

Hong Kong Exchanges and Clearing Limited and The Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



GENES TECH GROUP HOLDINGS COMPANY LIMITED

靖洋集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8257)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Genes Tech Group Holdings Company Limited (the “**Company**”), together with its subsidiaries, (the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	NTD'000	NTD'000
		(unaudited)	(unaudited)
Revenue	6	585,306	535,007
Cost of sales	7	<u>(383,332)</u>	<u>(378,421)</u>
Gross profit		201,974	156,586
Other income		2	2,863
Other (losses)/gains, net		(28,470)	9,985
Selling and distribution expenses	7	(16,655)	(25,537)
General and administrative expenses	7	<u>(77,587)</u>	<u>(71,008)</u>
		79,264	72,889
Finance income		694	638
Finance costs		<u>(8,200)</u>	<u>(9,835)</u>
Profit before income tax		71,758	63,692
Income tax expense	8	<u>(23,059)</u>	<u>(24,989)</u>
Profit for the period attributable to owners of the Company		<u>48,699</u>	<u>38,703</u>
Other comprehensive income/(loss), net of tax:			
Item that may be reclassified subsequently to profit or loss:			
— Exchange differences		<u>19,539</u>	<u>(7,403)</u>
Total comprehensive income for the period attributable to owners of the Company		<u>68,238</u>	<u>31,300</u>
Earnings per share			
— Basic and diluted (NTD cents)	9	<u>4.87</u>	<u>3.87</u>

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025	31 December 2024
	<i>Notes</i>	NTD'000	NTD'000
		(unaudited)	(audited)
Assets			
Non-current assets			
Property, plant and equipment	10	278,338	283,639
Right-of-use assets		43,200	27,540
Intangible assets	10	74,472	78,850
Deferred income tax assets		53,847	53,191
Deposits		11,269	8,921
		<u>461,126</u>	<u>452,141</u>
Current assets			
Inventories		1,388,371	1,331,774
Trade receivables	11	190,735	208,579
Prepayments, deposits and other receivables		310,355	257,718
Cash and cash equivalents		205,577	194,292
		<u>2,095,038</u>	<u>1,992,363</u>
Total assets		<u>2,556,164</u>	<u>2,444,504</u>
Equity			
Share capital	14	38,815	38,815
Reserves		849,900	781,662
		<u>888,715</u>	<u>820,477</u>

		30 June 2025	31 December 2024
	<i>Notes</i>	NTD'000	NTD'000
		(unaudited)	(audited)
Liabilities			
Non-current liabilities			
Bank borrowings	13	99,391	123,760
Lease liabilities		27,640	14,888
		<u>127,031</u>	<u>138,648</u>
Current liabilities			
Trade and other payables	12	225,597	297,678
Contract liabilities		788,630	669,885
Lease liabilities		16,408	13,359
Bank borrowings	13	450,712	468,025
Current income tax liabilities		59,071	36,432
		<u>1,540,418</u>	<u>1,485,379</u>
Total liabilities		<u>1,667,449</u>	<u>1,624,027</u>
Total equity and liabilities		<u>2,556,164</u>	<u>2,444,504</u>

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital <i>NTD'000</i>	Share premium <i>NTD'000</i>	Statutory reserve <i>NTD'000</i>	Other reserve <i>NTD'000</i>	Exchange reserve <i>NTD'000</i>	Retained earnings <i>NTD'000</i>	Total equity <i>NTD'000</i>
As at 1 January 2024 (audited)	38,815	146,571	150,773	182,226	(13,910)	301,137	805,612
Profit for the period	–	–	–	–	–	38,703	38,703
Other comprehensive loss	–	–	–	–	(7,403)	–	(7,403)
Total comprehensive (loss)/ income for the period	–	–	–	–	(7,403)	38,703	31,300
Transfer to statutory reserve	–	–	18,871	–	–	(18,871)	–
As at 30 June 2024 (unaudited)	<u>38,815</u>	<u>146,571</u>	<u>169,644</u>	<u>182,226</u>	<u>(21,313)</u>	<u>320,969</u>	<u>836,912</u>
As at 1 January 2025 (audited)	38,815	146,571	169,644	182,226	(23,325)	306,546	820,477
Profit for the period	–	–	–	–	–	48,699	48,699
Other comprehensive income	–	–	–	–	19,539	–	19,539
Total comprehensive income for the period	–	–	–	–	19,539	48,699	68,238
Transfer to statutory reserve	–	–	15,327	–	–	(15,327)	–
As at 30 June 2025 (unaudited)	<u>38,815</u>	<u>146,571</u>	<u>184,971</u>	<u>182,226</u>	<u>(3,786)</u>	<u>339,918</u>	<u>888,715</u>

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	NTD'000	NTD'000
	(unaudited)	(unaudited)
Cash flows from operating activities		
Cash generated from operations	54,181	10,491
Income tax paid	(1,131)	(22,093)
	<u>53,050</u>	<u>(11,602)</u>
Net cash generated from/(used in) operating activities	<u>53,050</u>	<u>(11,602)</u>
Cash flows from investing activities		
Purchase of intangible assets	(988)	(1,143)
Interest received	694	638
Purchase of property, plant and equipment	(3,065)	(965)
	<u>(3,359)</u>	<u>(1,470)</u>
Net cash used in investing activities	<u>(3,359)</u>	<u>(1,470)</u>
Cash flows from financing activities		
Interest paid	(7,536)	(8,731)
Proceeds from bank borrowings	296,300	247,778
Repayments of bank borrowings	(337,982)	(244,116)
Principal elements of lease payments	(8,092)	(5,891)
Interest elements of lease payments	(634)	(222)
	<u>(57,944)</u>	<u>(11,182)</u>
Net cash used in financing activities	<u>(57,944)</u>	<u>(11,182)</u>
Net decrease in cash and cash equivalents	(8,253)	(24,254)
Cash and cash equivalents at beginning of period	194,292	150,739
Effect of foreign exchange rate changes	19,538	(7,401)
	<u>205,577</u>	<u>119,084</u>
Cash and cash equivalents at end of period	<u>205,577</u>	<u>119,084</u>
Analysis of balances of cash and cash equivalents		
Cash and cash equivalents	<u>205,577</u>	<u>119,084</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of turnkey solution and trading of parts and used semiconductor manufacturing equipment. Its parent and ultimate holding company is Queenbest Development Limited, a private company incorporated in the British Virgin Islands (the “BVI”). Its ultimate controlling party is Mr. Yang Ming-Hsiang (“Mr. Yang”).

The Company is a limited liability company incorporated and domiciled in the Cayman Islands. Its registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Group’s principal place of business is located at No. 80, Baotai 3rd Road, Zhubei City, Hsinchu County 30244, Taiwan.

The Company is listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The condensed consolidated interim financial information are presented in New Taiwan dollars (“NTD”) and rounded to the nearest thousand (“NTD’000”), unless otherwise stated.

Particulars of the major Company’s subsidiaries are as follows:

Name of subsidiary	Place and date of incorporation and type of legal entity	Particulars of issued and fully paid share capital/ registered capital	Effective interest held by the Company 2025	2024	Principal activities and place of operation
Interests held directly					
Genes Tech (Hong Kong) Co. Limited	Incorporated in Hong Kong on 13 April 2018 as a limited liability company	100 ordinary shares of Hong Kong dollar (“HK\$”) 1 each	100%	100%	Investment holding, Hong Kong
Top Lucky International Limited	Incorporated in Hong Kong on 26 March 2018 as a limited liability company	100 ordinary shares of HK\$1 each	100%	100%	Investment holding, Hong Kong
Top Vitality Limited (“Top Vitality”)	Incorporated in Anguilla on 28 April 2016 as a limited liability company	1,000,000 ordinary shares of United States dollar (“USD”) 1 each	100%	100%	Investment holding, Anguilla
Interests held indirectly					
靖洋科技股份有限公司 Genes Tech Co. Limited* (“Genes Tech”)	Incorporated in Taiwan on 28 December 2009 as a limited liability company	15,000,000 ordinary shares of NTD10 each	100%	100%	Provision of turnkey solution and trading of parts and used semiconductor manufacturing equipment, Taiwan
崇濬科技股份有限公司 Astro Thermal Technology Corporation* (“Astro Thermal Technology”)	Incorporated in Taiwan on 27 July 2009 as a limited liability company	1,500,000 ordinary shares of NTD10 each	100%	100%	Manufacturing and sale of heating jackets, Taiwan

Name of subsidiary	Place and date of incorporation and type of legal entity	Particulars of issued and fully paid share capital/ registered capital	Effective interest held by the Company 2025	2024	Principal activities and place of operation
上海靖洵科技有限公司 SHANGHAI GENES TECH CO., LTD. *	Incorporated in PRC on 12 May 2020 as a limited liability company	USD700,000/Renminbi (“RMB”) 20,000,000	100%	100%	Provision of turnkey solution and trading of parts and used semiconductor manufacturing equipment, PRC
GENES TECH U.S.A. INC.	Incorporated in the State of Arizona on 11 November 2024	10,000 shares of total USD10,000	100%	100%	Provision of semiconductor turnkey solution

* The English name of the subsidiary established in Taiwan and PRC represent the management’s best effort in translating the Chinese name of such subsidiary as no English name has been registered.

2 BASIS OF PREPARATION

These condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the GEM Listing Rules. The condensed consolidated interim financial information should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards (“HKFRSs”) issued by the HKICPA.

For those new standards, amendments to standards and interpretations which have been issued but are not yet effective and have not been early adopted in prior accounting periods, the Group is in the process of assessing their impact on the Group’s results and financial position.

Taxes on income for the six month periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

The preparation of the condensed consolidated interim financial information in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these unaudited condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2024, with the exception of changes in accounting policy as described below.

The Group has adopted and applied the following amendments to standards and interpretation that have been issued and effective for the accounting periods beginning on 1 January 2025. The adoption of these amendments to standards and interpretation has no material impact on the Group's consolidated results and financial position.

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
Revised Hong Kong Interpretation 5 (Amendments)	Presentation of Financial Statements — <i>Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause</i>
HKAS 7 and HKFRS 17 (Amendments)	Supplier Finance Arrangements

4 ESTIMATES

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were similar to those that were applied to the consolidated financial statements for the year ended 31 December 2024.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2024.

There have been no changes in the risk management arrangement and policies since 31 December 2024.

5.2 Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

Consistent with others in the industry, the Group monitors capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total equity. Net debt is calculated as total bank borrowings less short-term bank deposits, restricted bank deposits and cash and cash equivalents.

The Group was in a net debt position as at 30 June 2025 and 31 December 2024. The Group's gearing ratio, as calculated by dividing the Group's net debt by the Group's total equity, as at 30 June 2025 is approximately 38.77% (31 December 2024: approximately 48.45%).

5.3 Fair value estimation

The carrying values of the Group's current financial assets, including trade and other receivables, and cash and cash equivalents, and current financial liabilities, including trade and other payables and bank borrowings approximate to their fair values due to their short maturities. The carrying amount of non-current deposits, lease liabilities and bank borrowings approximate to their fair values which are estimated based on the discounted cash flows.

5.4 Offsetting financial assets and financial liabilities

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity:

- (a) currently has a legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group has no financial assets and financial liabilities, which is subject to offsetting, enforceable master netting arrangements and similar agreements.

6 REVENUE AND SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive directors of the Company (defined as chief operating decision maker) in order to allocate resources and assess performance of the segment. For the current and prior periods, executive directors of the Company regularly review revenue and operating results derived from provision of turnkey solution and trading of parts and used semiconductor manufacturing equipment on an aggregate basis and consider as one single operating segment.

	Six months ended 30 June	
	2025	2024
	NTD'000	NTD'000
	(unaudited)	(unaudited)
Provision of turnkey solution	113,690	226,597
Trading of parts and used semiconductor manufacturing equipment	471,616	308,410
Revenue recognised at a point in time	585,306	535,007

The Company is an investment holding company and the principal place of the Group's operation is in Taiwan. The Group regarded Taiwan as its place of domicile. The Group's non-current assets are principally located in Taiwan, being the single geographical region.

The geographical location of customers is based on the location at which based on the billing address of the invoice for the service provided or good sold. The following table provides an analysis of the Group's revenue from external customers.

	Six months ended 30 June	
	2025	2024
	NTD'000	NTD'000
	(unaudited)	(unaudited)
Taiwan (place of domicile)	290,847	195,244
United States	226,407	126,809
PRC	60,526	85,243
Singapore	6,502	74,427
Japan	777	52,393
Germany	247	354
Korea	–	537
	585,306	535,007

Information about major customers

Revenue from customers contributing over 10% of total revenue of the Group is as follows:

	Six months ended 30 June	
	2025	2024
	NTD'000	NTD'000
	(unaudited)	(unaudited)
Customers		
A	397,317	223,819
B	70,557	*
C	*	58,105

* The corresponding customers did not contribute over 10% of total revenue of the Group.

7 EXPENSES BY NATURE

	Six months ended 30 June	
	2025	2024
	NTD'000	NTD'000
	(unaudited)	(unaudited)
Auditors' remuneration		
— Audit services	5,964	6,013
— Non-audit services	—	120
Cost of materials used	240,693	254,768
Amortisation of intangible assets (<i>note (a)</i>)	4,652	6,282
Depreciation of property, plant and equipment (<i>note (b)</i>)	8,149	8,557
Depreciation of right-of-use assets	8,867	6,186
Research expense	611	672
Provision for warranty, net	7,810	3,762
Commission	2,895	6,953
Employee benefit expenses	144,289	126,550
Professional fees	3,635	5,731
Expense relating to short-term leases	2,134	1,935
Delivery charges	5,078	5,302
Travelling	5,997	12,106
Insurance	13,763	13,024
Entertainment	3,917	2,375
Utilities	2,167	1,865
Others	16,953	12,765
	477,574	474,966

Notes:

- (a) Amortisation of intangible assets is included in “General and administrative expenses”.
- (b) Depreciation of property, plant and equipment is included in “Cost of sales” and “General and administrative expenses” amounting to approximately NTD4,665,000 (six months ended 30 June 2024: NTD5,564,000) and NTD3,484,000 (six months ended 30 June 2024: NTD2,993,000), respectively, for the period.

8 INCOME TAX EXPENSE

Income tax is recognised based on management’s estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used is approximately 23.6% (30 June 2024: 23.6%).

9 EARNINGS PER SHARE

(a) Basic

The calculations of basic earnings per share are based on the profit for the period attributable to owners of the Company of approximately NTD48,699,000 (six months ended 30 June 2024: approximately NTD38,703,000) and the weighted average of 1,000,000,000 (six months ended 30 June 2024: 1,000,000,000) shares in issue during the period.

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
Profit attributable to owners of the Company (NTD’000)	48,699	38,703
Weighted average number of ordinary shares in issue (thousands)	1,000,000	1,000,000
Basic earnings per share (NTD cents per share)	4.87	3.87

(b) Diluted

Diluted earnings per share were same as the basic earnings per share as there were no dilutive potential ordinary shares in existence during the periods.

10 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the six months ended 30 June 2025, the Group acquired at cost, leasehold improvements of approximately NTD450,000 (six months ended 30 June 2024: NTD129,000) and office equipment of approximately NTD453,000 (six months ended 30 June 2024: approximately NTD1,140,000) but did not incur expenditure regarding construction in progress (six months ended 30 June 2024: Nil).

The Group has additions in intangible assets of approximately NTD289,000 during the six months ended 30 June 2025 (six months ended 30 June 2024: approximately NTD590,000).

11 TRADE RECEIVABLES

	At 30 June 2025 NTD'000 (unaudited)	At 31 December 2024 NTD'000 (audited)
Trade receivables	195,746	213,590
Less: provision for impairment	(5,011)	(5,011)
	<u>190,735</u>	<u>208,579</u>

The Group normally allows credit period ranging from 30 to 90 days (31 December 2024: 30 to 90 days) to its major customers.

The Group applies the HKFRS 9 simplified approach to measuring expected credit loss which uses a lifetime expected loss allowance for all trade receivables. The Group assesses on a forward looking basis the expected credit losses associated with its financial asset carried at amortised cost. The Group did not hold any collateral as security or other credit enhancements over the trade receivables.

The ageing analysis of trade receivables, based on invoice dates, as at each reporting date, is as follows:

	At 30 June 2025 NTD'000 (unaudited)	At 31 December 2024 NTD'000 (audited)
0–30 days	129,812	151,404
31–90 days	26,726	26,879
91–180 days	13,779	6,276
181–365 days	3,257	17,092
Over 1 year	17,161	6,928
	<u>190,735</u>	<u>208,579</u>

Trade receivables are related to a number of customers that had a good track record of credit with the Group. Based on past credit history, with the consideration of current and forward looking information, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality.

As at 30 June 2025, NTD5,011,000 of impairment loss allowance has been provided (31 December 2024: NTD5,011,000).

12 TRADE AND OTHER PAYABLES

	At 30 June 2025 NTD'000 (unaudited)	At 31 December 2024 NTD'000 (audited)
Trade payables (<i>note (a)</i>)	127,659	196,740
Other payables	923	983
Accruals	82,217	82,284
Provision for warranty	14,798	17,671
	<u>225,597</u>	<u>297,678</u>

(a) Trade payables

The ageing analysis of trade payables, based on invoice dates, as at each reporting date is shown as follows:

	At 30 June 2025 NTD'000 (unaudited)	At 31 December 2024 NTD'000 (audited)
Current or less than 1 month	64,014	112,154
1 to 3 months	46,637	73,245
More than 3 months to 1 year	14,945	9,763
More than 1 year	2,063	1,578
	<u>127,659</u>	<u>196,740</u>

13 BANK BORROWINGS

	30 June 2025			31 December 2024		
	Current	Non-current	Total	Current	Non-current	Total
	NTD'000	NTD'000	NTD'000	NTD'000	NTD'000	NTD'000
	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
<i>Secured</i>						
Bank borrowings (note (a))	262,000	–	262,000	262,000	–	262,000
Long-term bank borrowings (note (b))	10,480	57,642	68,122	10,481	62,883	73,364
Total secured borrowings	272,480	57,642	330,122	272,481	62,883	335,364
<i>Unsecured</i>						
Bank borrowings (note (c))	140,000	–	140,000	157,363	–	157,363
Long-term bank borrowings (note (d))	38,232	41,749	79,981	38,181	60,877	99,058
Total unsecured borrowings	178,232	41,749	219,981	195,544	60,877	256,421
Total borrowings	450,712	99,391	550,103	468,025	123,760	591,785

Notes:

- (a) As at 30 June 2025, the secured short-term bank borrowings represented two loans secured by land and building of the Group and repayable upon maturity. (31 December 2024: same)
- NTD175,000,000 is bearing an interest at 0.84% above the variable interest rate for one-year post office deposits per annum. (31 December 2024: same)
 - NTD87,000,000 is bearing an interest at 0.66% above the variable interest rate for one-year post office deposits per annum. (31 December 2024: same)
- (b) As at 30 June 2025, the secured long-term bank borrowings represented two loans secured by land and building of the Group and bearing an interest at 0.74% above the variable interest rate for one-year post office deposits per annum. (31 December 2024: same)
- NTD13,447,000 (with principal amount of NTD25,000,000) is repayable in 145 monthly installments. (31 December 2024: NTD14,483,000)
 - NTD54,675,000 (with principal amount of NTD125,000,000) is repayable in 180 monthly installments. (31 December 2024: NTD58,881,000)

- (c) As at 30 June 2025, unsecured short-term bank borrowings represent four term loans of NTD140,000,000. (31 December 2024: four term loans of NTD140,000,000 and trade loans of NTD17,363,000)
- NTD20,000,000 (with principal amount of NTD20,000,000) is bearing an interest at 1.13% above the bank's one-month deposit rate. (31 December 2024: Same)
 - NTD30,000,000 (with principal amount of NTD30,000,000) is bearing an interest at 0.59% above the variable interest rate for one-year post office deposits per annum. (31 December 2024: Same)
 - NTD30,000,000 (with principal amount of NTD30,000,000) is bearing an interest at 1.00% above the bank's one-month deposit rate. (31 December 2024: Same)
 - NTD60,000,000 (with principal amount of NTD60,000,000) is bearing an interest at 1.01% above the bank's one-month deposit rate. (31 December 2024: an interest ranging from 0.86% to 1.01% above the bank's one-month deposit rate)
- (d) As at 30 June 2025, the unsecured long-term bank borrowings represented two loans.
- NTD65,714,000 (with principal amount of NTD240,000,000) is bearing an interest at 1.84% above the variable interest rate for one-year post office deposits per annum repayable in 84 monthly installments. (31 December 2024: NTD82,857,000)
 - NTD14,267,000 (with principal amount of NTD20,000,000) is bearing an interest at 0.68% above the variable interest rate for one-year post office deposits per annum repayable in 60 monthly installments. (31 December 2024: NTD16,201,000)

The bank interests are charged at rate ranging from 2.275% to 3.525% (31 December 2024: 2.275% to 6.320%) per annum as at 30 June 2025.

As at each reporting date, total current and non-current bank borrowings were repayable as follows:

	At 30 June 2025 <i>NTD'000</i> (unaudited)	At 31 December 2024 <i>NTD'000</i> (audited)
Within 1 year	450,712	468,025
More than 1 year, but not exceeding 2 years	45,958	48,763
More than 2 years, but not exceeding 5 years	37,713	54,036
After 5 years	15,720	20,961
	550,103	591,785

The Group has undrawn borrowing facilities of approximately NTD405,000,000 (31 December 2024: approximately NTD380,045,000).

14 SHARE CAPITAL

	Number of Shares (unaudited)	Share capital <i>NTD'000</i> (unaudited)
As at 31 December 2024, 1 January 2025 and 30 June 2025		
Ordinary shares of HK\$0.01 each in the share capital of the Company		
Authorised	2,000,000,000	77,630
Issued and fully paid	<u>1,000,000,000</u>	<u>38,815</u>

15 DIVIDENDS

The Board does not recommend payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

16 COMMITMENTS

Non-cancellable short-term leases

The Group leases properties and office equipment under non-cancellable short-term lease agreement. The agreements do not include an extension option.

The future aggregate minimum lease payments under non-cancellable short-term leases are as follows:

	At 30 June 2025 <i>NTD'000</i> (unaudited)	At 31 December 2024 <i>NTD'000</i> (audited)
Within 1 year	<u>1,073</u>	<u>410</u>

17 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

To the best knowledge of the Directors, none of these related party transactions constitutes connected transactions that need to be disclosed under the GEM Listing Rules.

The Group carried out the following transactions with its related parties during the period:

Key management personnel compensation

	Six months ended 30 June	
	2025	2024
	NTD'000	NTD'000
	(unaudited)	(unaudited)
Short-term employee benefits		
— salaries, allowances and benefits in kind	13,750	14,927
Post-employment benefits		
— defined contribution retirement plans	172	176
	<u>13,922</u>	<u>15,103</u>

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

In the first half of 2025, the global semiconductor market continued its growth momentum. Driven by new technologies such as AI, the penetration rates of new technologies and products in areas such as automotive electronics, new energy, the Internet of Things, big data and artificial intelligence continued to rise. Furthermore, the deepening development of cutting-edge technologies such as “AI+” and “5G+”, along with the rapid growth in demand for AI computing power, have become key drivers of semiconductor demand, creating a favourable development environment for semiconductor companies.

According to the latest report from the Semiconductor Industry Association (SIA), global semiconductor sales reached USD59 billion in May 2025, up 19.8% from USD49.2 billion in May 2024, marking 19 consecutive months of year-on-year growth and a 3.5% increase from the previous month. The growth in the global chip market was primarily driven by strong demand from the Americas and Asia-Pacific regions.

According to the 2025 second-quarter global smartphone shipment analysis report released by International Data Corporation (IDC), the total global shipment volume for the quarter reached 295.2 million units, representing a year-on-year increase of 1%, marking the eighth consecutive quarter of growth, with the market continuing to stabilise. Preliminary statistics from Gartner indicate that global personal computer (PC) shipments exceeded 63 million units in the second quarter of 2025, representing a year-on-year increase of 4.4%. Among these, the U.S. PC market saw slowed growth, with shipments remaining flat compared to the same period last year, while demand in other global regions remained strong, with a year-on-year increase of 9%. Data from RhoMotion Research Institute indicates that global sales of electric and plug-in hybrid vehicles increased to 1.8 million units in June 2025, representing a year-on-year increase of 24%.

Driven by the strong momentum of AI technology, the semiconductor industry is entering a period of rapid growth in economic profits. The Group will continue to closely monitor market trends, enhance its adaptability, and further strengthen its competitive edge in the semiconductor market, laying a solid foundation for the Group’s long-term development.

BUSINESS REVIEW

The Group is a turnkey solution provider and exporter of parts and used Semiconductor Manufacturer Equipment (SME) in Taiwan, mainly engaging in providing turnkey solutions for parts and used SME for customers and modifying and/or upgrading the semiconductor equipment of its production systems according to customers' needs. In addition, the Group also engages in the trading of SME and parts.

For the six months ended 30 June 2025, the Group's performance demonstrated steady growth. The total revenue of the Group reached approximately NTD585.31 million (Corresponding period in 2024: approximately NTD535.01 million), representing a year-on-year increase of 9.40%. Total comprehensive income attributable to owners of the Company for the period amounted to approximately NTD68.24 million (Corresponding period in 2024: approximately NTD31.30 million), representing a significant year-on-year increase of 118.02%. Basic earnings per share were approximately NTD4.87 cents (Corresponding period in 2024: approximately NTD3.87 cents), representing a year-on-year increase of 25.84%.

TURNKEY SOLUTIONS

The parts and used SME supplied by the Group include furnaces and clean tracks which are used at the front-end of the semiconductor manufacturing process and wafer fabrication such as deposition, photoresist coating and development. The semiconductors produced by the customers using the SME of the Group were extensively applied to mobile phones, game consoles, DVD players, automotive sensors and other digital electronic products.

For the six months ended 30 June 2025, the revenue from turnkey solutions of the Group amounted to approximately NTD113.69 million (Corresponding period in 2024: approximately NTD226.60 million), accounting for approximately 19.42% of the total revenue of the Group (Corresponding period in 2024: approximately 42.35%).

TRADING OF PARTS AND USED SME

During the period under review, the Group recorded revenue of approximately NTD471.62 million (Corresponding period in 2024: approximately NTD308.41 million) from the trading of parts and used SME, accounting for approximately 80.58% of the total revenue of the Group (Corresponding period in 2024: approximately 57.65%).

FINANCIAL REVIEW

For the six months ended 30 June 2025, the total revenue of the Group amounted to approximately NTD585.31 million (Corresponding period in 2024: approximately NTD535.01 million). During the period under review, the revenue from turnkey solutions amounted to approximately NTD113.69 million (Corresponding period in 2024: approximately NTD226.60 million); and the revenue from the trading of used semiconductor parts amounted to approximately NTD471.62 million (Corresponding period in 2024: approximately NTD308.41 million).

In the face of a complex environment characterised by escalating geopolitical tensions and the expansion of trade protectionism, the Group adheres to its core strategy of prudence and stability, striving to strengthen the stability and continuity of cooperation with existing international clients while actively expanding new clientele to diversify risks. During the period under review, the Group's revenue from operations in the United States increased significantly by 78.54% from last year, accounting for approximately 38.68% of the total revenue of the Group, while revenue from operations in Taiwan increased by 48.97% from last year, accounting for approximately 49.69% of the total revenue of the Group.

During the period under review, the gross profit of the Group increased by 28.98% year-on-year to approximately NTD201.97 million (Corresponding period in 2024: approximately NTD156.59 million), while the overall gross profit margin rose by 5.24 percentage points to approximately 34.51% (Corresponding period in 2024: approximately 29.27%).

For the six months ended 30 June 2025, total comprehensive income attributable to owners of the Company for the period amounted to approximately NTD68.24 million (Corresponding period in 2024: approximately NTD31.30 million), representing a significant year-on-year increase of 118.02%. Basic earnings per share amounted to approximately NTD4.87 (Corresponding period in 2024: approximately NTD3.87), representing a year-on-year increase of 25.84%.

OUTLOOK

With the rapid development of global AI technology, the semiconductor industry is facing a historic turning point in its development. As the core support for the innovation and application of AI algorithms, the semiconductor industry plays an irreplaceable role in driving the digital transformation of global industries.

According to the latest forecast by the World Semiconductor Trade Statistics (WSTS), driven by the sustained growth in demand for AI, cloud infrastructure and advanced consumer electronics, global semiconductor market sales will increase by 11.2% to USD700.9 billion by 2025, with this growth momentum expected to continue into 2026, when global sales are anticipated to reach USD760.7 billion. On the other hand, Gartner indicates that with the expansion of the AI server and data centre markets, semiconductor demand is entering a high-growth phase, with the AI semiconductor market size projected to reach USD114.9 billion by 2025. According to the Industrial Economics and Knowledge Center of the Industrial Technology Research Institute, Taiwan's semiconductor industry output is projected to grow by 19.1% to NTD6.33 trillion in 2025, setting a new record high, with the primary growth drivers being IC design and IC manufacturing.

In the terminal application market, the Market Intelligence & Consulting Institute (MIC) predicts that the affordability of AI PCs and a wave of commercial upgrades will drive PC market growth in 2025. However, tariff impacts may weaken shipment growth. Global laptop and desktop shipments are estimated to reach 177 million units and 67.22 million units, respectively, representing year-on-year increases of 2.5% and 1.0%. In the server market, MIC notes that tariff policy risks have prompted AI server customers to actively stockpile inventory, coupled with accelerated global data centre construction, leading to an expected 5.5% increase in server shipments to 14.32 million units by 2025. TrendForce research shows that North American large-scale cloud service providers (CSPs) remain the main drivers of AI server demand, and with the support of secondary data centres and sovereign cloud projects in the Middle East and Europe, demand remains robust. It is projected that AI server shipments will maintain double-digit growth in 2025. However, due to geopolitical factors, TrendForce has slightly revised downward its forecast for the global AI server shipment growth rate in 2025 to 24.3%. According to Gartner's predictions, the market value of AI server-related chips will reach USD49.9 billion in 2025, representing a year-on-year increase of 46.6%. Among these, the market size of AI graphics processing units (GPUs) will exceed USD40 billion, with a growth rate of 39%.

Ongoing macroeconomic challenges, coupled with low consumer confidence, have put significant pressure on the smartphone market. IDC noted that economic uncertainty triggered by U.S. tariff policies, along with macroeconomic factors such as inflation and rising unemployment rates in many regions, have led to a slowdown in consumer spending. As a result, the forecast for global smartphone shipment growth in 2025 has been revised downward from 2.3% to 0.6%, with a total volume of 1.24 billion units. The automotive semiconductor market, however, shows strong potential. PwC Taiwan's "Semiconductor Industry Trends Report" estimates that the automotive semiconductor market will achieve an average annual growth rate of 10% due to the widespread adoption of silicon carbide (SiC) and gallium nitride (GaN) components driven by electrification. The value of semiconductors per vehicle will rise from USD800 in 2023 to USD1,350 in 2030.

Amidst the current volatile international landscape and the booming development of AI technology, the semiconductor industry faces challenges in supply chain stability while also embracing significant opportunities for intelligent upgrades. The Group will assess the situation, pursue progress while maintaining stability, and continuously enhance its core value and competitiveness to create sustainable long-term investment returns for shareholders.

LIQUIDITY AND CAPITAL RESOURCES

The Group had met its liquidity requirements principally through a combination of internal resources and bank borrowings for the six months ended 30 June 2025. The Group's primary use of cash has been, and is expected to continue to be, satisfying its working capital needs.

As at 30 June 2025, the borrowings of the Group totaled approximately NTD550.10 million (31 December 2024: approximately NTD591.79 million). As at 30 June 2025, the gearing ratio of the Group, as calculated by dividing the Group's net debt (i.e. bank borrowings less cash and cash equivalents) by the Group's total equity, was approximately 38.77% (31 December 2024: approximately 48.45%).

CHARGE ON ASSETS

As at 30 June 2025, certain land and buildings of the Group were pledged to secure the Group's long-term and short-term bank borrowings, with the carrying amount of approximately NTD251.49 million (31 December 2024: approximately NTD253.74 million).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The business operations of the Group's subsidiaries were mainly conducted in Taiwan with most of the transactions settled in NTD and United States Dollar. As at the date of this announcement, the board of Directors (the “**Board**”) considers that foreign currencies (mainly the United States dollar) were received/paid when the Group earned revenue from overseas customers and when it settled purchases of machinery, equipment and parts from overseas suppliers. The Group would closely monitor the volatility of the currency exchange rate and adopt appropriate measures, should the needs arise.

During the period under review, the Group neither took part in any derivatives activities nor entered into any hedging activities in respect of foreign exchange risk.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant capital commitment (31 December 2024: Nil) and significant contingent liability (31 December 2024: Nil).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND CAPITAL ASSETS

The Group did not have any significant investments and disposals of subsidiaries and capital assets during the period.

HUMAN RESOURCES

As at 30 June 2025, the Group employed approximately 264 employees. All our staff are full-time and contracted employees and reside in Taiwan and the People's Republic of China (“**PRC**”). Remuneration of employees is reviewed annually to maintain at a competitive level. The Group also makes reference to the labour market and economic condition. Other benefits including but not limited to pension, insurance, education, subsidies and training programmes are also provided to the employees as well.

DIVIDEND

The Board does not recommend payment of dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange, were as follows:

Long positions in the shares:

Name of Directors	Capacity/Nature of Interest	Number of Shares Held	Approximate Percentage of Total Number of Shares
Mr. Yang Ming-Hsiang (“Mr. Yang”)	Beneficial owner	37,975,000	3.80%
	Interest in persons acting in concert (<i>Note 1</i>)	664,075,000	66.41%
		<u>702,050,000</u>	<u>70.21%</u>
Ms. Wei Hung-Li (“Ms. Wei”)	Beneficial owner	29,125,000	2.91%
	Interest in persons acting in concert (<i>Note 1</i>)	672,925,000	67.30%
		<u>702,050,000</u>	<u>70.21%</u>
Mr. Chiang Ting-Kuo (“Mr. Chiang”)	Interest of spouse (<i>Note 2</i>)	<u>2,450,000</u>	<u>0.25%</u>

Note 1: Pursuant to the concert party agreement dated 22 August 2016 (the “**Concert Party Agreement**”) entered into by Mr. Yang, Tai-Yi Investment Co. Ltd., Ms. Wei, Mr. Lin Yen-Po and Mr. Fan Chiang-Shen (our former directors), a group of controlling shareholders (as defined under the GEM Listing Rules) (the “**Controlling Shareholders**”) of the Company (the “**Concert Parties**”), the Concert Parties have agreed with certain arrangements pertaining to their shareholding. The interests in these shares include the interests of the Concert Parties under the Concert Party Agreement and the interests of controlled corporations under the Concert Parties’ control.

Note 2: Ms. Li Ling-Hui (李玲慧), the spouse of Mr. Chiang, is interested in 2,450,000 shares of the Company, representing approximately 0.245% of the total issued shares of the Company. Mr. Chiang therefore is deemed to be interested in such 2,450,000 shares of the Company under the SFO. Mr. Chiang and his spouse together hold 1,430 shares (approximately 9.5%) in Queenbest Development Limited and Mr. Chiang holds 95,000 shares (approximately 9.5%) in Ever Wealth Holdings Limited.

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which are required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or which shall be, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS’ INTERESTS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY

As at 30 June 2025, to the knowledge of the Directors, the following persons/entities (other than the Directors or chief executive of the Company) who had or were deemed to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in the shares:

Name of Substantial Shareholders	Capacity/Nature of Interest	Number of Shares Held	Approximate Percentage of Total Number of Shares
Queenbest Development Limited (“ Queenbest ”) (Note 1)	Beneficial interest	374,625,000	37.46%
Ever Wealth Holdings Limited (“ Ever Wealth ”) (Note 2)	Beneficial interest	81,150,000	8.11%
Planeta Investments Limited (“ Planeta ”) (Note 3)	Beneficial interest	63,750,000	6.38%
Tai-Yi Investment Co. Ltd. (“ Tai Yi ”) (Note 4)	Beneficial interest	111,300,000	11.13%
	Interest in persons acting in concert (Note 5)	590,750,000	59.08%
		<hr/>	<hr/>
		<u>702,050,000</u>	<u>70.21%</u>
Mr. Fan Chiang-Shen (“ Mr. Fan ”) (Note 5)	Beneficial owner	2,925,000	0.30%
	Interest in persons acting in concert (Note 5)	699,125,000	69.91%
		<hr/>	<hr/>
		<u>702,050,000</u>	<u>70.21%</u>
Mr. Lin Yen-Po (“ Mr. Lin ”) (Note 5)	Beneficial owner	1,200,000	0.12%
	Interest in persons acting in concert (Note 5)	700,850,000	70.09%
		<hr/>	<hr/>
		<u>702,500,000</u>	<u>70.21%</u>

Notes:

- (1) Queenbest is a company incorporated in the British Virgin Islands (the “BVI”). As at the date of this announcement, it was held by 35 individual shareholders and Mr. Yang was interested in approximately 27.6%, Ms. Wei was interested in approximately 10.2%, Mr. Lin was interested in approximately 5.1% and former Director Mr. Fan was interested in approximately 10.7% of its shareholding. The other shareholders were mainly employees and ex-employees of Genes Tech Co., Ltd. (“**Genes Tech**”, an indirect wholly-owned subsidiary of the Company) who were independent third parties (as defined under the GEM Listing Rules) (“**Independent Third Parties**”) and each held interests ranging from approximately 0.01% to 8.0%.
- (2) Ever Wealth is a company incorporated in the Republic of Seychelles. As at the date of this announcement, it was held by 9 individual shareholders and Mr. Yang was interested in approximately 28.0%, Ms. Wei was interested in approximately 4.8% and Mr. Lin was interested in approximately 20.7% of its shareholding. The other shareholders consisted of employees of Genes Tech who were Independent Third Parties and each held interests ranging from approximately 1.0% to 15.0%.
- (3) Planeta is a company incorporated in Anguilla. As at the date of this announcement, it was held by 10 individual shareholders and Mr. Yang was interested in approximately 28.5%, Ms. Wei was interested in approximately 4.3%, Mr. Lin was interested in approximately 17.8% and former Director Mr. Fan was interested in approximately 10.7% of its shareholding. The other shareholders were mainly employees and ex-employees of Genes Tech who were Independent Third Parties and each held interests ranging from approximately 0.7% to 26.7%.
- (4) Tai Yi is a company incorporated in Taiwan. As at the date of this announcement, it was held by 4 individual shareholders. Tai Yi is a party to the Concert Party Agreement.
- (5) Pursuant to the Concert Party Agreement, the Concert Parties have agreed with certain arrangements pertaining to their shareholding. Mr. Yang, Tai Yi, Ms. Wei, Mr. Lin and Mr. Fan (our former Directors) are a group of Controlling Shareholders. The interests in these shares include the interests of the Concert Parties under the Concert Party Agreement and the interests of controlled corporations under the Concert Parties’ control.

Save as disclosed above, as at 30 June 2025, the Directors are not aware of any other persons/entities (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, as of 30 June 2025 and up to the date of this announcement, neither the Directors nor the chief executive of the Company and their respective close associates (as defined under the GEM Listing Rules) had any interests in, or had been granted, or exercised any rights to subscribe for shares or underlying shares of the Company and/or its associated corporations (within the meaning of the SFO).

Save as disclosed above and as provided in the Share Option Scheme (as defined below), at no time as of 30 June 2025 and up to the date of this announcement was the Company, any of its subsidiaries, its associated companies or its holding companies a party to any arrangements to enable the Directors or the chief executive of the Company to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporations (within the meaning of the SFO).

DIRECTORS' INTEREST IN COMPETING BUSINESS

From the Listing Date and up to the date of this announcement, none of the Directors, the controlling shareholders or any of their respective close associates was a director or shareholder of any business (other than the Group's business) which, directly or indirectly, was or may be in competition or otherwise had any conflicts of interests with the Group's business.

DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS OR MATERIAL CONTRACTS

There was no transactions, arrangements or material contracts to which the Company or any related company (holding companies, subsidiaries or fellow subsidiaries) was a party and in which a Director of the Company or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at any time during the period from 1 January 2025 to 30 June 2025.

DIRECTORS' SECURITIES TRANSACTIONS/MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Required Standard of Dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules in respect of securities transactions by Directors.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings throughout the period from 1 January 2025 to 30 June 2025.

The Company has also established written guidelines (the “**Employees Written Guidelines**”) no less exacting than the Required Standard of Dealings for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group has adopted the principles and code provisions set out in the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix C1 to the GEM Listing Rules. To the best knowledge of the Directors, except for the deviation from provision C.2.1 of the Corporate Governance Code, the Group has no material deviation from the Corporate Governance Code. Provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Yang is the Chief Executive Officer, and he also performs as the Chairman of the Board as he has considerable experience in the semiconductor industry. The Board believes that vesting the roles of both the Chairman of the Board and the Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group.

Notwithstanding the above, the Board is of the view that this management structure is effective for the Group’s operations, and sufficient checks and balances are in place.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company (the “**Audit Committee**”) has been established by the Board on 20 June 2017 with written terms of reference in compliance with the GEM Listing Rules. Members of the Audit Committee comprise Mr. Cheng Chun Shing (Chairman of the Audit Committee), Mr. Kam, Eddie Shing Cheuk and Mr. Ho Pak Chuen Brian, all of them being independent non-executive Directors. The primary duties of the Audit Committee include, but are not limited to, (a) monitoring the integrity of the Company’s financial statements, (b) reviewing the Company’s financial control, internal control and risk management systems, and (c) reviewing the Group’s financial and accounting policies and practices.

The unaudited condensed consolidated second quarterly results of the Group for the six months ended 30 June 2025 have not been audited.

The Audit Committee has reviewed with the management the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025, the interim report, the accounting principles and practices adopted by the Group, and other financial reporting matters. The Audit Committee is satisfied that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

SHARE OPTION SCHEME

A share option scheme was adopted and approved by the then shareholders of the Company on 20 June 2017 (the “**Share Option Scheme**”). As at 30 June 2025 and up to the date of this interim results announcement, there was no option granted, exercised, lapsed or cancelled under the Share Option Scheme. As of 30 June 2025 and up to the date of this interim results announcement, there was no outstanding share option under the Share Option Scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

From 1 January 2025 to 30 June 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed shares.

By order of the Board
Yang Ming-Hsiang
Chairman and Chief Executive Officer

Taiwan, 21 August 2025

As at the date of this announcement, the executive Directors are Mr. Yang Ming-Hsiang, Ms. Wei Hung-Li, and Mr. Chiang Ting-Kuo; and the independent non-executive Directors are Mr. Kam, Eddie Shing Cheuk, Mr. Cheng Chun Shing and Mr. Ho Pak Chuen Brian.

This announcement will remain on the “Latest Listed Company Information” page of Stock Exchange website at www.hkexnews.hk for at least 7 days from the date of its posting. This announcement will also be published and remains on the Company’s website at www.genestech.com on the “Investor Relations” page.