460)
Net loss on disposal of property, plant and equipment	72	97
Net gain on lease modification	(545)	(392)
Provision (reversal of allowance) for inventory obsolescence	4,216	(13,395)
Net loss (gain) on foreign currency exchange	5	(18)
Changes in operating assets and liabilities:		
Notes receivable	(20,419)	(5,858)
Trade receivables	(564,327)	(24,576)
Trade receivables from related parties	39,955	(178,225)
Other receivables	4,620	(53,718)
Other receivables from related parties	(4,812)	18,138
Inventories	7,213	(269,618)
Prepayments	(18,556)	(21,653)
Other current assets	25	(428)
Contract liabilities	81,509	105,535
Notes payable	(1,391)	(998)
Notes payable to related parties	-	(18)
Trade payables	(55,859)	406,043
Trade payables to related parties	208,702	465,909
Other payables	(51,286)	(24,362)
Other payables to related parties	13,167	(26,874)
Other current liabilities	12,437	3,456
Net defined benefit assets - noncurrent	(2,930)	(2,516)
Cash from operations	174,832	1,029,428
Interest paid	(9,533)	(9,620)
Income tax paid	(53,341)	(3,784)
Net cash generated from operating activities	<u>111,958</u>	<u>1,016,024</u>

(Continued)

SENAO INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(\$ 32,222)	(\$ 24,714)
Decrease in refundable deposits	159	969
Acquisition of intangible assets	(30,079)	(22,836)
Interest received	7,142	9,670
Dividends received	<u>59,839</u>	<u>372</u>
Net cash generated from (used in) investing activities	<u>4,839</u>	<u>(36,539)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term loans	1,700,000	270,000
Repayment of short-term loans	(1,165,000)	(270,000)
(Decrease) increase in guarantee deposits	(951)	144
Repayment of the principal portion of lease liabilities	(226,441)	(226,575)
Cash dividends paid	<u>(426,117)</u>	<u>(516,505)</u>
Net cash used in financing activities	<u>(118,509)</u>	<u>(742,936)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>(5)</u>	<u>50</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,717)	236,599
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>1,897,404</u>	<u>2,168,285</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 1,895,687</u>	<u>\$ 2,404,884</u>

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

(Concluded)

SENAO INTERNATIONAL CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL

Senao International Co., Ltd. (“Senao”; Senao and subsidiaries are hereinafter collectively referred to as “the Group”) was incorporated in the Republic of China (“ROC”) on May 18, 1979. On January 12, 2001, Senao received approval from the Securities and Futures Commission (the “SFC”) for a domestic initial public offering and its common stocks were listed and traded on the Taiwan Stock Exchange (the “TWSE”) on May 24, 2001. In need of organizational reorganization and professional operation of all kinds of businesses, Senao has spun off the wireless communication business segment, including its assets and liabilities and incorporated Senao Networks, Inc. pursuant to the Business Mergers and Acquisitions Act. The spin-off date was October 1, 2006.

Senao mainly sells mobile phones, information appliance, home appliances, peripheral products, and health care products, and provides the related repairs and maintenance services.

Chunghwa Telecom Co., Ltd. (“Chunghwa”) acquired the shares of Senao on January 15, 2007. Chunghwa has a substantial control over Senao, and it is the ultimate parent entity of Senao. As of September 30, 2025, Chunghwa’s ownership interest in Senao was 27.79%.

The consolidated financial statements are presented in Senao’s functional currency, the New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on November 7, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the IFRS Accounting Standards as endorsed and issued into effect by the FSC had no material impact on the Group’s accounting policies.

- b. Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
Specific provisions of 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
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

- c. IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</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 IASB
Amendments to IFRS 18, “Presentation and disclosure in financial statements”	January 1, 2027
Amendments to IFRS 19, “Subsidiaries without public accountability: disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

As of the date the consolidated financial statements were authorized for issuance, except IFRS 18, “Presentation and disclosure in financial statements”, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements as required by IFRS Accounting Standards as endorsed and issued into effect by the FSC.

Basis of Preparation and Consolidation

- a. Refer to principles prepared and used to the consolidated financial statements for the year ended December 31, 2024.
- b. See Note 10 and Table 6 for detailed information on subsidiaries, percentages of ownership and main businesses.

Other Material Accounting Policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

- a. Defined benefit retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

b. Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions which are based on historical experience and other factors that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Refer to the statements of material accounting judgments and key sources of estimation uncertainty to the consolidated financial statements for the year ended December 31, 2024.

6. CASH AND CASH EQUIVALENTS

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand and petty cash	\$ 153,431	\$ 305,268	\$ 289,917
Checking accounts and demand deposits	1,562,933	1,105,259	1,769,462
Cash equivalents			
Commercial paper	179,323	484,926	345,505
Stimulus vouchers	-	1,951	-
	<u>\$ 1,895,687</u>	<u>\$ 1,897,404</u>	<u>\$ 2,404,884</u>

The annual yield rates of bank deposits and commercial papers as of balance sheet dates were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Bank deposits	0.01%-0.705%	0.01%-0.80%	0.01%-1.15%
Commercial paper	1.07%-1.20%	1.07%-1.20%	1.07%-1.20%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets - current</u>			
Financial assets held for trading			
Derivatives financial assets			
Forward exchange contracts	\$ 1,482	\$ 263	\$ -
<u>Financial liabilities - current</u>			
Financial liabilities held for trading			
Derivatives financial liabilities			
Forward exchange contracts	\$ -	\$ -	\$ 951

At the end of the reporting period, the outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	<u>Currency</u>	<u>Maturity Date</u>	<u>Notional Amount</u> <u>(In Thousands)</u>
<u>September 30, 2025</u>			
Forward exchange contracts - buy	NTD/USD	2025.10.03~ 2025.10.17	NTD 167,376/ USD 5,548
<u>December 31, 2024</u>			
Forward exchange contracts - buy	NTD/USD	2025.01.03~ 2025.01.17	NTD 45,879/ USD 1,408
<u>September 30, 2024</u>			
Forward exchange contracts - buy	NTD/USD	2024.10.04~ 2024.10.18	NTD 71,940/ USD 2,245

The Group entered into forward exchange contracts to hedge the exchange rate risk arising from assets and liabilities denominated in foreign currencies. The hedge accounting is not applicable as the criteria for an effective hedge are not met.

8. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>September 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>September 30,</u> <u>2024</u>
<u>Notes receivable</u>			
Notes receivable	\$ 76,719	\$ 56,300	\$ 76,923
Less: Allowance for impairment loss	(931)	(931)	(931)
	<u>\$ 75,788</u>	<u>\$ 55,369</u>	<u>\$ 75,992</u>
<u>Trade receivables</u>			
Trade receivables	\$1,218,004	\$ 653,650	\$ 648,201
Less: Allowance for impairment loss	(25,578)	(20,346)	(20,056)
	<u>\$1,192,426</u>	<u>\$ 633,304</u>	<u>\$ 628,145</u>
<u>Other receivables</u>			
Suppliers allowance receivable	\$ 212,091	\$ 217,954	\$ 239,939
Others	59,015	60,728	23,836
	<u>\$ 271,106</u>	<u>\$ 278,682</u>	<u>\$ 263,775</u>

The average credit terms range from 30 to 90 days.

The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

Since the Group's customers, apart from the abovementioned corporate customers, are large and unrelated to each other, the divergence of the credit risk is constrained.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group uses the lifetime expected loss provision for all notes receivable and trade receivables. The expected credit losses on notes receivable and trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The Group writes off notes receivable or a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For notes receivable or trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivable and trade receivables based on the Group's provision matrix.

September 30, 2025

	<u>Not Past Due</u>	<u>Less than 60 Days</u>	<u>61 to 90 Days</u>	<u>Over 91 Days*</u>	<u>Total</u>
Expected credit loss rate	0%-0.1452%	53.2481%- 74.0523%	100%	100%	
Notes receivable and trade receivables	\$ 1,266,141	\$ 3,680	\$ 10	\$ 24,892	\$ 1,294,723
Less: Loss allowance (Lifetime ECL)	(1,150)	(2,103)	(10)	(23,246)	(26,509)
Amortized cost	<u>\$ 1,264,991</u>	<u>\$ 1,577</u>	<u>\$ -</u>	<u>\$ 1,646</u>	<u>\$ 1,268,214</u>

December 31, 2024

	<u>Not Past Due</u>	<u>Less than 60 Days</u>	<u>61 to 90 Days</u>	<u>Over 91 Days*</u>	<u>Total</u>
Expected credit loss rate	0%~0.0303%	22.7092%~ 53.3748%	98.1343%	100%	
Notes receivable and trade receivables	\$ 686,940	\$ 128	\$ 48	\$ 22,834	\$ 709,950
Less: Loss allowance (Lifetime ECL)	(154)	(68)	(47)	(21,008)	(21,277)
Amortized cost	<u>\$ 686,786</u>	<u>\$ 60</u>	<u>\$ 1</u>	<u>\$ 1,826</u>	<u>\$ 688,673</u>

September 30, 2024

	<u>Not Past Due</u>	<u>Less than 60 Days</u>	<u>61 to 90 Days</u>	<u>Over 91 Days*</u>	<u>Total</u>
Expected credit loss rate	0%-0.0136%	9.5678%~ 16.3225%	77.8256%	100%	
Notes receivable and trade receivables	\$ 681,360	\$ 20,949	\$ 233	\$ 22,582	\$ 725,124
Less: Loss allowance (Lifetime ECL)	(73)	(32)	(181)	(20,701)	(20,987)
Amortized cost	<u>\$ 681,287</u>	<u>\$ 20,917</u>	<u>\$ 52</u>	<u>\$ 1,881</u>	<u>\$ 704,137</u>

* For those customers who provided the collateral, the Group evaluated the expected credit loss rate as 0% because the value of the collateral provided is greater than the carrying value of the notes receivable and trade receivables.

The movements of the loss allowance of notes and trade receivables were as follows:

	For the Nine Months Ended September 30	
	2025	2024
Balance at January 1	\$ 21,277	\$ 18,357
Amounts recovered	27	41
Provision for impairment losses	<u>5,205</u>	<u>2,589</u>
Balance at September 30	<u>\$ 26,509</u>	<u>\$ 20,987</u>

9. INVENTORIES

	September 30, 2025	December 31, 2024	September 30, 2024
Merchandise	<u>\$ 2,587,157</u>	<u>\$ 2,598,586</u>	<u>\$ 2,662,645</u>

- a. The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2025 and 2024 was \$6,994,151 thousand and \$6,854,206 thousand, respectively. The amounts included the loss on provision due to inventory disposal and market price changes in net realizable value of \$3,170 thousand and \$5,033 thousand, respectively.
- b. The cost of inventories recognized as cost of goods sold for the nine months ended September 30, 2025 and 2024 was \$20,066,285 thousand and \$20,468,195 thousand, respectively. The amounts included the loss on provision and profit from inventory recovery due to inventory disposal and market price changes in net realizable value of \$4,216 thousand and \$13,395 thousand, respectively.

10. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were as follows:

Name of Investor	Name of Investee	Nature of Activities	Percentage of Ownership		
			September 30, 2025	December 31, 2024	September 30, 2024
Senao International Co., Ltd.	Youth Co., Ltd. ("Youth")	Sale of information and communication technologies products	95.79	95.79	95.79
	Aval Technologies Co., Ltd. ("Aval")	Sale of information and communication technologies products	100.00	100.00	100.00
	Senyoung Insurance Agent Co., Ltd. ("Senyoung")	Property and liability insurance agency	100.00	100.00	100.00
Youth Co., Ltd.	ISPOT Co., Ltd. ("ISPOT")	Sale of information and communication technologies products	100.00	100.00	100.00
Aval Technologies Co., Ltd.	Wiin Technologies Co., Ltd. ("Wiin")	Sale of information and communication technologies products	100.00	100.00	100.00

11. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Investments in associates</u>			
Material associate			
Senao Networks, Inc. (“Senao Networks”)	\$ 2,009,391	\$ 1,998,346	\$ 1,583,693

Material associate

	<u>Proportion of Ownership and Voting Rights</u>		
	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Senao Networks	33.16%	33.16%	33.79%

Although the Group is the single largest shareholder of Senao Networks, as of September 30, 2025, based on the evaluation of the active participation of other shareholders in Senao Networks’ shareholder meetings in the past, the Group did not have absolute dominance in voting on resolutions at the shareholders’ meeting and held less than half of the directors’ seats, which shows that the Group has no actual ability to unilaterally direct the relevant activities of the company, so it is judged that it does not control the company and only has a significant influence, and treats it as an associate.

Refer to Table 6 for the nature of activities, principal places of business and countries of incorporation of the associates.

Fair values (Level 1) of investments in associates with available published price quotations are summarized as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Senao Networks	\$ 3,094,028	\$ 3,838,161	\$ 2,743,830

Summarized financial information in respect of each of the Group’s material associates is set out below. The summarized financial information below represents amounts shown in the associates’ financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

Senao Networks and its subsidiaries

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Current assets	\$ 8,508,818	\$ 8,606,330	\$ 7,076,241
Noncurrent assets	4,614,792	4,231,876	4,117,806
Current liabilities	(5,598,654)	(5,698,916)	(6,088,345)
Noncurrent liabilities	(1,121,944)	(791,961)	(222,746)
Equity	6,403,012	6,347,329	4,882,956
Noncontrolling interests	(342,668)	(320,297)	(251,313)
	<u>\$ 6,060,344</u>	<u>\$ 6,027,032</u>	<u>\$ 4,631,643</u>
Proportion of the Group’s ownership	33.16%	33.16%	33.79%
Equity attributable to the Group (carrying amount of the investment)	<u>\$ 2,009,391</u>	<u>\$ 1,998,346</u>	<u>\$ 1,583,693</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Operating revenue	\$ 3,597,065	\$ 2,951,763	\$ 11,559,018	\$ 8,327,511
Net profit for the period	\$ 87,268	\$ 108,591	\$ 387,576	\$ 233,825
Other comprehensive income (loss)	20,071	(20,907)	(79,386)	61,174
Total comprehensive income for the period	\$ 107,339	\$ 87,684	\$ 308,190	\$ 294,999

12. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2025	December 31, 2024	September 30, 2024
Assets used by the Group			
Land	\$ 172,415	\$ 172,415	\$ 172,415
Buildings	114,694	118,019	118,378
Machinery and equipment	3,506	2,562	2,730
Computer telecommunications equipment	39,302	30,012	31,227
Office equipment	14,488	15,517	14,895
Leasehold improvements	17,634	18,087	17,527
Other equipment	282	486	555
	<u>362,321</u>	<u>357,099</u>	<u>357,727</u>
Assets leased under operating leases			
Land	149,879	149,879	149,879
Buildings	264,282	270,555	272,376
	<u>414,161</u>	<u>420,434</u>	<u>422,255</u>
	<u>\$ 776,482</u>	<u>\$ 777,533</u>	<u>\$ 779,982</u>

Except for depreciation expenses, there was no significant addition, disposal, and impairment of the property, plant and equipment used by the Group for the nine months ended September 30, 2025 and 2024. The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

	Assets Used by the Group	Assets Leased under Operating Leases
Buildings		
Main buildings	50-55 years	55 years
Mechatronic construction	15 years	15 years
Decoration construction	3-5 years	3-5 years
Machinery and equipment	5-8 years	-
Computer telecommunications equipment	3-8 years	-
Office equipment	3-7 years	-
Leasehold improvements	3-5 years	-
Other equipment	4-6 years	-

There was no indication that property, plant and equipment was impaired; therefore, the Company did not recognize any impairment loss for the nine months ended September 30, 2025 and 2024.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>	
<u>Carrying amount</u>				
Buildings	\$ 543,723	\$ 642,560	\$ 703,811	
Transportation equipment	1,417	710	835	
Others	<u>72</u>	<u>351</u>	<u>361</u>	
	<u>\$ 545,212</u>	<u>\$ 643,621</u>	<u>\$ 705,007</u>	
	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Depreciation charge for right-of-use assets				
Buildings	\$ 74,777	\$ 75,718	\$ 225,777	\$ 227,276
Transportation equipment	129	125	380	376
Others	<u>93</u>	<u>93</u>	<u>279</u>	<u>325</u>
	<u>\$ 74,999</u>	<u>\$ 75,936</u>	<u>\$ 226,436</u>	<u>\$ 227,977</u>

The initial recognition of right-of-use assets and lease liabilities of \$165,902 thousand and \$306,673 thousand were noncash transactions for the nine months ended September 30, 2025 and 2024, respectively.

Except for the addition and recognition of depreciation expenses listed above, there was no significant sublease or impairment of the right-of-use assets of the Group as of September 30, 2025 and 2024.

b. Lease liabilities

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
<u>Carrying amount</u>			
Current	<u>\$ 240,313</u>	<u>\$ 279,988</u>	<u>\$ 285,263</u>
Non-current	<u>\$ 317,382</u>	<u>\$ 376,666</u>	<u>\$ 432,396</u>

Range of discount rates for lease liabilities was as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Buildings	1.30%-2.65%	1.30%-2.63%	1.30%-2.63%
Transportation equipment	2.15%	1.80%	1.80%
Others	1.90%	1.80%-1.90%	1.90%

c. Material leasing activities and terms

The Group leases certain buildings for the use of offices and retail stores with lease terms of 1 to 10 years. The Group does not have bargain purchase options to acquire the buildings at the end of the lease terms.

d. Other lease information

Lease under operating leases for the leasing out of freehold property, plant and equipment are set out in Note 12.

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Expenses relating to low-value asset leases	\$ 951	\$ 1,043	\$ 2,973	\$ 3,019
Interest expense on lease liabilities	\$ 2,746	\$ 3,179	\$ 8,690	\$ 9,397
Total cash outflow for leases	\$ 78,983	\$ 79,602	\$ 238,104	\$ 238,991

The Group leases certain office equipment which qualify as low-value asset leases. The Group has elected to apply the recognition exemption, and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. INTANGIBLE ASSETS

	September 30, 2025	December 31, 2024	September 30, 2024
Assets used by the Group			
Computer software	\$ 27,234	\$ 19,626	\$ 21,681
Licenses and franchises	66,390	71,369	73,029
Trademark	1,271	5,144	6,435
	\$ 94,895	\$ 96,139	\$ 101,145

Except for amortization expenses, there was no significant addition, disposal, and impairment of the intangible assets used by the Group for the nine months ended September 30, 2025 and 2024.

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	1-5 years
Licenses and franchises	20 years
Trademark	10-11 years

15. OTHER ASSETS

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Trust account deposit (Note)	\$ 22,971	\$ 22,996	\$ 22,956
<u>Non-current</u>			
Net defined benefit assets	\$ 25,960	\$ 23,030	\$ 1,462
Others	47,559	50,426	47,559
	\$ 73,519	\$ 73,456	\$ 49,021

Note : Advance receipts of electronic reward points of Senao are guaranteed by trust delivery. Senao signs a trust contract with the special deposit account bank (Cathay United Bank), and remits the advance receipts of electronic reward points to the trust account according to the trust contract, and the special trust account is recognized as other current assets. The outstanding electronic reward points held in

trust are recognized as a contract liability. As of September 30, 2025, December 31, 2024 and September 30, 2024, the amount of the trust were \$12,563 thousand, \$13,564 thousand and \$14,225 thousand, respectively.

The annual yield rates of deposit were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Trust account deposit	<u>0.635%</u>	<u>0.635%</u>	<u>0.640%</u>

16. SHORT-TERM BORROWINGS

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank borrowings	<u>\$ 535,000</u>	<u>\$ -</u>	<u>\$ -</u>
Interest rate	1.76%~2.15%	-	-

17. NOTES PAYABLE AND TRADE PAYABLES

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Notes payable</u>			
Operating	<u>\$ 2,105</u>	<u>\$ 3,496</u>	<u>\$ 2,077</u>
<u>Trade payables</u>			
Operating	<u>\$ 1,831,404</u>	<u>\$ 1,887,263</u>	<u>\$ 1,895,952</u>

a. Notes payable

Notes payable were mainly from the payment for the rent of the offices and the business places.

b. Trade payables

The average credit period is one month. The Group has set up financial risk management policies in place to ensure that all payables will be paid within the pre-agreed credit terms.

18. OTHER PAYABLES

	September 30, 2025	December 31, 2024	September 30, 2024
Payables for salaries	\$ 156,518	\$ 149,622	\$ 148,047
Payables for bonuses	135,321	170,022	127,759
Accrued marketing compensation	30,477	38,256	51,297
Accrued compensation to employees and remuneration to directors	20,011	32,462	26,200
Others	<u>305,853</u>	<u>308,869</u>	<u>295,516</u>
	<u>\$ 648,180</u>	<u>\$ 699,231</u>	<u>\$ 648,819</u>

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

Senao, Youth, ISPOT, Aval, Wiin and Senyoung within the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

For the three months and nine months ended September 30, 2025 and 2024, the pension expenses of defined benefit plans were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively.

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Operating costs (reversal)	(\$ 9)	\$ 5	(\$ 27)	\$ 13
Operating expenses (reversal)	(96)	40	(286)	120
	<u>(\$ 105)</u>	<u>\$ 45</u>	<u>(\$ 313)</u>	<u>\$ 133</u>

20. EQUITY

a. Share capital - ordinary shares

	September 30, 2025	December 31, 2024	September 30, 2024
Number of shares authorized (in thousands)	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>
Shares authorized	<u>\$ 4,500,000</u>	<u>\$ 4,500,000</u>	<u>\$ 4,500,000</u>
Number of shares issued and fully paid (in thousands)	<u>258,253</u>	<u>258,253</u>	<u>258,253</u>
Shares issued	<u>\$ 2,582,527</u>	<u>\$ 2,582,527</u>	<u>\$ 2,582,527</u>

The issued ordinary shares with a par value at \$10 are entitled the right to vote and receive dividends.

b. Capital surplus

The capital surplus for the nine months ended September 30, 2025 and 2024 were as follows:

	Share Premium	Compensation Costs Related to Share-based Payment	Movements of Capital Surplus for Associates Accounted for Using Equity Method and Subsidiaries	Movements of Capital Surplus due to Transactions of Treasury Shares	Total
Balance on January 1, 2025 and September 30, 2025	<u>\$ 346,007</u>	<u>\$ 215,648</u>	<u>\$ 152,036</u>	<u>\$ 24,508</u>	<u>\$ 738,199</u>
Balance on January 1, 2024 and September 30, 2024	<u>\$ 346,007</u>	<u>\$ 215,648</u>	<u>\$ 131,501</u>	<u>\$ 24,508</u>	<u>\$ 717,664</u>

Capital surplus from share premium and the premium from disposal of treasury shares may be utilized to offset deficits; furthermore, when Senao has no deficit, it may be distributed in cash or capitalized, which however is limited to a certain percentage of Senao’s paid-in capital.

The capital surplus from movements of investments in associates and subsidiaries accounted for using equity method and subsequent invalidation from share-based payment transactions may only be utilized to offset deficits.

The change in the equity method recognition of the capital reserve of affiliated companies as of January 1, 2025 and for the nine months ended September 30, 2025 is primarily due to the cash capital increase and new shares issuance by Senao Networks in October, 2024, wherein Senao did not subscribe to the capital increase in proportion to its shareholding.

c. Retained earnings and dividends policy

Under the Senao’s dividends policy, where Senao made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by Senao’s board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders’ meeting for the distribution of dividends and bonuses to shareholders. Senao’s board of directors shall, with more than two-thirds of the directors present, and the resolution of more than half of the directors present, shall distribute all or part of the dividends, bonuses, capital reserve or statutory surplus reserve in cash, which shall be reported to the shareholders during their meeting. The provisions of the above paragraph which should be subject to the resolution of the shareholders is not applicable. For Senao’s policies on the distribution of employees’ compensation and remuneration of directors, refer to Employees’ compensation and remuneration of directors in Note 22-f.

In order to meet “the balanced dividend policy” to conform with Senao’s current operating environment and the goal of sustainability, the policy on the distribution of dividends emphasizes the need for Senao’s stability and growth. No less than 30% of the distributable remaining earnings shall be distributed as stockholders’ dividends, of which cash dividends to be distributed shall not be less than 10% of the total amount of dividends to be distributed.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals Senao’s paid-in capital. The legal reserve may be used to offset deficit. If Senao has no deficit and the legal reserve has exceeded 25% of Senao’s paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company should appropriate a special reserve when the net amount of other equity items is negative at the end of reporting period upon the earnings distribution. Distribution can be made out of any subsequent reversal of the debit to other equity items.

The appropriations of earnings for 2024 and 2023 were as follows:

	Appropriation of Earnings		Dividends Per Share	
	For Fiscal Year	For Fiscal Year	(NT\$)	
	2024	2023	For Fiscal Year 2024	For Fiscal Year 2023
Legal reserve	\$ 49,709	\$ 71,938		
Provision (Reversal) of special reserve	(22,685)	32,003		
Cash dividends	426,117	516,505	\$ 1.65	\$ 2.00

The above appropriations for cash dividends have been resolved by Senao’s board of directors on February 14, 2025 and February 16, 2024, respectively; the other proposed appropriations have been resolved by the shareholders during their meeting held on May 28, 2025 and May 20, 2024,

respectively.

Information on the appropriation of the Senao's earnings approved by the shareholders is available at the Market Observation Post System website.

d. Noncontrolling interests

	For the Nine Months Ended September 30	
	2025	2024
Beginning balance	\$ 9,621	\$ 10,570
Shares attributed to noncontrolling interests		
Net loss of the period	(775)	(761)
Ending balance	<u>\$ 8,846</u>	<u>\$ 9,809</u>

21. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Revenue from contracts with customers				
Revenue from sale of goods	\$ 7,452,558	\$ 7,261,940	\$ 21,354,594	\$ 21,668,685
Revenue from rendering of services	342,943	405,218	1,085,145	1,281,988
Revenue from repairs and maintenance services	<u>126,430</u>	<u>146,511</u>	<u>351,850</u>	<u>414,403</u>
	<u>\$ 7,921,931</u>	<u>\$ 7,813,669</u>	<u>\$ 22,791,589</u>	<u>\$ 23,365,076</u>

Refer to Note 32 for detailed information relating to disaggregation of revenues.

Contract Balances

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
<u>Contract liabilities - current</u>				
Sale of goods	\$ 170,681	\$ 89,830	\$ 189,758	\$ 84,811
Others	<u>4,515</u>	<u>5,883</u>	<u>6,231</u>	<u>5,643</u>
	<u>\$ 175,196</u>	<u>\$ 95,713</u>	<u>\$ 195,989</u>	<u>\$ 90,454</u>
<u>Contract liabilities - noncurrent</u>				
Others	<u>\$ 2,026</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The changes in the balance of contract liabilities primarily result from the timing difference between the Group's performance and the respective customer's payment.

As of September 30, 2025, the long-term warranty agreements signed between Senao and customers have not been fulfilled. Revenue will be recognized in the following years as the performance obligations are satisfied over time.

22. NET INCOME

a. Other operating income and expenses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Net loss on disposal of property, plant and equipment	(\$ 57)	(\$ 41)	(\$ 72)	(\$ 97)
Net gain on lease modification	<u>87</u>	<u>359</u>	<u>545</u>	<u>392</u>
	<u>\$ 30</u>	<u>\$ 318</u>	<u>\$ 473</u>	<u>\$ 295</u>

b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Rental income	\$ 18,778	\$ 18,698	\$ 56,531	\$ 53,716
Dividend income	-	-	1,092	372
Others	<u>3,484</u>	<u>9,427</u>	<u>8,926</u>	<u>13,691</u>
	<u>\$ 22,262</u>	<u>\$ 28,125</u>	<u>\$ 66,549</u>	<u>\$ 67,779</u>

c. Interest expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Interest on lease liabilities	\$ 2,746	\$ 3,179	\$ 8,690	\$ 9,397
Interest on bank loans	<u>1,078</u>	<u>223</u>	<u>1,078</u>	<u>223</u>
	<u>\$ 3,824</u>	<u>\$ 3,402</u>	<u>\$ 9,768</u>	<u>\$ 9,620</u>

d. Depreciation and amortization expenses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Property, plant and equipment	\$ 11,204	\$ 10,374	\$ 33,201	\$ 30,919
Right-of-use assets	74,999	75,936	226,436	227,977
Intangible assets	<u>13,377</u>	<u>9,425</u>	<u>34,190</u>	<u>24,795</u>
	<u>\$ 99,580</u>	<u>\$ 95,735</u>	<u>\$ 293,827</u>	<u>\$ 283,691</u>
An analysis of depreciation by function				
Operating costs	\$ 162	\$ 201	\$ 500	\$ 620
Operating expenses	<u>86,041</u>	<u>86,109</u>	<u>259,137</u>	<u>258,276</u>
	<u>\$ 86,203</u>	<u>\$ 86,310</u>	<u>\$ 259,637</u>	<u>\$ 258,896</u>
An analysis of amortization by function				
Selling and marketing expenses	\$ 5,707	\$ 4,302	\$ 13,738	\$ 11,908
General and administrative expenses	<u>7,670</u>	<u>5,123</u>	<u>20,452</u>	<u>12,887</u>
	<u>\$ 13,377</u>	<u>\$ 9,425</u>	<u>\$ 34,190</u>	<u>\$ 24,795</u>

e. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Post-employment benefits (Note 19)				
Defined contribution plans	\$ 18,290	\$ 17,196	\$ 54,300	\$ 51,059
Defined benefit plans	(105)	45	(313)	133
	18,185	17,241	53,987	51,192
Termination benefits	5,555	513	6,426	882
Other employee benefits	418,170	395,207	1,213,620	1,184,057
	<u>\$ 441,910</u>	<u>\$ 412,961</u>	<u>\$ 1,274,033</u>	<u>\$ 1,236,131</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 13,238	\$ 14,669	\$ 40,206	\$ 44,685
Operating expenses	428,672	398,292	1,233,827	1,191,446
	<u>\$ 441,910</u>	<u>\$ 412,961</u>	<u>\$ 1,274,033</u>	<u>\$ 1,236,131</u>

f. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of Senao, Senao accrued employees' compensation and remuneration of directors at rates of no less than 3% and no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. At least 5% of the employees' compensation and remuneration specified above shall be allocated for distribution to frontline employees.

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and will be recognized in the following year.

The employees' compensation and remuneration of directors were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Employees' compensation	<u>\$ 3,707</u>	<u>\$ 5,334</u>	<u>\$ 12,934</u>	<u>\$ 16,363</u>
Remuneration of directors	<u>\$ 1,523</u>	<u>\$ 2,256</u>	<u>\$ 5,454</u>	<u>\$ 6,957</u>

The employees' compensation and remuneration of directors of Senao for the years ended December 31, 2024 and 2023, which had been approved by Senao's board of directors on February 14, 2025 and February 16, 2024, respectively, were as follows:

	For the Year Ended December 31	
	2024	2023
	Cash	Cash
Employees' compensation	<u>\$ 21,071</u>	<u>\$ 29,685</u>
Remuneration of directors	<u>\$ 9,030</u>	<u>\$ 12,722</u>

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

Information on the employees' compensation and remuneration of directors resolved by Senao's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

23. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	\$ 15,097	\$ 2,475	\$ 47,193	\$ 6,727
Income tax on unappropriated earnings	-	-	2,198	4,951
Adjustments for prior year	-	-	(1,352)	(1,830)
Deferred tax				
In respect of the current period	(1,534)	20,339	(2,562)	66,562
Adjustments for prior year	-	750	61	(3,224)
Income tax expense recognized in profit or loss	<u>\$ 13,563</u>	<u>\$ 23,564</u>	<u>\$ 45,538</u>	<u>\$ 73,186</u>

According to the Income Tax Act in the ROC, the applicable tax rate used by the Group is 20%.

b. Income tax assessments

The income tax returns of Senao, Youth, ISPO, Aval, Wiin and Senyoung through 2023 have been assessed by the tax authorities.

24. EARNINGS PER SHARE (EPS)

Net income and weighted average number of ordinary shares used in the calculation of earnings per share were as follows:

Net Income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Net income used to compute the basic and diluted earnings per share				
Net income attributable to the parent	<u>\$ 74,659</u>	<u>\$ 110,833</u>	<u>\$ 274,122</u>	<u>\$ 339,894</u>

Weighted Average Number of Shares

(Thousand Shares)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	258,253	258,253	258,253	258,253
Effect of potentially dilutive ordinary shares				
Compensation of employees	<u>402</u>	<u>421</u>	<u>504</u>	<u>552</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>258,655</u>	<u>258,674</u>	<u>258,757</u>	<u>258,805</u>

Senao may settle the employee compensation in shares or cash; therefore, Senao presumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. CHANGES IN LIABILITIES FROM FINANCING ACTIVITIES

	Short-term borrowings	Dividends payable	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2025	\$ -	\$ -	\$ 656,654	\$ 22,547	\$ 679,201
Changes in cash flow from financing activities	535,000	(426,117)	(226,441)	(951)	(118,509)
Changes in other non-cash items	<u>-</u>	<u>426,117</u>	<u>127,482</u>	<u>-</u>	<u>553,599</u>
At September 30, 2025	<u>\$ 535,000</u>	<u>\$ -</u>	<u>\$ 557,695</u>	<u>\$ 21,596</u>	<u>\$ 1,114,291</u>
		Dividends payable	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2024		\$ -	\$ 654,117	\$ 22,403	\$ 676,520
Changes in cash flow from financing activities		(516,505)	(226,575)	144	(742,936)
Changes in other non-cash items		<u>516,505</u>	<u>290,117</u>	<u>-</u>	<u>806,622</u>
At September 30, 2024		<u>\$ -</u>	<u>\$ 717,659</u>	<u>\$ 22,547</u>	<u>\$ 740,206</u>

26. TRANSACTIONS WITH RELATED PARTIES

- a. The Group engages in business transactions with the following related parties:

<u>Company</u>	<u>Relationship</u>
Chunghwa Telecom Co., Ltd. (“Chunghwa Telecom”)	Ultimate parent entity
Fellow subsidiary	
Chunghwa System Integration Co., Ltd.	Chunghwa Telecom’s subsidiary
Spring House Entertainment Tech. Inc.	Chunghwa Telecom’s subsidiary
CHYP Multimedia Marketing & Communications Co., Ltd.	Chunghwa Telecom’s subsidiary
CHT Security Co., Ltd.	Chunghwa Telecom’s subsidiary
CHIEF Telecom Inc.	Chunghwa Telecom’s subsidiary
Smartfun Digital Co., Ltd.	Chunghwa Telecom’s subsidiary
Honghwa International Co., Ltd.	Chunghwa Telecom’s subsidiary
International Integrated Systems, Inc.	Chunghwa Telecom’s subsidiary
Chunghwa Precision Test Tech. Co., Ltd.	Chunghwa Telecom’s subsidiary of a subsidiary
Associate	
Senao Networks, Inc. (“Senao Networks”)	Senao’s investee using the equity method
Emplus Technologies, Inc.	Senao Networks’s subsidiary
EnGenius Networks Inc.	Senao Networks’s subsidiary
Other related party	
Senao Technical and Cultural Foundation	A nonprofit organization of which the funds donated by SENAO exceeds one third of its total funds
E-Life Mall Co., Ltd.	Substantial related party
Engenius Technologies Co., Ltd.	Substantial related party
Cheng Keng Investment Co., Ltd.	Substantial related party
Cheng Feng Investment Co., Ltd.	Substantial related party
Hwa Shun Investment Co., Ltd.	Substantial related party
Yu Yu Investment Co., Ltd.	Substantial related party
All Oriented Investment Co., Ltd.	Substantial related party
Kangsin Co., Ltd.	Substantial related party
Tsann Kuen Enterprise Co., Ltd.	Substantial related party
Ba Gua Liao Foundation	Substantial related party
Cih Yue Charity Foundation	Substantial related party
KKBOX Taiwan Co., Ltd.	Chunghwa Telecom’s investment accounted for using equity method
Next Commercial Bank Co., Ltd.	Chunghwa Telecom’s investment accounted for using equity method
Clickforce Co., Ltd.	Chunghwa Telecom’s investment accounted for using equity method

- b. Balances and transactions between Senao and subsidiaries have been eliminated on consolidation and not disclosed in this note. For the information on endorsements and guarantees Senao made for its subsidiaries, refer to Table 1. Terms of the transactions with related parties were not significantly different from transactions with non-related parties. Details of transactions between the Group and other related parties are disclosed below.

1) Operating revenues

Line Items	Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2025	2024	2025	2024
Sales	Ultimate parent entity	\$ 1,880,768	\$ 1,872,469	\$ 5,472,190	\$ 5,710,944
	Fellow subsidiaries	321	81	2,759	1,647
	Associates	187	69	1,635	2,571
	Other related parties	31,193	8,611	103,271	14,497
		<u>\$ 1,912,469</u>	<u>\$ 1,881,230</u>	<u>\$ 5,579,855</u>	<u>\$ 5,729,659</u>
Service	Ultimate parent entity	\$ 236,668	\$ 305,132	\$ 753,349	\$ 989,475
	Fellow subsidiaries	137	107	882	493
	Other related parties	9	-	9	-
		<u>\$ 236,814</u>	<u>\$ 305,239</u>	<u>\$ 754,240</u>	<u>\$ 989,968</u>
Repairs and maintenance	Ultimate parent entity	\$ 3,406	\$ 2,047	\$ 5,584	\$ 2,518
	Fellow subsidiaries	3	7	11	38
	Other related parties	11	100	158	131
		<u>\$ 3,420</u>	<u>\$ 2,154</u>	<u>\$ 5,753</u>	<u>\$ 2,687</u>

2) Purchases of goods

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Ultimate parent entity	\$ 804,613	\$ 762,160	\$ 2,710,791	\$ 2,676,382
Fellow subsidiaries	11,053	(28)	11,161	4,315
Associates	5,616	-	12,149	197
Other related parties	-	(196)	-	(639)
	<u>\$ 821,282</u>	<u>\$ 761,936</u>	<u>\$ 2,734,101</u>	<u>\$ 2,680,255</u>

3) Operating expenses

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Ultimate parent entity	\$ 82,422	\$ 82,621	\$ 245,607	\$ 246,585
Fellow subsidiaries	21	134	916	260
Associates	-	-	180	576
Other related parties	3,664	3,698	10,736	11,167
	<u>\$ 86,107</u>	<u>\$ 86,453</u>	<u>\$ 257,439</u>	<u>\$ 258,588</u>

Operating expenses paid to ultimate parent entity were mainly the marketing expenses resulting from goods sold by the ultimate parent entity for Senao.

4) Non-operating transactions

Line Items	Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2025	2024	2025	2024
Non-operating income	Ultimate parent entity	\$ 118	\$ 359	\$ 298	\$ 591
	Associates	1,944	-	1,944	-
	Other related parties	579	95	1,964	702
		<u>\$ 2,641</u>	<u>\$ 454</u>	<u>\$ 4,206</u>	<u>\$ 1,293</u>

5) Receivables from related parties

<u>Line Item</u>	<u>Related Party Category</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Accounts receivable from related parties	Ultimate parent entity	\$ 948,127	\$ 990,466	\$1,065,073
	Fellow subsidiaries	316	3,153	71
	Associates	41	235	46
	Other related parties	14,456	9,041	7,680
		<u>\$ 962,940</u>	<u>\$1,002,895</u>	<u>\$1,072,870</u>

The outstanding receivables from related parties are unsecured. As of September 30, 2025, December 31, 2024 and September 30, 2024, no allowance loss was recognized for receivables from related parties.

6) Other receivables from related parties

<u>Line Item</u>	<u>Related Party Category</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Other receivables from related parties	Ultimate parent entity	\$ 169,739	\$ 165,150	\$ 172,773
	Fellow subsidiaries	84	-	-
	Other related parties	139	-	-
		<u>\$ 169,962</u>	<u>\$ 165,150</u>	<u>\$ 172,773</u>

Other receivables were mainly balances of sales proceeds of goods sold by the ultimate parent entity for Senao.

7) Prepayments

<u>Line Item</u>	<u>Related Party Category</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Prepaid rents	Ultimate parent entity	<u>\$ -</u>	<u>\$ 231</u>	<u>\$ -</u>

8) Refundable deposits

<u>Line Item</u>	<u>Related Party Category</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Refundable deposits	Ultimate parent entity	\$ 480	\$ 450	\$ 450
	Fellow subsidiaries	500	-	-
		<u>\$ 980</u>	<u>\$ 450</u>	<u>\$ 450</u>

9) Trade payables to related parties

<u>Line Item</u>	<u>Related Party Category</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Trade payables to related parties	Ultimate parent entity	\$ 449,720	\$ 244,097	\$ 614,005
	Fellow subsidiaries	2,167	1	6
	Associates	913	-	-
	Other related parties	-	-	4
		<u>\$ 452,800</u>	<u>\$ 244,098</u>	<u>\$ 614,015</u>

The trade payables to related parties were unsecured.

10) Other payables to related parties

<u>Line Item</u>	<u>Related Party Category</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Other payables to related parties	Ultimate parent entity	\$ 259,235	\$ 246,549	\$ 233,401
	Fellow subsidiaries	750	-	-
	Associates	1,148	871	967
	Other related parties	<u>3,663</u>	<u>4,209</u>	<u>3,698</u>
		<u>\$ 264,796</u>	<u>\$ 251,629</u>	<u>\$ 238,066</u>

The balances for the ultimate parent entity were proceeds of goods sold by Senao for the ultimate parent entity and the collection of monthly fees and bills on behalf of the ultimate parent entity. The balances of associates were daily subsistence allowance in Hwa Ya's plants for Senao. The transactions with other related parties were donations to other related parties.

11) Acquisitions of property, plant and equipment

<u>Related Party Category</u>	<u>Purchase Price</u>			
	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Ultimate parent entity	\$ -	\$ -	\$ 1,619	\$ -
Associates	-	-	-	63
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,619</u>	<u>\$ 63</u>

The main transactions involve Senao's purchasing firewall computer equipment from the ultimate parent entity and acquiring computer communication equipment from associates.

12) Acquisitions of intangible assets

<u>Related Party Category</u>	<u>Purchase Price</u>			
	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Ultimate parent entity	\$ 891	\$ -	\$ 6,034	\$ -
Fellow subsidiaries	295	-	295	-
	<u>\$ 1,186</u>	<u>\$ -</u>	<u>\$ 6,329</u>	<u>\$ -</u>

The main transaction involves Senao's purchasing firewall software from the ultimate parent entity and fellow subsidiaries.

13) Lease arrangements - the Group is lessee

Senao entered into a contract with the ultimate parent entity and the rent was paid by monthly or quarterly installments.

Acquisition of right-of-use assets

<u>Related Party Category</u>	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	Ultimate parent entity	(\$ 739)	\$ 4,170	\$ 10,430

<u>Line Item</u>	<u>Related Party Category</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Lease liabilities - current	Ultimate parent entity	\$ 13,105	\$ 34,006	\$ 34,461
Lease liabilities - noncurrent	Ultimate parent entity	\$ 13,226	\$ 8,040	\$ 16,523

<u>Line Item</u>	<u>Related Party Category</u>	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest expense	Ultimate parent entity	\$ 153	\$ 257	\$ 591	\$ 822
Lease expense (accounted for operating expense)	Ultimate parent entity	\$ 4,093	\$ 5,984	\$ 13,037	\$ 16,620

14) Lease arrangements - the Group is lessor

Senao Networks entered into a contract with Senao to lease part of Hwa Ya's plant. The rental income referred to the rental level of similar assets and was received monthly according to the lease agreement.

<u>Line Item</u>	<u>Related Party Category</u>	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Non-operating income	Ultimate parent entity	\$ 603	\$ 1,733	\$ 1,803	\$ 1,733
	Associates	11,970	11,971	35,921	35,162
	Other related parties	-	-	2	2
		\$ 12,573	\$ 13,704	\$ 37,726	\$ 36,897

15) Transactions with Next Commercial Bank Co., Ltd.

<u>Line Item</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Bank deposits and time deposits	\$ 15,931	\$ 70,402	\$ 50,262

<u>Line Item</u>	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest income	\$ 71	\$ 95	\$ 561	\$ 274

c. Compensation of key management personnel

The remuneration of directors and members of key management personnel for the three months and nine months ended September 30, 2025 and 2024 was as follows:

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 13,613	\$ 13,937	\$ 40,642	\$ 42,050
Post-employment benefits	147	215	464	606
	\$ 13,760	\$ 14,152	\$ 41,106	\$ 42,656

The remuneration of directors and key management personnel was determined by the remuneration committee based on the performance of individuals and market trends.

27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments of the Group were as follows:

The Group applied for post-release duty payment to the customs. As of September 30, 2025, December 31, 2024 and September 30, 2024, the amount of bank guarantees for the application was \$10,000 thousand.

28. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

September 30, 2025

	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Liabilities denominated in foreign currencies</u>			
<u>Monetary items</u>			
USD	\$ 5,550	1:30.445 (USD:NTD)	\$ 168,957

December 31, 2024

	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Liabilities denominated in foreign currencies</u>			
<u>Monetary items</u>			
USD	\$ 1,408	1:32.785 (USD:NTD)	\$ 46,153

September 30, 2024

	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Liabilities denominated in foreign currencies</u>			
<u>Monetary items</u>			
USD	\$ 2,245	1:31.65 (USD:NTD)	\$ 71,046

The Company does not have significant unrealized foreign exchange gain or loss.

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The carrying amounts of the Group's financial assets and liabilities not measured at fair value approximate their fair values.

b. Financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

September 30, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVPL				
Derivatives				
Forward foreign exchange contracts	\$ -	\$ 1,482	\$ -	\$ 1,482
Financial assets at FVOCI				
Investments in equity instruments at FVOCI				
Domestic non-listed shares	\$ -	\$ -	\$ 10,191	\$ 10,191

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVPL				
Derivatives				
Forward foreign exchange contracts	\$ -	\$ 263	\$ -	\$ 263
Financial assets at FVOCI				
Investments in equity instruments at FVOCI				
Domestic non-listed shares	\$ -	\$ -	\$ 11,091	\$ 11,091

September 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVOCI				
Investments in equity instruments at FVOCI				
Domestic non-listed shares	\$ -	\$ -	\$ 11,076	\$ 11,076
Financial assets at FVPL				
Derivatives				
Forward foreign exchange contracts	\$ -	\$ -	\$ 951	\$ 951

There were no transfers between Levels 1 and 2 for the nine months ended September 30, 2025 and 2024.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Derivative instruments are valued based on the foreign exchange rates displayed by the financial institution's quotation system. The fair value of individual forward foreign exchange contracts is calculated using the forward exchange rate for each contract's maturity date. The estimates and assumptions used in the Company's valuation methods are consistent with those used by market

participants when pricing financial instruments.

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of non-listed domestic equity investments were determined using the balance sheet approach.

In the balance sheet approach, the total value, including all specific assets and liabilities of the evaluation target, is considered to reflect the entity's integrated value. A decrease in discount for lack of marketability would result in increase in fair value.

c. Categories of financial instruments

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets</u>			
Financial assets at amortized cost (a)	\$ 4,689,949	\$ 4,152,311	\$ 4,736,127
Financial assets at FVTOCI			
Equity instruments	10,191	11,091	11,076
Designated as at FVPL			
Mandatorily classified as at FVPL	1482	263	-
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (b)	3,444,031	2,756,157	3,119,468
Designated as at FVPL			
Mandatorily classified as at FVPL	-	-	951

Remarks:

- a) The balances include loans and receivables measured at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, trade receivables from related parties, other receivables from related parties, partial other receivables, other current assets, refundable deposits and partial other noncurrent assets.
- b) The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, trade payables, trade payables to related parties, other payables to related parties, partial other payables and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments include receivables, payables, lease liabilities and borrowings. The Group's Finance Department provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, whose purpose was to effectively manage the risks caused by changes in foreign currency rates and interest rates. Compliance with policies and exposure limits were reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group's Finance Department reports quarterly to the Group's board of directors, which assesses if the report is consistent with the established operating strategies and risk standards.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group entered into foreign exchange forward contracts to manage its exposure to foreign currency risk.

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

Sensitivity analysis

The Group was mainly exposed to the fluctuations of USD.

The Group's sensitivity to a 5% increase and decrease in the New Taiwan dollars (i.e. the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. The movement in pre-tax profit associated with the New Taiwan dollar strengthening 5% against the USD. For a 5% weakening of the New Taiwan dollars against the relevant currency, the pre-tax profit and the balances below would be an equal and negative change.

The Group does not have significant foreign currency risk.

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Fair value interest rate risk			
Financial assets	\$ 203,776	\$ 510,136	\$ 368,461
Financial liabilities	557,695	656,654	717,659
Cash flow interest rate risk			
Financial assets	1,525,566	1,063,368	1,725,415
Financial liabilities	535,000	-	-

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. A 25 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2025 and 2024 would increase/decrease by \$1,857 thousand and \$3,235 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its demand deposits.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than trading purposes. The Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed related departments, such as finance and investment, to monitor the price risk.

Sensitivity analysis

The sensitivity analysis was based on the exposure to equity price risks at the end of the reporting period. If equity prices of financial assets at FVOCI had increased/decreased by 5%, the pre-tax other comprehensive income would have increased/decreased by \$510 thousand and \$554 thousand.

The Group does not have significant other price risk.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Group, could arise from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's main credit risk is concentrated on the Group's major clients. The receivables from the major clients composed 42%, 54% and 56% of the total trade receivables as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively. The clients mentioned above have good credit records, no material default risk was assessed; material credit risk did not exist.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

a) Liquidity and interest rate risk table

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities

September 30, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative <u>financial liabilities</u>				
Non-interest bearing	\$ 2,887,200	\$ -	\$ -	\$ 21,596
Floating-rate instruments	<u>335,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,222,200</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 21,596</u>

Information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	Total
Lease liabilities	<u>\$ 249,599</u>	<u>\$ 313,983</u>	<u>\$ 12,377</u>	<u>\$ 575,959</u>

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative <u>financial liabilities</u>				
Non-interest bearing	<u>\$ 2,733,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,547</u>

Information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	Total
Lease liabilities	<u>\$ 290,304</u>	<u>\$ 384,385</u>	<u>\$ 2,549</u>	<u>\$ 677,238</u>

September 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative <u>financial liabilities</u>				
Non-interest bearing	<u>\$ 3,096,923</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,547</u>

Information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	Total
Lease liabilities	<u>\$ 296,582</u>	<u>\$ 441,376</u>	<u>\$ 3,087</u>	<u>\$ 741,045</u>

The table below presents the liquidity analysis conducted by the consolidated company for derivative instruments. For derivatives that are settled on a gross basis, the analysis is prepared based on the undiscounted total contractual cash inflows and outflows.

September 30, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Gross settled</u>				
Foreign exchange forward contracts				
Inflows	\$ 168,858	\$ -	\$ -	\$ -
Outflows	<u>167,376</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,482</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Gross settled</u>				
Foreign exchange forward contracts				
Inflows	\$ 46,142	\$ -	\$ -	\$ -
Outflows	<u>45,879</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

September 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Gross settled</u>				
Foreign exchange forward contracts				
Inflows	\$ 70,989	\$ -	\$ -	\$ -
Outflows	<u>71,940</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(\$ 951)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

b) Financing facilities

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank loan facility			
Amount used	\$ 535,000	\$ -	\$ -
Amount unused	<u>2,795,000</u>	<u>2,880,000</u>	<u>3,330,000</u>
	<u>\$ 3,330,000</u>	<u>\$ 2,880,000</u>	<u>\$ 3,330,000</u>

31. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees:

- 1) Financing provided to others: None.
- 2) Endorsements/guarantees provided: See Table 1.

- 3) Significant marketable securities held (excluding investments in subsidiaries and associates): See Table 2.
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 3.
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 4.
- 6) Intercompany relationships and significant intercompany transactions: See Table 5.
- b. Information on investees
- Names, locations and other information of investee companies (not including investees in Mainland China): See Table 6.
- c. Information on investments in mainland China
- None.

32. SEGMENT INFORMATION

The Group's reportable segments were sales department and other departments.

Sales department - selling information and communication products and the peripheral products.

Other departments - other unreported operating activities and departments. These departments provide services to support the sales department. Also, the sales made by the subsidiaries were part of other departments.

a. Segment revenues and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments.

	<u>Sales</u>	<u>Others</u>	<u>Total</u>
For the three months ended			
<u>September 30, 2025</u>			
Revenue from external customers	<u>\$ 6,968,319</u>	<u>\$ 953,612</u>	<u>\$ 7,921,931</u>
Segment income	<u>\$ 144,908</u>	<u>\$ 7,171</u>	<u>\$ 152,079</u>
Share of profit of associates accounted for using the equity method			19,651
Net gain on financial assets and liabilities at fair value through profit or loss			1,250
Rental income			18,778
Interest income			589
Loss on foreign currency exchange			(2,153)
Other gain and loss			30
Interest expense			(3,824)
Central administration costs and remuneration to directors			(98,398)
Profit before tax			<u>\$ 88,002</u>

	<u>Sales</u>	<u>Others</u>	<u>Total</u>
For the nine months ended September 30, 2025			
Revenue from external customers	<u>\$ 20,355,861</u>	<u>\$ 2,435,728</u>	<u>\$ 22,791,589</u>
Segment income	<u>\$ 429,393</u>	<u>\$ 14,103</u>	\$ 443,496
Share of profit of associates accounted for using the equity method			95,434
Net gain on financial assets and liabilities at fair value through profit or loss			1,219
Rental income			56,531
Interest income			6,904
Dividend income			1,092
Gain on foreign currency exchange			737
Other gain and loss			473
Interest expense			(9,768)
Central administration costs and remuneration to directors			(<u>277,233</u>)
Profit before tax			<u>\$ 318,885</u>

	<u>Sales</u>	<u>Others</u>	<u>Total</u>
For the three months ended September 30, 2024			
Revenue from external customers	<u>\$ 7,042,228</u>	<u>\$ 771,441</u>	<u>\$ 7,813,669</u>
Segment income	<u>\$ 201,373</u>	(<u>\$ 23,659</u>)	\$ 177,714
Share of profit of associates accounted for using the equity method			20,514
Rental income			18,698
Interest income			1,548
Gain on foreign currency exchange			2,066
Other gain and loss			318
Interest expense			(3,402)
Net loss on financial assets and liabilities at fair value through profit or loss			(951)
Central administration costs and remuneration to directors			(<u>82,365</u>)
Profit before tax			<u>\$ 134,140</u>

	<u>Sales</u>	<u>Others</u>	<u>Total</u>
For the nine months ended September 30, 2024			
Revenue from external customers	\$ 21,235,922	\$ 2,129,154	\$ 23,365,076
Segment income	<u>\$ 618,749</u>	<u>(\$ 50,876)</u>	\$ 567,873
Share of profit of associates accounted for using the equity method			46,460
Rental income			53,716
Interest income			9,439
Dividend income			372
Gain on foreign currency exchange			2,020
Other gain and loss			295
Interest expense			(9,620)
Net loss on financial assets and liabilities at fair value through profit or loss			(951)
Central administration costs and remuneration to directors			<u>(257,285)</u>
Profit before tax			<u>\$ 412,319</u>

The segment revenues reported above all came from transactions with external customers.

Segment profit represented the profit before tax earned by each segment without share of profit of associates accounted for using the equity method, net gain on financial assets and liabilities at fair value through profit or loss, rental income, interest income, dividend income, exchange gains or losses, other gains and losses, interest expense and central administration costs and remuneration to directors. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

The measurement of segment total assets and liabilities is not reported to the chief operating decision maker. Therefore, the information is not disclosed.

c. Disaggregation of revenues from customer contracts

	<u>Sales</u>	<u>Others</u>	<u>Total</u>
For the three months ended September 30, 2025			
Information and communication products	\$ 5,876,265	\$ 578,336	\$ 6,454,601
Revenues from services and repairs	357,465	111,908	469,373
Others	<u>734,589</u>	<u>263,368</u>	<u>997,957</u>
	<u>\$ 6,968,319</u>	<u>\$ 953,612</u>	<u>\$ 7,921,931</u>
	<u>Sales</u>	<u>Others</u>	<u>Total</u>
For the nine months ended September 30, 2025			
Information and communication products	\$ 16,889,078	\$ 1,270,201	\$ 18,159,279
Revenues from services and repairs	1,089,674	347,321	1,436,995
Others	<u>2,377,109</u>	<u>818,206</u>	<u>3,195,315</u>
	<u>\$ 20,355,861</u>	<u>\$ 2,435,728</u>	<u>\$ 22,791,589</u>

	<u>Sales</u>	<u>Others</u>	<u>Total</u>
For the three months ended			
<u>September 30, 2024</u>			
Information and communication products	\$ 5,744,916	\$ 392,494	\$ 6,137,410
Revenues from services and repairs	445,477	106,252	551,729
Others	<u>851,834</u>	<u>272,696</u>	<u>1,124,530</u>
	<u>\$ 7,042,227</u>	<u>\$ 771,442</u>	<u>\$ 7,813,669</u>
	<u>Sales</u>	<u>Others</u>	<u>Total</u>
For the nine months ended			
<u>September 30, 2024</u>			
Information and communication products	\$ 17,353,694	\$ 984,855	\$ 18,338,549
Revenues from services and repairs	1,371,998	324,393	1,696,391
Others	<u>2,510,229</u>	<u>819,907</u>	<u>3,330,136</u>
	<u>\$ 21,235,921</u>	<u>\$ 2,129,155</u>	<u>\$ 23,365,076</u>

SENAO INTERNATIONAL CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
NINE MONTHS ENDED SEPTEMBER 30, 2025
(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 3)	Maximum Balance for the Period (Note 4)	Ending Balance (Note 4)	Actual Borrowing Amount	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 5)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 5)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 5)	Note
		Name	Nature of Relationship (Note 2)											
0	Senao International Co., Ltd.	Aval	b	\$ 625,990	\$ 300,000	\$ 300,000	\$ 300,000	\$ -	4.79%	\$ 3,129,950	Yes	-	-	
		Wiin	b	625,990	200,000	200,000	200,000	-	3.19%	3,129,950	Yes	-	-	

Note 1: Significant transactions between the parent and its subsidiaries or among subsidiaries are numbered as follows:

- "0" for the parent.
- Subsidiaries are numbered from "a".

Note 2: Relationships between the endorsement/guarantee provider and the guaranteed party:

- A company with which it does business.
- A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.
- A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.
- Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares.
- The Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
- Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act.

Note 3: The total amount of endorsement or guarantee that the parent is allowed to provide is up to 50% of the net equity of the parent. The limits on endorsement or guarantee amount provided to each guaranteed party is up to 10% of the net equity of the parent.

Note 4: The maximum balance for the year and the ending balance are quota approved by the board of directors.

Note 5: The following circumstances represent "Yes":

- Endorsement/Guarantee given by parent on behalf of subsidiaries.
- Endorsement/Guarantee given by subsidiaries on behalf of parent.
- Endorsement/Guarantee given on behalf of companies in mainland China.

SENAO INTERNATIONAL CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (NOT INCLUDING SUBSIDIARY AND RELATED PARTY)

SEPTEMBER 30, 2025

(Amounts in Thousands of New Taiwan Dollars)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	September 30, 2025				Note
				Shares (Thousands/Thousand Units)	Carrying Value	Percentage of Ownership (%)	Fair Value	
Senao International Co., Ltd.	<u>Stocks</u> N.T.U. Innovation Incubation Corporation	-	Financial assets at FVOCI	1,200	\$ 10,191	9.41	\$ 10,191	

Note: For related information on subsidiaries and associates, refer to Table 6.

SENAO INTERNATIONAL CO., LTD. AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
NINE MONTHS ENDED SEPTEMBER 30, 2025
(Amounts in Thousands of New Taiwan Dollars)**

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction (Note 2)		Notes/Trade Payable or Receivable		Note
			Purchase/ Sales	Amount	% to Total	Payment Terms	Units Price	Payment Terms	Ending Balance	% to Total	
Senao International Co., Ltd.	Chunghwa Telecom	Ultimate parent entity	Sales	\$ 6,231,123	27.34	30-90 days	\$ -	-	\$ 948,127	42.49	Note 1
			Purchase	2,710,791	13.64	30 days	-	-	(449,720)	(19.67)	
	Aval	Subsidiary	Purchase	228,067	1.15	30 days	-	-	(4,474)	(0.20)	

Note 1: The sales from Chunghwa Telecom Co., Ltd. include sales revenue, service revenue and repairs and maintenance revenue.

Note 2: Terms of the transactions with related parties were not significantly different from transactions with non-related parties.

SENAO INTERNATIONAL CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

SEPTEMBER 30, 2025

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amounts	Action Taken		
Senao International Co., Ltd.	Chunghwa Telecom	Ultimate parent entity	\$ 1,117,866 (Note 1)	8.57 (Note 2)	\$ -	-	\$ 172,340	\$ -

Note 1: The receivables from related parties included \$165,334 thousand which is the amount of products sold by Chunghwa Telecom Co., Ltd. for Senao, but not yet collected.

Note 2: The computation of the turnover of average receivables balance had already subtracted the receivables from Chunghwa Telecom Co., Ltd. for products sold for Senao.

SENAO INTERNATIONAL CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
NINE MONTHS ENDED SEPTEMBER 30, 2025
(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Notes 3 and 6)	Payment Terms (Note 4)	% of Total Sales or Assets (Note 5)
0	Senao International Co., Ltd.	Aval	a	Cost of goods sold	\$ 228,067	-	1
		Wiin	a	Cost of goods sold	11,219	-	-
		Senyoung	a	Service revenue	81,196	-	-
			a	Trade receivables from related parties	27,498	-	-
1	Aval	Youth	c	Sales revenue	34,249	-	-
			c	Trade receivables from related parties	17,639	-	-
		ISPOT	c	Sales revenue	35,563	-	-
2	Wiin	Youth	c	Sales revenue	21,234	-	-

Note 1: Significant transactions between Senao and its subsidiaries or among subsidiaries are numbered as follows:

- a. "0" for the parent.
- b. Subsidiaries are numbered from "a".

Note 2: Related party transactions are divided into three categories as follows (there is no need for repeated disclosure between the entities, i.e., if the parent company discloses a transaction with a subsidiary, the subsidiary does not have to disclose the same information in the financial statements. Also, if a subsidiary discloses a transaction with another subsidiary, the other subsidiary does not have to disclose the same information in the financial statements):

- a. The parent to subsidiaries.
- b. Subsidiaries to the parent.
- c. Subsidiaries to subsidiaries.

Note 3: The amount was eliminated upon consolidation.

Note 4: The transaction terms related to the related parties are determined by both sides.

Note 5: For assets and liabilities, amount is shown as a percentage to consolidated total assets as of September 30, 2025, while revenues, costs and expenses are shown as a percentage to consolidated revenues for the nine months ended September 30, 2025.

Note 6: Only related party transactions with an amount of NT\$10 million or more are disclosed.

SENAO INTERNATIONAL CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES IN WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)
 NINE MONTHS ENDED SEPTEMBER 30, 2025
 (Amounts in Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2025			Net Income (Loss) of the Investee	Recognized Gain (Loss)	Note
				September 30, 2025	December 31, 2024	Shares (Thousands)	Percentage of Ownership (%)	Carrying Value			
Senao International Co., Ltd.	Senao Networks	Taiwan	Telecommunication facilities manufacturing and sales	\$ 578,186	\$ 578,186	19,582	33.16	\$ 2,009,391	\$ 287,831	\$ 95,434	Note 1
	Youth	Taiwan	Sale of information and communication technologies products	427,850	427,850	14,752	95.79	154,162	(1,097)	(7,236)	Notes 1, 2 and 5
	Aval	Taiwan	Sale of information and communication technologies products	89,550	89,550	13,740	100.00	148,004	5,286	5,283	Notes 1, 3 and 5
	Senyoung	Taiwan	Property and liability insurance agency	59,000	59,000	8,909	100.00	132,225	25,348	25,348	Notes 1 and 5
Youth	ISPOT	Taiwan	Sale of information and communication technologies products	53,021	53,021	-	100.00	13,428	(5)	(21)	Notes 1, 4 and 5
Aval	Wiin	Taiwan	Sale of information and communication technologies products	29,550	29,550	5,029	100.00	56,124	3,524	3,524	Notes 1 and 5

Note 1: Calculated for the same period as the period of the reviewed financial statements.

Note 2: An investment loss of \$1,051 thousand plus \$14 thousand arising from amortization of the premium and \$14 thousand arising from lease arrangements between the parent entity and subsidiaries, and less \$6,213 thousand arising from the amortization of premium and intangible assets.

Note 3: An investment gain of \$5,286 thousand, less \$3 thousand arising from lease arrangements between the parent entity and subsidiaries.

Note 4: An investment loss of \$5 thousand, less \$16 thousand arising from amortization of the premium and intangible assets.

Note 5: The amount was eliminated upon consolidation.