

**D-LINK CORPORATION
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2025 and 2024**

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors
D-LINK CORPORATION:

Introduction

We have reviewed the accompanying consolidated balance sheets of D-LINK CORPORATION and its subsidiaries as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2025 and 2024, as well as the changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and 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" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, 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" of the Republic of China. A review of the 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 conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$3,664,501 thousand and \$4,485,760 thousand, constituting 23% and 26% of the consolidated total assets as of June 30, 2025 and 2024, respectively, total liabilities amounting to \$871,318 thousand and \$1,080,481 thousand, constituting 17% and 20% of the consolidated total liabilities as of June 30, 2025 and 2024, respectively, and total comprehensive income amounting to \$(489,595) thousand, \$212,347 thousand, \$(294,113) thousand and \$389,959 thousand, constituting 68%, 95%, 49% and 112%, of the consolidated total comprehensive income for the three months and six months ended June 30, 2025 and 2024, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review reports of other auditors (please refer to Other Matter paragraph), 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 D-LINK CORPORATION and its subsidiaries as of June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, as well as its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of D-Link (Europe) Ltd. and D-Link Middle East FZE, subsidiaries of D-Link Corporation as of and for the six months ended June 30, 2025 and 2024. Those financial statements were reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to the amounts included for D-Link (Europe) Ltd. and D-Link Middle East FZE, is based solely on the review reports of other auditors. The financial statements of D-Link (Europe) Ltd. and D-Link Middle East FZE reflect total assets amounting to \$2,630,877 thousand and \$3,143,303 thousand, constituting 17% and 18% of the consolidated total assets, respectively; as well as total operating revenues amounting to \$857,738 thousand, \$1,223,700 thousand, \$1,721,109 thousand and \$2,185,346 thousand, constituting 27%, 33%, 27% and 30% of the consolidated total operating revenues for three months and six months ended June 30, 2025 and 2024, respectively.

The engagement partners on the reviews resulting in this independent auditors’ review report are Mei, Yuan-Chen and Chang, Shu-Ying.

KPMG

Taipei, Taiwan (Republic of China)
August 13, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

D-LINK CORPORATION AND SUBSIDIARIES**Consolidated Balance Sheets****June 30, 2025, December 31, 2024, and June 30, 2024****(Expressed in Thousands of New Taiwan Dollar)**

		June 30, 2025		December 31, 2024		June 30, 2024						June 30, 2025		December 31, 2024		June 30, 2024	
Assets		Amount	%	Amount	%	Amount	%			Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:										Current liabilities:							
1100	Cash and cash equivalents (notes 6(a) and (aa))	\$ 3,656,712	23	4,416,806	27	4,166,210	24	2120		Financial liabilities at fair value through profit or loss — current (notes 6(b) and (aa))		\$ 17,971	-	4,402	-	15,221	-
1110	Financial assets at fair value through profit or loss — current (notes 6(b) and (aa))	774,649	5	767,446	5	783,563	5	2130		Current contract liabilities (note 6(w))		204,621	1	141,379	1	129,349	1
1150	Notes receivable, net (notes 6(c) and (aa))	3,555	-	11,748	-	1,190	-	2150		Notes payable (note 6(aa))		-	-	575	-	153	-
1170	Accounts receivable, net (notes 6(c) and (aa))	2,682,408	17	2,880,372	17	3,467,598	20	2170		Accounts payable (note 6(aa))		1,985,358	13	1,833,852	11	1,981,633	12
1180	Accounts receivable due from related parties, net (notes 6(c), (aa) and 7)	6,422	-	431	-	2,120	-	2180		Accounts payable to related parties (notes 6(aa) and 7)		198,010	1	183,654	1	161,606	1
1197	Finance lease payment receivable (notes 6(d) and (aa))	38,640	-	41,045	-	39,355	-	2200		Other payables (notes 6(n), (aa) and 7)		958,870	6	994,929	6	1,027,338	6
1200	Other receivables (notes 6(c), (aa) and 7)	34,731	-	44,425	-	40,429	-	2230		Current tax liabilities		20,307	-	19,979	-	23,962	-
1220	Current tax assets	58,016	1	29,587	-	31,213	-	2250		Current provisions (note 6(p))		116,844	1	134,803	1	133,784	1
130X	Inventories (note 6(e))	3,036,080	19	2,543,978	16	2,898,732	17	2280		Current lease liabilities (notes 6(o) and (aa))		139,351	1	166,040	1	179,156	1
1421	Prepayment for purchase (note 7)	48,507	-	57,813	-	92,386	1	2320		Current portion of long-term liabilities (notes 6(m) and (aa))		49,957	-	87,032	-	122,151	1
1470	Other current assets (notes 6(aa), 7 and 8)	<u>413,528</u>	<u>3</u>	<u>761,732</u>	<u>5</u>	<u>704,770</u>	<u>4</u>	2365		Current refund liability (note 6(q))		353,614	2	418,961	3	520,885	3
		<u>10,753,248</u>	<u>68</u>	<u>11,555,383</u>	<u>70</u>	<u>12,227,566</u>	<u>71</u>	2399		Other current liabilities (note 6(aa))		<u>80,611</u>	<u>1</u>	<u>87,071</u>	<u>1</u>	<u>89,659</u>	-
												<u>4,125,514</u>	<u>26</u>	<u>4,072,677</u>	<u>25</u>	<u>4,384,897</u>	<u>26</u>
Non-current assets:										Non-Current liabilities:							
1510	Financial assets at fair value through profit or loss — non-current (notes 6(b) and (aa))	773,383	5	532,685	3	464,300	3	2540		Long-term borrowings (notes 6(m) and (aa))		417,849	3	441,849	3	467,806	3
1517	Financial assets at fair value through other comprehensive income — non-current (notes 6(b) and (aa))	155,081	1	179,057	1	22,216	-	2570		Deferred tax liabilities (note 6(t))		106,847	1	92,656	1	155,690	1
1550	Investments accounted for using equity method (note 6(f))	-	-	-	-	7,047	-	2580		Non-current lease liabilities (notes 6(o) and (aa))		171,565	1	177,553	1	215,835	1
1600	Property, plant and equipment (notes 6(h), 7 and 8)	2,292,745	14	2,310,350	14	2,366,861	14	2600		Other non-current liabilities (notes 6(f) and (s))		<u>200,004</u>	<u>1</u>	<u>205,675</u>	<u>1</u>	<u>234,722</u>	<u>1</u>
1755	Right-of-use assets (note 6(i))	246,967	2	254,382	2	285,422	2					<u>896,265</u>	<u>6</u>	<u>917,733</u>	<u>6</u>	<u>1,074,053</u>	<u>6</u>
1760	Investment property, net (notes 6(j) and (aa))	37,489	-	37,687	-	37,885	-			Total liabilities		<u>5,021,779</u>	<u>32</u>	<u>4,990,410</u>	<u>31</u>	<u>5,458,950</u>	<u>32</u>
1780	Intangible assets (notes 6(k) and 7)	789,429	5	816,944	5	797,856	5	3110		Equity attributable to owners of parent: (note 6(u))		<u>6,023,297</u>	<u>38</u>	<u>6,024,275</u>	<u>37</u>	<u>6,025,165</u>	<u>35</u>
1840	Deferred tax assets (note 6(t))	530,976	3	487,252	3	536,127	3	3200		Ordinary shares		<u>1,347,888</u>	<u>8</u>	<u>1,364,834</u>	<u>8</u>	<u>1,363,283</u>	<u>8</u>
1990	Other non-current assets (notes 6(s) and 8)	275,916	2	276,849	2	290,842	2			Retained earnings:							
194D	Long-term lease payment receivable, net (notes 6(d) and (aa))	<u>16,892</u>	<u>-</u>	<u>39,976</u>	<u>-</u>	<u>60,263</u>	<u>-</u>	3310		Legal reserve		2,203,730	14	2,198,957	13	2,198,957	13
		<u>5,118,878</u>	<u>32</u>	<u>4,935,182</u>	<u>30</u>	<u>4,868,819</u>	<u>29</u>	3320		Special reserve		864,207	5	864,207	5	864,207	5
								3350		(Accumulated deficit) unappropriated retained earnings		<u>(302,804)</u>	<u>(2)</u>	<u>47,728</u>	<u>1</u>	<u>(31,158)</u>	<u>-</u>
												<u>2,765,133</u>	<u>17</u>	<u>3,110,892</u>	<u>19</u>	<u>3,032,006</u>	<u>18</u>
								3400		Other equity interest		<u>(1,684,599)</u>	<u>(11)</u>	<u>(1,446,630)</u>	<u>(9)</u>	<u>(1,323,238)</u>	<u>(8)</u>
								3500		Treasury shares		<u>(82,823)</u>	<u>-</u>	<u>(82,823)</u>	<u>(1)</u>	<u>(82,823)</u>	<u>-</u>
										Total equity attributable to owners of parent		<u>8,368,896</u>	<u>52</u>	<u>8,970,548</u>	<u>54</u>	<u>9,014,393</u>	<u>53</u>
								36XX		Non-controlling interests (notes 6(g) and (u))		<u>2,481,451</u>	<u>16</u>	<u>2,529,607</u>	<u>15</u>	<u>2,623,042</u>	<u>15</u>
										Total equity		<u>10,850,347</u>	<u>68</u>	<u>11,500,155</u>	<u>69</u>	<u>11,637,435</u>	<u>68</u>
Total assets		<u>\$ 15,872,126</u>	<u>100</u>	<u>16,490,565</u>	<u>100</u>	<u>17,096,385</u>	<u>100</u>			Total liabilities and equity		<u>\$ 15,872,126</u>	<u>100</u>	<u>16,490,565</u>	<u>100</u>	<u>17,096,385</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

D-LINK CORPORATION AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the three months and six months ended June 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollar, Except for Earnings Per Common Share)**

		For the three months ended June 30				For the six months ended June 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Net operating revenues (notes 6(w) and 7)	\$ 3,150,747	100	3,720,181	100	6,487,328	100	7,283,559	100
5000	Operating costs (notes 6(e), (s) and 7)	2,365,190	75	2,889,165	78	4,896,913	76	5,568,043	77
	Gross profit from operations	785,557	25	831,016	22	1,590,415	24	1,715,516	23
	Operating expenses: (notes 6(c), (h), (i), (j), (k), (o), (r), (s), (x) and 7)								
6100	Selling expenses	467,383	15	537,443	14	966,829	15	1,098,822	15
6200	Administrative expenses	216,475	7	223,683	6	412,457	6	448,042	6
6300	Research and development expenses	169,694	5	185,901	5	324,312	5	360,783	5
6450	Expected credit (reversal gains) losses (note 6(c))	(2,426)	-	1,355	-	9,869	-	3,622	-
		851,126	27	948,382	25	1,713,467	26	1,911,269	26
	Net operating loss	(65,569)	(2)	(117,366)	(3)	(123,052)	(2)	(195,753)	(3)
	Non-operating income and expenses:								
7100	Interest income (note 6(y))	33,131	1	35,074	1	67,063	1	60,052	1
7010	Other income (notes 6(y) and 7)	4,029	-	4,023	-	5,802	-	5,782	-
7020	Other gains and losses (notes 6(y), (aa) and 7)	(52,325)	(2)	232,103	6	(106,866)	(2)	291,152	4
7050	Finance costs (notes 6(o) and (y))	(6,700)	-	(8,548)	-	(12,959)	-	(16,120)	-
7060	Share of loss of associates accounted for using equity method (note 6(f))	(4,238)	-	(4,441)	-	(7,588)	-	(8,332)	-
		(26,103)	(1)	258,211	7	(54,548)	(1)	332,534	5
	(Loss) profit before tax	(91,672)	(3)	140,845	4	(177,600)	(3)	136,781	2
7950	Less: Income tax expenses (note 6(t))	38,724	1	65,801	2	78,008	1	106,753	2
	Net (loss) profit	(130,396)	(4)	75,044	2	(255,608)	(4)	30,028	-
8300	Other comprehensive (loss) income:								
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss (note 6(u))								
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(5,816)	-	3,124	-	(23,399)	-	619	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
		(5,816)	-	3,124	-	(23,399)	-	619	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss (notes 6(u) and (z))								
8361	Exchange differences on translation of foreign financial statements	(680,877)	(22)	168,682	5	(357,249)	(6)	403,644	6
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	73	-	-	-	(37)	-	-	-
8370	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	217	-	714	-	(611)	-	861	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(t))	98,070	3	(23,545)	(1)	41,374	1	(87,097)	(1)
		(582,517)	(19)	145,851	4	(316,523)	(5)	317,408	5
8300	Other comprehensive (loss) income, net	(588,333)	(19)	148,975	4	(339,922)	(5)	318,027	5
	Total comprehensive (loss) income	\$ (718,729)	(23)	224,019	6	(595,530)	(9)	348,055	5
	Net (loss) profit attributable to:								
8610	Owners of parent	\$ (137,629)	(4)	21,750	1	(302,804)	(5)	(31,158)	(1)
8620	Non-controlling interests	7,233	-	53,294	1	47,196	1	61,186	1
		\$ (130,396)	(4)	75,044	2	(255,608)	(4)	30,028	-
	Comprehensive (loss) income attributable to:								
8710	Owners of parent	\$ (616,669)	(20)	157,847	4	(546,526)	(8)	241,068	3
8720	Non-controlling interests	(102,060)	(3)	66,172	2	(49,004)	(1)	106,987	2
		\$ (718,729)	(23)	224,019	6	(595,530)	(9)	348,055	5
	Basic (loss) earnings per share (New Taiwan dollars) (note 6(v))	\$ (0.23)		0.04		(0.51)		(0.05)	
	Diluted (loss) earnings per share (New Taiwan dollars) (note 6(v))	\$ (0.23)		0.04		(0.51)		(0.05)	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

D-LINK CORPORATION AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the six months ended June 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollar)**

	Equity attributable to owners of parent											
	Retained earnings					Total other equity interest						
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unearned Stock-Based Employee Compensation	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2024	\$ 6,028,365	1,364,335	2,144,259	693,165	546,976	(1,557,495)	(17,004)	(40,110)	(82,823)	9,079,668	2,516,055	11,595,723
Net (loss) profit for the six months ended June 30, 2024	-	-	-	-	(31,158)	-	-	-	-	(31,158)	61,186	30,028
Other comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	271,607	619	-	-	272,226	45,801	318,027
Total comprehensive (loss) income for the six months ended June 30, 2024	-	-	-	-	(31,158)	271,607	619	-	-	241,068	106,987	348,055
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	54,698	-	(54,698)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	171,042	(171,042)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(321,236)	-	-	-	-	(321,236)	-	(321,236)
Adjustments of capital surplus for the Company's cash dividends distribute to subsidiaries	-	1,210	-	-	-	-	-	-	-	1,210	-	1,210
Retirement of expired employee restricted shares	(3,200)	3,200	-	-	-	-	-	-	-	-	-	-
Compensation cost of employee restricted shares	-	(5,462)	-	-	-	-	-	19,145	-	13,683	-	13,683
Balance at June 30, 2024	\$ 6,025,165	1,363,283	2,198,957	864,207	(31,158)	(1,285,888)	(16,385)	(20,965)	(82,823)	9,014,393	2,623,042	11,637,435
Balance at January 1, 2025	\$ 6,024,275	1,364,834	2,198,957	864,207	47,728	(1,425,786)	(9,387)	(11,457)	(82,823)	8,970,548	2,529,607	11,500,155
Net (loss) profit for the six months ended June 30, 2025	-	-	-	-	(302,804)	-	-	-	-	(302,804)	47,196	(255,608)
Other comprehensive loss for the six months ended June 30, 2025	-	-	-	-	-	(220,308)	(23,414)	-	-	(243,722)	(96,200)	(339,922)
Total comprehensive loss for the six months ended June 30, 2025	-	-	-	-	(302,804)	(220,308)	(23,414)	-	-	(546,526)	(49,004)	(595,530)
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	4,773	-	(4,773)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(42,955)	-	-	-	-	(42,955)	-	(42,955)
Cash distribution from capital surplus	-	(17,132)	-	-	-	-	-	-	-	(17,132)	-	(17,132)
Changes in equities of the Company's ownership interests in its subsidiaries	-	604	-	-	-	-	-	-	-	604	848	1,452
Adjustments of capital surplus for the Company's cash dividends distribute to subsidiaries	-	226	-	-	-	-	-	-	-	226	-	226
Retirement of expired employee restricted shares	(978)	978	-	-	-	-	-	-	-	-	-	-
Compensation cost of employee restricted shares	-	(1,622)	-	-	-	-	-	5,753	-	4,131	-	4,131
Balance at June 30, 2025	\$ 6,023,297	1,347,888	2,203,730	864,207	(302,804)	(1,646,094)	(32,801)	(5,704)	(82,823)	8,368,896	2,481,451	10,850,347

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

D-LINK CORPORATION AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the six months ended June 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollar)**

	For the six months ended June 30	
	2025	2024
Cash flows from operating activities:		
(Loss) profit before tax	\$ (177,600)	136,781
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	137,293	154,336
Amortization expense	28,014	21,677
Expected credit loss	9,869	3,622
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	15,007	(238,186)
Interest expense	12,959	16,120
Interest income	(67,063)	(60,052)
Dividend income	(2,265)	(1,700)
Compensation cost of share-based payment transaction	4,131	13,683
Share of loss of associates accounted for using equity method	7,588	8,332
Gain on disposal of investments	(39,449)	(23,788)
Reversal of write-down loss of inventories to net realizable value	(11,866)	(119,988)
Other	180,709	23,633
Total adjustments to reconcile profit (loss)	274,927	(202,311)
Changes in operating assets and liabilities:		
Increase in financial assets at fair value through profit or loss	-	(310,151)
Decrease in notes receivable	8,193	838
Decrease (increase) in accounts receivable	193,291	(379,188)
(Increase) decrease in accounts receivable due from related parties	(6,144)	575
Decrease (increase) in other receivables	11,642	(10,931)
Decrease in lease payment receivable	19,597	18,370
(Increase) decrease in inventories	(507,414)	466,853
Decrease (increase) in prepayment for purchase	9,306	(47,333)
Decrease (increase) in other current assets	348,984	(235)
(Increase) decrease in other non-current assets	(6,550)	15,454
Total changes in operating assets	70,905	(245,748)
Increase (decrease) in current contract liabilities	63,242	(15,814)
(Decrease) increase in notes payable	(575)	77
Increase in accounts payable	151,506	516,020
Increase in accounts payable to related parties	14,356	41,247
Decrease in other payables	(36,059)	(48,512)
Decrease in current provisions	(39,888)	(7,945)
(Decrease) increase in current refund liabilities	(65,347)	57,246
Decrease in other current liabilities	(6,460)	(10,155)
Increase (decrease) in other non-current liabilities	4,251	(11,170)
Total changes in operating liabilities	85,026	520,994
Total changes in operating assets and liabilities	155,931	275,246
Total adjustments	430,858	72,935
Cash flows from operations	253,258	209,716
Interest received	67,063	60,052
Dividends received	317	1,700
Interest paid	(12,959)	(16,120)
Income taxes paid	(84,880)	(83,193)
Net cash flows from operating activities	222,799	172,155
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(1,249,973)	-
Proceeds from disposal of financial assets at fair value through profit or loss	971,986	-
Acquisition of property, plant and equipment	(49,284)	(32,829)
Proceeds from disposal of property, plant and equipment	3,027	1,560
Decrease (increase) in refundable deposits	7,303	(2,301)
Acquisition of intangible assets	(36,557)	(13,967)
Other investing activities	(780)	2,560
Net cash flows used in investing activities	(354,278)	(44,977)
Cash flows from financing activities:		
(Decrease) increase in guarantee deposits received	(18,121)	13,957
Payment of lease liabilities	(132,309)	(95,164)
Decrease in long-term borrowings	(61,075)	(61,075)
Cash dividends paid	(42,729)	(320,026)
Cash distribution from capital surplus	(17,132)	-
Net cash flows used in financing activities	(271,366)	(462,308)
Effect of exchange rate changes on cash and cash equivalents	(357,249)	403,644
Net (decrease) increase in cash and cash equivalents	(760,094)	68,514
Cash and cash equivalents at the beginning of period	4,416,806	4,097,696
Cash and cash equivalents at the end of period	\$ 3,656,712	4,166,210

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

D-LINK CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollar, Unless Otherwise Specified)

(1) Company history

D-LINK CORPORATION (the “Company”) was incorporated on June 20, 1987 under the approval of Ministry of Economic Affairs, Republic of China (“ROC”). The address of its registered office is No. 289, Xinhua 3rd Rd., Neihu Dist., Taipei City 114, Taiwan. The main operating activities of the Company and its subsidiaries (collectively referred as the “Consolidated Company”) include the research, development, and sale of computer network systems, wireless LAN products, and spare parts for integrated circuits.

(2) Approval date and procedures of the consolidated financial statements:

The accompanying consolidated financial statements were approved and authorized for release by the Board of Directors on August 13, 2025.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRS”) Accounting Standards endorsed by the Financial Supervisory Commission (“FSC”), R.O.C. which have already been adopted.

The Consolidated Company has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Consolidated Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Consolidated Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Consolidated Company is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Consolidated Company completes its evaluation.

The Consolidated Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

(4) Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (hereinafter referred to as "the Regulations") and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by IFRS, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Company. The Company ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Consolidated Company attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Consolidated Company prepares consolidated financial statements using uniform accounting policies for transactions and other events in similar circumstances.

Changes in the Consolidated Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Consolidated Company will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	D-Link Holding Company Ltd. (D-Link Holding)	Investment company	100.00 %	100.00 %	100.00 %	Note 1
The Company	D-Link Japan K.K. (D-Link Japan)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
The Company	D-Link Investment Pte. Ltd. (D-Link Investment)	Investment company	100.00 %	100.00 %	100.00 %	Note 1
The Company	D-Link (Europe) Ltd. (D-Link Europe)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	
The Company	Cameo Communications, Inc. (Cameo)	Manufacturing, sales, research and development	41.58 %	41.58 %	41.58 %	
The Company	D-Link Taiwan Investment Co., Ltd. (D-Link Taiwan Investment)	Investment company	100.00 %	100.00 %	100.00 %	Yeo-Tai Investment Inc. was renamed to D-Link Taiwan Investment Co., Ltd. on May 3, 2024.
The Company	D-Link Latin America Company Ltd. (D-Link L.A.)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
The Company	D-Link Systems, Inc. (D-Link Systems)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
D-Link Systems	D-Link Canada, Inc. (D-Link Canada)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
The Company	D-Link Australia Pty Ltd. (D-Link Australia)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
The Company	D-Link Middle East FZE (D-Link ME)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	
The Company and D-Link Holding	D-Link Sudamerica SpA (D-Link Sudamerica)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
The Company and D-Link Holding	D-Link Brazil LTDA (D-Link Brazil)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
The Company and D-Link Holding	D-Link International Pte. Ltd. (D-Link International)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	D-Link Holding transferred 0.64% of its shareholding in D-Link International to the Company in October 2024. Note 1
The Company and D-Link Sudamerica	D-Link Mexicana S.A de C.V (D-Link Mexicana)	Sales and after-sales service	- %	- %	100.00 %	Liquidation completed in July 2024.
The Company and D-Link International	PT DLink System Indonesia (D-Link Indonesia)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	D-Link Indonesia was established with capital injection on April 17, 2024. Note 1
The Company and D-Link International	D-Link Peru S.A. (D-Link Peru)	Sales and after-sales service	100.00 %	- %	- %	The Company and D-Link International acquired 99.97% and 0.03% of equity interests in D-Link Peru from D-Link Sudamerica and D-Link L.A., respectively, in April 2025. Note 1
D-Link International	D-Link Korea Limited (D-Link Korea)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
D-Link International	D-Link Trade M S.R.L. (D-Link Moldova)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
D-Link International	D-Link Capital Investment Co., Ltd. (D-Link Capital Investment)	Investment Company	100.00 %	100.00 %	100.00 %	Note 1
D-Link International	D-Link Malaysia SDN. BHD (D-Link Malaysia)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
D-Link International	D-Link Service Lithuania, UAB (D-Link Lithuania)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
D-Link International	D-Link Service (Kazakhstan) (D-Link Kazakhstan)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	D-Link International acquired 100% of equity interests in D-Link Kazakhstan from D-Link Lithuania in February 2024. Note 1
D-Link International	D-Link (Shanghai) Co., Ltd (D-Link Shanghai)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	D-Link International acquired 100% of equity interests in D-Link Shanghai from D-Link Shiang-Hai (Cayman) in January 2024. Note 1
D-Link International	Netpro (Shanghai) Co., Ltd (Netpro)	Research, development and trading	100.00 %	100.00 %	100.00 %	D-Link International acquired 100% of equity interests in Netpro from D-Link Shiang-Hai (Cayman) in January 2024. Note 1
D-Link Lithuania	D-Link Service (Ukraine) (D-Link Ukraine)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
D-Link Holding	D-Link Shiang-Hai (Cayman) Inc. (D-Link Shiang-Hai (Cayman))	Investment company	- %	100.00 %	100.00 %	Liquidation completed in March 2025.
D-Link Holding	D-Link Holding Mauritius Inc. (D-Link Mauritius)	Investment company	100.00 %	100.00 %	100.00 %	Note 1
D-Link Holding	OOO D-Link Russia (D-Link Russia)	After-sales service	100.00 %	100.00 %	100.00 %	Note 1
D-Link Investment	OOO D-Link Trade (D-Link Trade)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
D-Link Holding	Success Stone Overseas Corp. (Success Stone)	Investment company	100.00 %	100.00 %	100.00 %	Note 1
D-Link Mauritius	D-Link India Ltd. (D-Link India)	Sales and after-sales service	51.02 %	51.02 %	51.02 %	
D-Link Mauritius and D-Link India	TeamF1 Networks Private Limited (TeamF1 India)	Research and development	100.00 %	100.00 %	100.00 %	Note 1
D-Link Europe	D-Link (Holdings) Ltd. and its subsidiary D-Link (UK) Ltd. (D-Link UK)	Investment company, sales and after-sales service	100.00 %	100.00 %	100.00 %	In liquidation process. Note 1
D-Link Europe	D-Link France SARL (D-Link France)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
D-Link Europe	D-Link AB	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
D-Link Europe	D-Link Iberia SL (D-Link Iberia)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
D-Link Europe	D-Link Mediterraneo SRL (D-Link Mediterraneo)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
D-Link Europe	D-Link (Netherlands) BV (D-Link Netherlands)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
The Company and D-Link Europe	D-Link (Deutschland) GmbH (D-Link Deutschland)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
D-Link Europe	D-Link Polska Sp. Z.o.o. (D-Link Polska)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
D-Link Europe	D-Link (Magyarország) Kft (D-Link Magyarország)	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
D-Link Europe	D-Link s.r.o	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
D-Link Mediterraneo	D-Link Adria d.o.o	Sales and after-sales service	- %	- %	100.00 %	Liquidation completed in December 2024.
D-Link Sudamerica and D-Link L.A.	D-Link Peru	Sales and after-sales service	- %	100.00 %	100.00 %	The Company and D-Link International acquired 99.97% and 0.03% of equity interests in D-Link Peru from D-Link Sudamerica and D-Link L.A., respectively, in April 2025. Note 1
D-Link Sudamerica	D-Link de Colombia S.A.S	Sales and after-sales service	100.00 %	100.00 %	100.00 %	Note 1
D-Link Sudamerica	D-Link Guatemala S.A.	Sales and after-sales service	99.00 %	99.00 %	99.00 %	In liquidation process. Note 1
Cameo	Qianjin Investment Co., Ltd.(Qianjin Investment)	Investment company	100.00 %	100.00 %	100.00 %	
Cameo	Huge Castle Ltd (Huge Castle)	Investment company	100.00 %	100.00 %	100.00 %	

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
Huge Castle	Perfect Choice Co., Ltd. (PC)	Investment company and trading	- %	100.00 %	100.00 %	Liquidation completed in May 2025.
Huge Castle	Luis Jo'se Investment Inc. (Luis Jo'se)	Investment company	100.00 %	100.00 %	100.00 %	In liquidation process. Note 1
Luis Jo'se	Suzhou Soarnex Technology Co., Ltd	Software development and software services on computer information systems	100.00 %	100.00 %	100.00 %	Note 1

Note 1: It is a non-major subsidiary, and its financial statements were not reviewed by independent auditors.

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(c) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are employee benefit expense as the related service is provided.

(ii) Defined benefit plans

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

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Consolidated Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(d) Income Taxes

The income tax expenses have been measured and disclosed in accordance with paragraph B12 of IFRSs 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period, and tax related to other comprehensive income should be recognized as other comprehensive income.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled.

In accordance with the laws of each country, the income tax of each entity should be declared individually. The amount of consolidated income tax should be the total amount of income tax of each entity.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In the preparation of the consolidated interim financial statements, the major source of significant accounting assumptions, judgements and estimation uncertainty are consistent with note 5 of the consolidated financial statement for the year ended December 31, 2024.

(6) Explanation of significant accounts:

(a) Cash and Cash Equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 6,447	2,632	6,061
Checking and saving accounts	2,943,984	2,976,578	2,310,820
Time deposit	706,281	1,348,432	1,812,325
Bills and bonds under reverse repurchase agreements	-	89,164	37,004
Cash and Cash Equivalents	<u>\$ 3,656,712</u>	<u>4,416,806</u>	<u>4,166,210</u>

Please refer to note 6(aa) for the disclosure of the exchange rate risk and sensitivity analysis of financial assets and liabilities of the Consolidated Company.

The Consolidated Company determines classification of time deposits based on the length of time between the original investment date and the maturity dates, as well as the purpose of short-term capital utilization. When it has a maturity of three months or less from the date of acquisition and it is held for the purpose of short-term cash commitments, a time deposit is qualified as a cash equivalent. Otherwise, it is classified as other current assets.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Financial Assets and Liabilities

(i) Details were as follows

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets mandatorily measured at fair value through profit or loss - current			
Beneficiary certificates	\$ 693,253	745,328	758,758
Domestic listed (OTC) stock	63,895	-	-
Cross currency swaps	16,998	15,868	15,703
Forward foreign exchange contracts	<u>503</u>	<u>6,250</u>	<u>9,102</u>
	<u><u>\$ 774,649</u></u>	<u><u>767,446</u></u>	<u><u>783,563</u></u>
Financial liabilities at fair value through profit or loss - current			
Cross currency swaps	\$ 9,599	3,223	15,102
Forward foreign exchange contracts	<u>8,372</u>	<u>1,179</u>	<u>119</u>
	<u><u>\$ 17,971</u></u>	<u><u>4,402</u></u>	<u><u>15,221</u></u>
Financial assets mandatorily measured at fair value through profit or loss - non-current			
Domestic listed (OTC) stock	<u><u>\$ 773,383</u></u>	<u><u>532,685</u></u>	<u><u>464,300</u></u>
Financial assets at fair value through other comprehensive income - non- current			
Equity instruments :			
Domestic listed (OTC) stock	\$ 48,013	72,558	16,310
Unlisted stock	7,086	6,481	5,906
Debt instruments :			
Fixed rate corporate bond	<u>99,982</u>	<u>100,018</u>	<u>-</u>
	<u><u>\$ 155,081</u></u>	<u><u>179,057</u></u>	<u><u>22,216</u></u>

- 1) On December 4, 2023, the Consolidated Company participated in 10,000 thousand shares of common stock of domestic listed (OTC) company - King House Co., Ltd. (King House) (formerly known as Ensure Global Corp. Ltd.) through a private placement, at an investment cost of \$72,000 thousand (\$7.2 per share). According to the Securities and Exchange Act, from the deliver date of January 19, 2024 to the maturity date of January 18, 2027, the common stock of this private placement shall not be sold within three years unless the circumstances of transferring in accordance with Article 43-8.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 2) In the first quarter 2025 and fourth quarter 2024, the Consolidated Company purchased 24 thousand and 903 thousand common shares of domestic listed (OTC) company - TMP Steel Corporation (TMP) in the open market for \$654 thousand and \$24,415 thousand, respectively.
- 3) In February 2025, the Consolidated Company purchased 1,060 thousand shares of common stock of domestic listed (OTC) company - Jia Jie Biomedical Co., Ltd. (Jia Jie Biomedical) in the open market, at an investment cost of \$19,080 thousand.
- 4) In the second quarter 2025, the Consolidated Company purchased 16,130 thousand shares of common stock of domestic listed (OTC) company - IBF Financial Holdings Co., Ltd. (IBF) in the open market, at an investment cost of \$203,820 thousand.
- 5) In the first half 2025 and fourth quarter 2024, the Consolidated Company purchased 487 thousand and 2,302 thousand common shares of domestic listed (OTC) company - S-Tech Corp. (S-Tech) in the open market for \$12,073 thousand and \$72,477 thousand, respectively.
- 6) The Consolidated Company did not participate in cash capital increase plan of an unlisted company - Xtramus Technology Corporation (Xtramus) in April 2024, which decreased its shareholding ratio from 41.18% to 12.66%, and reclassified from investments accounted for using equity method to financial assets at fair value through other comprehensive income, and recognized a loss on disposal of investment of \$314 thousand.
- 7) The Consolidated Company acquired fixed rate corporate bond - 10-year domestic bank green bonds, P13 Taipei Fubon Bank 3, at amount of \$100,000 thousand for a total of 10 bonds, with each bond having a denomination of \$10,000 thousand and a coupon rate of 2.02%, on September 16, 2024.
- 8) On December 10, 2024, the Consolidated Company participated in 3,500 thousand shares of common stock of domestic listed (OTC) company - DataVan International Corp. (DataVan) through a private placement, at an investment cost of \$49,700 thousand (\$14.2 per share). According to the Securities and Exchange Act, from the deliver date of February 10, 2025 to the maturity date of February 9, 2028, the common stock of this private placement shall not be sold within three years unless the circumstances of transferring in accordance with Article 43-8.
- 9) For disclosures on credit, exchange rate and interest rate risks in financial instruments, please refer to note 6(aa).
- 10) As of June 30, 2025, December 31, 2024, and June 30, 2024, no financial assets are pledged as collateral.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Sensitivity analysis – equity market price risk:

If the security price changes, and if it is on the same basis for both years and assumes that all other variables remain the same, the impact on other comprehensive income will be as follows:

Security price at reporting date	For the six months ended June 30,			
	2025		2024	
	Other comprehensive income (loss) after-tax	Profit (loss) after-tax	Other comprehensive income (loss) after-tax	Profit (loss) after-tax
Increase 3%	\$ <u>4,633</u>	<u>40,903</u>	<u>640</u>	<u>30,962</u>
Decrease 3%	\$ <u>(4,633)</u>	<u>(40,903)</u>	<u>(640)</u>	<u>(30,962)</u>

(iii) Non-hedging-derivative financial instruments

Derivative financial instruments are used to hedge certain foreign exchange and interest rate risk arising from the Consolidated Company's operating, financing and investing activities. As of June 30, 2025, December 31, 2024, and June 30, 2024, transactions that did not qualify for hedging accounting have been presented as mandatorily measured at fair value through profit or loss:

1) Derivative financial assets

	June 30, 2025			December 31, 2024			June 30, 2024		
	Contract amount (thousand)	Currency	Maturity date	Contract amount (thousand)	Currency	Maturity date	Contract amount (thousand)	Currency	Maturity date
Cross currency swaps:									
USD	\$ 14,500	USD	2025.07	18,500	USD	2025.01	14,500	USD	2024.08
JPY	4,000,000	JPY	2025.07 ~2025.08	2,200,000	JPY	2025.01	1,100,000	JPY	2024.09
CNY	14,277	CNY	2025.08	75,500	CNY	2025.02	147,949	CNY	2024.08 ~2024.09
EUR	-	-	-	4,700	EUR	2025.01	4,850	EUR	2024.07 ~2024.08
CAD	-	-	-	-	-	-	500	CAD	2024.07
Forward foreign exchange contracts:									
CNY (buy)	-	-	-	35,000	CNY	2025.02	-	-	-
AUD (sell)	1,250	AUD	2025.09	500	AUD	2025.02	-	-	-
USD (sell)	3,000	USD	2025.08	-	-	-	-	-	-
BRL (sell)	-	-	-	12,772	BRL	2025.01	16,225	BRL	2024.07
KRW (sell)	-	-	-	3,303,950	KRW	2025.01	3,388,750	KRW	2024.07
JPY (sell)	150,000	JPY	2025.07	150,000	JPY	2025.02	300,000	JPY	2024.07
EUR (sell)	-	-	-	4,200	EUR	2025.01	2,700	EUR	2024.07 ~2024.08
INR (sell)	89,598	INR	2025.07	149,541	INR	2025.01	-	-	-

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) Derivative financial liabilities

	June 30, 2025			December 31, 2024			June 30, 2024		
	Contract amount (thousand)	Currency	Maturity date	Contract amount (thousand)	Currency	Maturity date	Contract amount (thousand)	Currency	Maturity date
Cross currency swaps:									
USD	\$ -	-	-	-	-	-	4,000	USD	2024.09
CNY	123,309	CNY	2025.07	-	-	-	47,081	CNY	2024.07 ~2024.08
EUR	9,600	EUR	2025.07 ~2025.08	1,500	EUR	2025.02	-	-	-
JPY	-	-	-	1,800,000	JPY	2025.01	2,900,000	JPY	2024.07 ~2024.09
CAD	-	-	-	847	CAD	2025.02	-	-	-
Forward foreign exchange contracts:									
USD (sell)	3,000	USD	2025.07	-	-	-	-	-	-
AUD (sell)	-	-	-	-	-	-	650	AUD	2024.08
IDR (sell)	-	-	-	-	-	-	4,105,000	IDR	2024.07
EUR (sell)	4,700	EUR	2025.07 ~2025.08	-	-	-	1,200	EUR	2024.09
BRL (sell)	18,535	BRL	2025.07	9,460	BRL	2025.01	-	-	-
INR (sell)	64,533	INR	2025.07	-	-	-	229,546	INR	2024.07
KRW (sell)	3,151,000	KRW	2025.08	-	-	-	-	-	-
CNY (buy)	-	-	-	14,590	CNY	2025.02	-	-	-

(c) Notes and accounts receivable and other receivables

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable for operating activities	\$ 3,555	11,748	1,190
Accounts receivable - measured at amortized cost	2,772,963	2,972,768	3,553,804
Account receivable - related parties	6,610	443	2,124
Other receivables	48,284	57,978	53,983
	2,831,412	3,042,937	3,611,101
Less: Loss Provision	(104,296)	(105,961)	(99,764)
	<u>\$ 2,727,116</u>	<u>2,936,976</u>	<u>3,511,337</u>

The Consolidated Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all notes and accounts receivable and other receivables. To measure the expected credit losses, notes and accounts receivable and other receivables have been grouped based on shared credit risk characteristics and ability to pay all due, as well as incorporated forward looking information. The loss provision was determined as follows:

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	June 30, 2025		
	Gross carrying amount	Weighted- average loss rate	Loss provision
Current	\$ 2,159,476	0.39%	8,454
90 days or less past due	543,442	0.43%	2,360
91 to 180 days past due	20,304	12.00%	2,437
181 to 270 days past due	6,160	55.53%	3,421
271 to 360 days past due	134	36.00%	48
More than 360 days past due	<u>101,896</u>	85.95%	<u>87,576</u>
	<u>\$ 2,831,412</u>		<u>104,296</u>

	December 31, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss provision
Current	\$ 2,353,454	0.29%	6,933
90 days or less past due	551,625	0.33%	1,798
91 to 180 days past due	20,310	11.17%	2,270
181 to 270 days past due	14,084	47.10%	6,634
271 to 360 days past due	4,638	78.89%	3,659
More than 360 days past due	<u>98,826</u>	85.67%	<u>84,667</u>
	<u>\$ 3,042,937</u>		<u>105,961</u>

	June 30, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss provision
Current	\$ 2,808,258	0.26%	7,361
90 days or less past due	677,943	0.35%	2,378
91 to 180 days past due	20,105	12.33%	2,478
181 to 270 days past due	6,748	61.63%	4,159
271 to 360 days past due	4,025	87.98%	3,541
More than 360 days past due	<u>94,022</u>	84.92%	<u>79,847</u>
	<u>\$ 3,611,101</u>		<u>99,764</u>

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The movements in the provision for notes and accounts receivable and other receivables were as follows:

	For the six months ended June 30,	
	2025	2024
Balance at January 1, 2025 and 2024	\$ 105,961	95,735
Expected credit loss	9,869	3,622
Amounts written off	(6,491)	-
Others	(5,043)	407
Balance at June 30, 2025 and 2024	<u><u>\$ 104,296</u></u>	<u><u>99,764</u></u>

(d) Finance lease payment receivable

The Consolidated Company leased out its office building and warehouse. It classified the sub-lease as a finance lease because the sub-lease is for the whole of the remaining term of the head lease.

A maturity analysis of lease payments, which reflects the undiscounted lease payments to be received after the reporting date, was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Less than one year	\$ 46,321	42,900	41,821
One to two years	16,981	40,506	43,118
Two to three years	<u>-</u>	<u>-</u>	<u>18,428</u>
Total lease payments receivable	63,302	83,406	103,367
Unearned finance income	<u>(7,770)</u>	<u>(2,385)</u>	<u>(3,749)</u>
Total lease payments receivable (Present value of lease payments receivable)	<u><u>\$ 55,532</u></u>	<u><u>81,021</u></u>	<u><u>99,618</u></u>

(e) Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	\$ 690,740	541,800	520,251
Work in process and semi-finished products	122,170	90,154	49,696
Merchandise and finished goods	<u>2,223,170</u>	<u>1,912,024</u>	<u>2,328,785</u>
	<u><u>\$ 3,036,080</u></u>	<u><u>2,543,978</u></u>	<u><u>2,898,732</u></u>

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The operating cost comprises of cost of goods sold, write-down loss (reversal of write-down loss) of inventories to net realizable value, warranty costs and other (gain) loss. For the three months and six months ended June 30, 2025 and 2024, the cost of goods sold were \$2,329,257 thousand, \$2,864,078 thousand, \$4,820,358 thousand and \$5,588,927 thousand, respectively. The loss on product warranty, obsolescence and order cancellation amounted to \$49,779 thousand, \$52,184 thousand, \$88,421 thousand and \$99,104 thousand, respectively. For the three months and six months ended June 30, 2025 and 2024, due to actively destocking inventories with higher aging resulted in reversal of write-down loss of inventories to net realizable value to reduce cost of goods sold by \$13,846 thousand, \$27,097 thousand, \$11,866 thousand and \$119,988 thousand, respectively.

As of June 30, 2025, December 31, 2024, and June 30, 2024, no inventories were pledged as collateral.

(f) Investments accounted for using equity methods

Investments accounted for using equity methods were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Associates	\$ -	-	7,047
Less: credit balance of investment under the equity method (recorded under other non-current liabilities)	<u>(9,963)</u>	<u>(1,764)</u>	<u>-</u>
	<u>\$ <u>(9,963)</u></u>	<u><u>(1,764)</u></u>	<u><u>7,047</u></u>

(i) Associates

1) The financial information of insignificant associates

The financial information of the Consolidated Company's equity-method associates, which were insignificant, was summarized as follows. The financial information was included in the Consolidated Company's consolidated financial statements.

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amounts of insignificant associates	<u>\$ <u>(9,963)</u></u>	<u><u>(1,764)</u></u>	<u><u>7,047</u></u>

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Attributable to the Consolidated Company				
Net loss	\$ (4,238)	(4,441)	(7,588)	(8,332)
Other comprehensive income (loss)	217	714	(611)	861
Total comprehensive loss	<u>\$ (4,021)</u>	<u>(3,727)</u>	<u>(8,199)</u>	<u>(7,471)</u>

(ii) Pledges

As of June 30, 2025, December 31, 2024, and June 30, 2024, no investment accounted for using equity methods has been pledged as collateral.

(g) Subsidiaries have material non-controlling interests

Non-controlling interests of subsidiary that were material to the Consolidated Company were as follows:

Name of subsidiary	Main operating location/ Registered country of the company	Ownership interests/voting rights held by NCI		
		June 30, 2025	December 31, 2024	June 30, 2024
D-Link India	India	48.98 %	48.98 %	48.98 %
Cameo	Taiwan	58.42 %	58.42 %	58.42 %

The following summarizes the financial information for D-Link India and Cameo prepared in accordance with the IFRS (modified for the fair value adjustments on acquisition) and the differences in the Consolidated Company's accounting policies. The information incurred prior to the inter-company eliminations with other companies in the Consolidated Company.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The financial information of D-Link India was summarized as follows:

		June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$	2,450,096	2,385,374	2,739,790
Non-current assets		595,070	624,981	633,371
Current liabilities		919,124	901,853	1,194,571
Non-current liabilities		<u>37,361</u>	<u>13,310</u>	<u>18,146</u>
Net assets	\$	<u><u>2,088,681</u></u>	<u><u>2,095,192</u></u>	<u><u>2,160,444</u></u>
Net assets attributable to non-controlling interests	\$	<u><u>851,373</u></u>	<u><u>838,035</u></u>	<u><u>871,894</u></u>
		For the three months ended June 30,	For the six months ended June 30,	
		2025	2024	2025
				2024
Operating revenues	\$	<u><u>1,258,068</u></u>	<u><u>1,333,976</u></u>	<u><u>2,656,437</u></u>
Net profit	\$	90,849	90,664	191,441
Other comprehensive (loss) income		<u>(190,281)</u>	<u>24,492</u>	<u>(164,208)</u>
Total comprehensive (loss) income	\$	<u><u>(99,432)</u></u>	<u><u>115,156</u></u>	<u><u>27,233</u></u>
Net profit attributable to non-controlling interests	\$	<u><u>44,498</u></u>	<u><u>44,407</u></u>	<u><u>93,768</u></u>
Total comprehensive (loss) income attributable to non-controlling interests	\$	<u><u>(48,701)</u></u>	<u><u>56,403</u></u>	<u><u>13,339</u></u>
				For the six months ended June 30,
				2025
				2024
Cash flows from operating activities	\$		36,052	340,283
Cash flows from (used in) investing activities			80,972	(335,039)
Cash flows from (used in) financing activities			<u>162</u>	<u>(70)</u>
Net increase in cash and cash equivalents	\$		<u><u>117,186</u></u>	<u><u>5,174</u></u>

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The financial information of Cameo was summarized as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 2,074,483	2,205,902	2,349,042
Non-current assets	2,094,842	1,946,787	1,793,309
Current liabilities	821,724	639,727	522,071
Non-current liabilities	<u>464,747</u>	<u>479,202</u>	<u>523,399</u>
Net assets	<u><u>\$ 2,882,854</u></u>	<u><u>3,033,760</u></u>	<u><u>3,096,881</u></u>
Net assets attributable to non-controlling interests	<u><u>\$ 1,630,078</u></u>	<u><u>1,691,572</u></u>	<u><u>1,751,148</u></u>

	For the three months ended June 30,	For the six months ended June 30,		
	2025	2024	2025	2024
Operating revenues	\$ <u>505,501</u>	<u>257,211</u>	<u>924,087</u>	<u>491,988</u>
Net (loss) profit	\$ (63,787)	15,211	(79,717)	(53,196)
Other comprehensive loss	<u>(32,438)</u>	<u>(119)</u>	<u>(72,642)</u>	<u>(637)</u>
Total comprehensive (loss) income	<u><u>\$ (96,225)</u></u>	<u><u>15,092</u></u>	<u><u>(152,359)</u></u>	<u><u>(53,833)</u></u>
Net (loss) profit attributable to non-controlling interests	<u><u>\$ (37,265)</u></u>	<u><u>8,887</u></u>	<u><u>(46,572)</u></u>	<u><u>(31,078)</u></u>
Total comprehensive (loss) income attributable to non-controlling interests	<u><u>\$ (53,359)</u></u>	<u><u>9,769</u></u>	<u><u>(62,343)</u></u>	<u><u>(26,211)</u></u>
Cash flows used in operating activities			\$ (63,674)	(52,269)
Cash flows from investing activities			78,246	16,129
Cash flows used in financing activities			(69,200)	(71,313)
Impact of the changes in exchange rates on cash and cash equivalents			<u>(26,955)</u>	<u>8,326</u>
Net decrease in cash and cash equivalents			<u><u>\$ (81,583)</u></u>	<u><u>(99,127)</u></u>

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Property, plant and equipment

For the six months ended June 30, 2025						
	Balance at January 1, 2025	Increase	Decrease	Reclassification	Others	Balance at June 30, 2025
Cost:						
Land	\$ 930,844	-	-	-	1,997	932,841
Buildings	2,042,305	1,183	(4,118)	180	1,345	2,040,895
Machinery equipment	536,999	6,843	(8,687)	-	(2,571)	532,584
Others	<u>1,074,255</u>	<u>41,258</u>	<u>(65,235)</u>	<u>-</u>	<u>(25,034)</u>	<u>1,025,244</u>
	<u>4,584,403</u>	<u>49,284</u>	<u>(78,040)</u>	<u>180</u>	<u>(24,263)</u>	<u>4,531,564</u>
Accumulated depreciation:						
Buildings	\$ 816,765	25,052	(4,118)	-	(3,966)	833,733
Machinery equipment	487,604	15,411	(8,673)	-	(2,478)	491,864
Others	<u>969,684</u>	<u>27,950</u>	<u>(62,222)</u>	<u>-</u>	<u>(22,190)</u>	<u>913,222</u>
	<u>2,274,053</u>	<u>68,413</u>	<u>(75,013)</u>	<u>-</u>	<u>(28,634)</u>	<u>2,238,819</u>
	<u>\$ 2,310,350</u>	<u>(19,129)</u>	<u>(3,027)</u>	<u>180</u>	<u>4,371</u>	<u>2,292,745</u>
For the six months ended June 30, 2024						
	Balance at January 1, 2024	Increase	Decrease	Reclassification	Others	Balance at June 30, 2024
Cost:						
Land	\$ 931,535	-	-	-	1,217	932,752
Buildings	2,036,279	3,641	(3,865)	629	23,283	2,059,967
Machinery equipment	575,384	12,661	(32,805)	-	1,816	557,056
Others	<u>1,167,371</u>	<u>16,527</u>	<u>(13,052)</u>	<u>-</u>	<u>16,996</u>	<u>1,187,842</u>
	<u>4,710,569</u>	<u>32,829</u>	<u>(49,722)</u>	<u>629</u>	<u>43,312</u>	<u>4,737,617</u>
Accumulated depreciation:						
Buildings	765,239	25,574	(3,278)	-	9,535	797,070
Machinery equipment	509,319	18,057	(32,805)	-	1,726	496,297
Others	<u>1,041,930</u>	<u>29,351</u>	<u>(12,312)</u>	<u>-</u>	<u>18,420</u>	<u>1,077,389</u>
	<u>2,316,488</u>	<u>72,982</u>	<u>(48,395)</u>	<u>-</u>	<u>29,681</u>	<u>2,370,756</u>
	<u>\$ 2,394,081</u>	<u>(40,153)</u>	<u>(1,327)</u>	<u>629</u>	<u>13,631</u>	<u>2,366,861</u>

As of June 30, 2025, December 31, 2024, and June 30, 2024, property, plant and equipment has been pledged as collateral for long-term borrowings, please refer to note 8.

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D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Right-of-use assets

The Consolidated Company leased buildings, office equipment and transportation equipment. Information about leases was presented below:

	Buildings	Office equipment	Transportation equipment	Total
Cost:				
Balance at January 1, 2025	\$ 507,580	9,087	45,352	562,019
Increase	88,727	2,901	8,004	99,632
Decrease	(166,009)	(3,288)	(10,455)	(179,752)
Others	(17,905)	(145)	1,798	(16,252)
Balance at June 30, 2025	<u><u>\$ 412,393</u></u>	<u><u>8,555</u></u>	<u><u>44,699</u></u>	<u><u>465,647</u></u>
Balance at January 1, 2024	\$ 567,136	9,625	51,081	627,842
Increase	30,249	26	5,072	35,347
Decrease	(30,351)	(189)	(9,849)	(40,389)
Others	8,587	319	1,065	9,971
Balance at June 30, 2024	<u><u>\$ 575,621</u></u>	<u><u>9,781</u></u>	<u><u>47,369</u></u>	<u><u>632,771</u></u>
Accumulated depreciation:				
Balance at January 1, 2025	\$ 280,277	7,234	20,126	307,637
Increase	59,607	1,390	7,685	68,682
Decrease	(133,788)	(3,288)	(8,267)	(145,343)
Others	(13,035)	(79)	818	(12,296)
Balance at June 30, 2025	<u><u>\$ 193,061</u></u>	<u><u>5,257</u></u>	<u><u>20,362</u></u>	<u><u>218,680</u></u>
Balance at January 1, 2024	\$ 271,850	5,097	16,847	293,794
Increase	70,874	1,392	8,890	81,156
Decrease	(22,341)	(169)	(7,143)	(29,653)
Others	1,519	191	342	2,052
Balance at June 30, 2024	<u><u>\$ 321,902</u></u>	<u><u>6,511</u></u>	<u><u>18,936</u></u>	<u><u>347,349</u></u>
Carrying amount:				
Balance at January 1, 2025	<u><u>\$ 227,303</u></u>	<u><u>1,853</u></u>	<u><u>25,226</u></u>	<u><u>254,382</u></u>
Balance at June 30, 2025	<u><u>\$ 219,332</u></u>	<u><u>3,298</u></u>	<u><u>24,337</u></u>	<u><u>246,967</u></u>
Balance at June 30, 2024	<u><u>\$ 253,719</u></u>	<u><u>3,270</u></u>	<u><u>28,433</u></u>	<u><u>285,422</u></u>

The Consolidated Company leased offices and warehouses under an operating lease for the six months ended June 30, 2025 and 2024, please refer to note 6(r).

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D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Investment property

For the six months ended June 30, 2025

	Balance at January 1, 2025	Increase	Decrease	Balance at June 30, 2025
Cost:				
Land	\$ 30,000	-	-	30,000
Buildings	<u>22,196</u>	<u>-</u>	<u>-</u>	<u>22,196</u>
	<u>52,196</u>	<u>-</u>	<u>-</u>	<u>52,196</u>
Accumulated depreciation:				
Buildings	<u>13,509</u>	<u>198</u>	<u>-</u>	<u>13,707</u>
Accumulated impairment:				
Buildings	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
	<u><u>\$ 37,687</u></u>	<u><u>(198)</u></u>	<u><u>-</u></u>	<u><u>37,489</u></u>

For the six months ended June 30, 2024

	Balance at January 1, 2024	Increase	Decrease	Balance at June 30, 2024
Cost:				
Land	\$ 30,000	-	-	30,000
Buildings	<u>22,196</u>	<u>-</u>	<u>-</u>	<u>22,196</u>
	<u>52,196</u>	<u>-</u>	<u>-</u>	<u>52,196</u>
Accumulated depreciation:				
Buildings	<u>13,113</u>	<u>198</u>	<u>-</u>	<u>13,311</u>
Accumulated impairment:				
Buildings	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
	<u><u>\$ 38,083</u></u>	<u><u>(198)</u></u>	<u><u>-</u></u>	<u><u>37,885</u></u>

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount	<u><u>\$ 37,489</u></u>	<u><u>37,687</u></u>	<u><u>37,885</u></u>
Fair value	<u><u>\$ 82,491</u></u>	<u><u>83,626</u></u>	<u><u>79,912</u></u>

Investment properties are commercial real estate that are leased to third parties. The lease contract includes an initial non-cancellable period of 3 years. Subsequent renewals are negotiated with the lessee and no contingent rents are charged. For further information of rental income, please refer to note 6(y). Besides, direct operating expenses related to investment property were \$273 thousand, \$277 thousand, \$273 thousand and \$277 thousand for the three months and six months ended June 30, 2025 and 2024, respectively.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

As of June 30, 2025, December 31, 2024, and June 30, 2024, the fair value of investment property has been evaluated based on the comparable transactions of property similar in location and category.

As of June 30, 2025, December 31, 2024, and June 30, 2024, no investment property has been pledged as collateral.

(k) Intangible assets

For the six months ended June 30, 2025						
	Balance at January 1, 2025	Increase	Decrease	Amortization	Others	Balance at June 30, 2025
Goodwill	\$ 540,258	-	-	-	(22,492)	517,766
Trademark	157,114	-	-	(9)	(13,793)	143,312
Patents	36,885	203	-	(5,055)	-	32,033
Computer software costs	25,900	329	-	(2,833)	-	23,396
Other intangible assets	56,787	36,025	-	(20,117)	227	72,922
	<u>\$ 816,944</u>	<u>36,557</u>	<u>-</u>	<u>(28,014)</u>	<u>(36,058)</u>	<u>789,429</u>

For the six months ended June 30, 2024						
	Balance at January 1, 2024	Increase	Decrease	Amortization	Others	Balance at June 30, 2024
Goodwill	\$ 526,327	-	-	-	12,572	538,899
Trademark	147,331	-	-	(9)	8,216	155,538
Patents	46,643	293	-	(5,080)	-	41,856
Computer software costs	13,069	80	-	(2,436)	-	10,713
Other intangible assets	51,245	13,594	-	(14,152)	163	50,850
	<u>\$ 784,615</u>	<u>13,967</u>	<u>-</u>	<u>(21,677)</u>	<u>20,951</u>	<u>797,856</u>

(l) Share-based payment

(i) Restricted share plan for employees

On August 14, 2023, the Company's Board of Directors resolved to increase the capital by issuing 3,000 thousand employee restricted shares at no consideration based on the resolutions approved by the shareholders' meeting held on May 27, 2022, which was declared effective by Letter No. 1110365032 of the FSC on November 30, 2022. The resolutions approved by the Board of Directors were as follows:

(In Thousands of shares)

Grant Date	Granted Shares	Fair Value Per Share	Issued Date	Issued Shares
September 25, 2023	3,000	\$ 19.90	September 25, 2023	3,000

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

To qualify for the employee restricted shares, an employee should meet the following employment years and performance conditions over the vesting period:

- 1) 40% restricted shares will be vested to an employee who employed a year after the grant date and gets a rating “B+” (or higher) in the annual performance review.
- 2) 30% restricted shares will be vested to an employee who employed two years after the grant date and gets a rating “B+” (or higher) in the annual performance review.
- 3) 30% restricted shares will be vested to an employee who employed three years after the grant date and gets a rating “B+” (or higher) in the annual performance review.

After employees are allocated with new shares, their rights that are restricted prior to the vesting conditions should be met as follows:

- 1) Except for inheritance, those restricted shares should not be sold, pledged, transferred, donated, settled or disposed in any other way before the vesting conditions are met.
- 2) Before the vesting conditions are met, the attendance, proposal rights, speech rights, voting rights and electing rights, etc. shall be the same as common shares and shall be handled in accordance with the trust custody contract.
- 3) Employees do not have earnings distribution rights before the vesting conditions are met. The distributing rights include but are not limited to: dividends, stock dividends, legal reserve and capital reserve, etc. All related operational matters shall be executed in accordance with the trust custody contract.
- 4) Beginning from the Company's book closure dates for gratuitous allotment, cash dividend, cash subscription for capital increase, shareholders' meeting specified in Article 165, Paragraph 3 of the Company Act, or other legal book closure period to the base date of distribution rights, the time and procedures for granting the unrestricted vested shares for employees who meet the vesting conditions shall be implemented in accordance with the trust custody agreement or relevant regulations.
- 5) During the vesting period, if the Company undergoes a cash capital reduction or other capital reduction that is not due to statutory capital reduction, the new shares with restricted employee rights shall be canceled in accordance with the capital reduction ratio. For cash capital reduction, the cash returned must first be kept in the trust, then, can only be delivered to employees who met all the vesting conditions within the vesting period. Otherwise, the cash shall be recalled by the Company.

Other agreed matters:

- 1) After the employee restricted shares are issued, it must be immediately delivered to the trust for safekeeping; and before the vested conditions are met, employees may not request the trustee to return the employee restricted shares under any circumstances.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 2) During the period when the employee restricted shares are delivered to the trust for safekeeping, the Company or a person designated by the Company shall have full authority to act on behalf of the employee and trust custody to negotiate, sign, amend, extend, nullify and terminate the trust custody agreement. The authorized individual also has the right to use and dispose the property, as well as handover the shares to the employee, held in trust.

Information on restricted share plan for employees was as follows:

(In Thousands of shares)

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Balance at January 1, 2025	1,555	3,000
Forfeited in the current period (Note)	(98)	(320)
Balance at June 30, 2025	<u>1,457</u>	<u>2,680</u>

Note: For the six months ended June 30, 2025 and 2024, the recovered restricted employee stock options were 98 thousand shares and 320 thousand shares, respectively, and the registration have been completed.

For the three months and six months ended June 30, 2025 and 2024, the compensation costs recognized amounted to \$2,096 thousand, \$6,534 thousand, \$4,131 thousand and \$13,683 thousand, respectively.

(m) Short-term and long-term borrowings

The details, conditions and terms of short-term and long-term borrowings of the Consolidated Company were as follows:

(i) Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Unused credit line	\$ <u>3,223,064</u>	<u>3,612,216</u>	<u>3,801,902</u>

(ii) Long-term borrowings

	Currency	Interest rate (%)	Maturity year	June 30, 2025	December 31, 2024	June 30, 2024
Secured bank borrowings	TWD	1.475 ~2.235	2025~2035	\$ 467,806	528,881	589,957
Less : current portion				(49,957)	(87,032)	(122,151)
Total				<u>\$ 417,849</u>	<u>441,849</u>	<u>467,806</u>
Unused credit line				<u>\$ 494,000</u>	<u>497,000</u>	<u>494,000</u>

For the real estate of the Consolidated Company pledged as a collateral for bank borrowings, please refer to note 8.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Other Payables

	June 30, 2025	December 31, 2024	June 30, 2024
Salary payable	\$ 236,165	332,249	316,363
Dividend payable	1,010	1,005	738
Other payables-other	<u>721,695</u>	<u>661,675</u>	<u>710,237</u>
	<u><u>\$ 958,870</u></u>	<u><u>994,929</u></u>	<u><u>1,027,338</u></u>

(o) Lease liabilities

The amounts of lease liabilities for the Consolidated Company were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	\$ <u>139,351</u>	<u>166,040</u>	<u>179,156</u>
Non-current	\$ <u>171,565</u>	<u>177,553</u>	<u>215,835</u>

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interests on lease liabilities	\$ <u>3,394</u>	<u>3,807</u>	<u>6,384</u>	<u>7,838</u>
Expenses relating to short-term leases	\$ <u>406</u>	<u>12,566</u>	<u>10,865</u>	<u>24,835</u>
Expenses relating to leases of low-value assets	\$ <u>172</u>	<u>93</u>	<u>263</u>	<u>158</u>

The amounts recognized in the statement of cash flows for the Consolidated Company were as follows:

	For the six months ended June 30,	
	2025	2024
Total cash outflow for leases	\$ <u>149,821</u>	<u>127,995</u>

(i) Real estate leases

The Consolidated Company leased buildings for its office space. The leases of office space typically run for one to ten years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Other leases

The Consolidated Company also leases office equipment with contract terms of one to three years. In some cases, the Consolidated Company has options to purchase the assets at the end of the contract term; in other cases, the Consolidated Company guarantees the residual value of the leased assets at the end of the contract term.

(p) Current provisions

For the six months ended June 30, 2025						
	Balance at January 1, 2025	Increased	Used	Reversed	Effect of exchange	Balance at June 30, 2025
Warranties	\$ 92,188	3,532	(10,553)	-	578	85,745
Legal proceedings and royalties	42,615	39,135	(29,335)	(20,320)	(996)	31,099
	<u>\$ 134,803</u>	<u>42,667</u>	<u>(39,888)</u>	<u>(20,320)</u>	<u>(418)</u>	<u>116,844</u>

For the six months ended June 30, 2024						
	Balance at January 1, 2024	Increased	Used	Reversed	Effect of exchange	Balance at June 30, 2024
Warranties	\$ 96,748	4,140	(7,945)	-	(1,344)	91,599
Legal proceedings and royalties	30,735	14,465	-	(4,799)	1,784	42,185
	<u>\$ 127,483</u>	<u>18,605</u>	<u>(7,945)</u>	<u>(4,799)</u>	<u>440</u>	<u>133,784</u>

(q) Refund liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Refund liabilities	<u>\$ 353,614</u>	<u>418,961</u>	<u>520,885</u>

Refund liabilities were predicted payments to the customers based on expected volume discounts and the right to the returned goods.

(r) Operating leases

The Consolidated Company leased out its investment property. The Consolidated Company has classified these leases as operating leases because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(j) for the investment property.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Within one year	\$ 5,115	7,130	8,253
One to two years	4,139	4,139	7,305
Two to five years	<u>6,692</u>	<u>8,761</u>	<u>18,746</u>
Total undiscounted lease payments	<u><u>\$ 15,946</u></u>	<u><u>20,030</u></u>	<u><u>34,304</u></u>

(s) Employee benefits

In the prior fiscal year, there was no material volatility of the market, no material reimbursement and settlement or other material one-time events. As a result, pension costs in the interim consolidated financial statements were measured and disclosed according to the actuarial report for the years ended December 31, 2024 and 2023.

(i) Defined benefit pension plans

The recognized expenses were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Operating expenses	\$ <u>34</u>	<u>48</u>	<u>71</u>	<u>75</u>

(ii) Defined contribution plans

The domestic company of the Consolidated Company set aside 6% of the contribution rate of the employee's monthly wages to the labor pension personal account of the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. The Consolidated Company set aside a fixed amount to the Bureau of the Labor Insurance without the payment of additional legal or constructive obligations.

The foreign company of the Consolidated Company made contributions in accordance with local regulations.

The amount of the Consolidated Company's pension expenses under defined contribution pension plans was as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Operating costs	\$ <u>3,253</u>	<u>3,006</u>	<u>6,451</u>	<u>6,056</u>
Operating expenses	<u><u>\$ 28,308</u></u>	<u><u>27,625</u></u>	<u><u>56,940</u></u>	<u><u>55,815</u></u>

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(t) Income Taxes

Income tax expenses are measured by the profit before tax in the interim consolidated financial statements multiplied by the effective tax rate for the whole year of the management's best estimation.

Income tax expenses for the Consolidated Company were summarized as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Current income tax expense	\$ 27,477	56,238	66,167	104,360
Deferred tax expense				
Origination and reversal of temporary differences	<u>11,247</u>	<u>9,563</u>	<u>11,841</u>	<u>2,393</u>
Income tax expenses	<u>\$ 38,724</u>	<u>65,801</u>	<u>78,008</u>	<u>106,753</u>

The amount of income tax (benefit) expense recognized in other comprehensive income for the Consolidated Company was as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign financial statements	<u>\$ (98,070)</u>	<u>23,545</u>	<u>(41,374)</u>	<u>87,097</u>

The income tax return of the Company has been examined by the tax authority through 2021. The income tax returns of Cameo, Qianjin Investment and D-Link Taiwan Investment have been examined by the tax authority through 2023.

(u) Capital and other equity

(i) Common stock

As of June 30, 2025, December 31, 2024, and June 30, 2024, the authorized capital amounted to \$8,800,000 thousand (including \$750,000 thousand authorized for the issuance of the employee shares options). As of June 30, 2025, December 31, 2024, and June 30, 2024, all the paid-in capital consisted 602,330 thousand shares, 602,428 thousand shares and 602,517 thousand shares, respectively, with a par value of \$10 per share, amounting to \$6,023,297 thousand, \$6,024,275 thousand and \$6,025,165 thousand, respectively.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Capital surplus

The balances of capital surplus for the Consolidated Company were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Common stock in excess of par value	\$ 1,030,208	1,047,340	1,037,080
Treasury shares transactions	41,253	41,027	41,027
Expiry of employee stock options	129,459	129,459	129,459
Expiry of redeemed options of convertible corporate bonds	81,454	81,454	81,454
Changes in equities of the Company's ownership interests in subsidiaries	55,924	55,320	55,320
Issue employee restricted shares	9,590	10,234	18,943
Total	<u>\$ 1,347,888</u>	<u>1,364,834</u>	<u>1,363,283</u>

According to the R.O.C. Company Act, realized capital surplus can only be reclassified as share capital or be distributed as cash dividends after offsetting against losses. The aforementioned realized capital surplus includes share premium and donation gains. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the amount of capital surplus to be reclassified under share capital should not exceed 10% of the paid-in capital each year.

The Company's Board of Directors resolved to distribute cash of \$17,132 thousand, at \$0.0285 per share, on February 26, 2025.

(iii) Retained earnings

1) Legal reserve

According to the R.O.C. Company Act No. 237, the Company must retain 10% of its net profit as a legal reserve until such retention equals the total paid-in capital.

In accordance with Ruling No. 10802432410 issued by the Ministry of Economic Affairs (MOEA) on January 9, 2020, the amount of retained earnings allotted to legal reserve shall be calculated based on "net income after income taxes, plus any other amount recognized in undistributed retained earnings" since the earnings distribution in 2019.

When the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be distributed as dividends in cash or stocks based on the resolution of the shareholders' meeting if there is no accumulated deficit.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) Special reserve

In accordance with Ruling issued by the Financial Supervisory Commission, a special reserve equivalent to the net debit balance of other shareholders' equity shall be set aside from the current earnings and the prior unappropriated earnings. The Company shall not distribute the special reserve equivalent to the net debit balance of shareholders' equity from the prior fiscal years set aside from the prior unappropriated earnings. The amount of subsequent reversals pertaining to the net debit balance of other shareholders' equity shall qualify for distribution.

3) Earning distribution

In accordance with the Company's articles of incorporation, if there are earnings at year-end, 10 percent should be set aside as legal reserve until such retention equals the total paid-in capital after the payment of income tax and offsetting accumulated losses from prior years. Also set aside from or reverse special reserve in accordance with the Securities and Exchange Act. The remaining portion will be combined with earnings from prior years, and the Board of Directors can propose appropriations of earnings to be approved by the shareholders' meeting.

The distributable dividends in whole or in part will be paid in cash by the Company after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The Company's Board of Directors resolved to distribute the cash dividends of \$0.0715 per share, amounting to \$42,955 thousand on February 26, 2025. The appropriation of legal reserve of \$4,773 thousand was approved by the shareholders' meeting on May 27, 2025.

The Company's Board of Directors resolved to distribute the cash dividends of \$0.5355 per share, amounting to \$321,236 thousand on February 27, 2024. The appropriation of legal reserve of \$54,698 thousand and special reserve of \$171,042 thousand was approved by the shareholders' meeting on May 29, 2024.

The related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

4) Dividend policy

The Company has carried out its Residual Dividend Policy to align with the (i) whole market (ii) industrial growth characteristics (iii) long term financial plan (iv) talent acquisition, and (v) pursuing sustainable business development. After deducting the balance from the items mentioned above, the Board of Directors shall adopt a proposal for the residual balance and the previous year's earnings to be submitted for approval during the shareholders' meeting. The total amount of dividends to be distributed to the shareholders shall be no less than 30% of the distributable earnings for the current year. According to the budget plan for its capital, the Company shall distribute stock dividends to retain the required funds; and any remainder, which should not be less than 10% of the total dividends, can be distributed by cash.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Treasury shares

As of June 30, 2025, Qianjin Investment, a subsidiary of the Consolidated Company, held \$5,434 thousand shares of the Company with a total value of \$82,823 thousand attributed to the repurchase cost by the Company, was recognized under treasury shares.

(v) Other equity

- 1) Exchange differences on translation of foreign financial statements and unrealized gains (losses) on financial assets measured at fair value through other comprehensive income

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income
Balance at January 1, 2025	\$ (1,425,786)	(9,387)
The Consolidated Company	(219,697)	(23,414)
Associates	(611)	-
Balance at June 30, 2025	<u><u>\$ (1,646,094)</u></u>	<u><u>(32,801)</u></u>
Balance at January 1, 2024	\$ (1,557,495)	(17,004)
The Consolidated Company	270,746	619
Associates	861	-
Balance at June 30, 2024	<u><u>\$ (1,285,888)</u></u>	<u><u>(16,385)</u></u>

- 2) Unearned compensation

	For the six months ended June 30,	
	2025	2024
Balance at January 1, 2025 and 2024	\$ (11,457)	(40,110)
Compensation cost of employee restricted shares	5,753	19,145
Balance at June 30, 2025 and 2024	<u><u>\$ (5,704)</u></u>	<u><u>(20,965)</u></u>

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Non-controlling interests

	For the six months ended June 30,	
	2025	2024
Balance at the beginning of the period	\$ 2,529,607	2,516,055
Attributable to non-controlling interests:		
Net profit	47,196	61,186
Exchange differences on translation of foreign financial statements	(96,178)	45,801
Unrealized losses from investments in debt instruments measured at fair value through other comprehensive income	(22)	-
Dividends that have been distributed were returned and reclassified as capital surplus	848	-
Balance at the end of the period	<u><u>\$ 2,481,451</u></u>	<u><u>2,623,042</u></u>

(v) Earnings (loss) per share

The calculation of earnings (loss) per share of the Consolidated Company was as follows:

(i) Basic (loss) earnings per share

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Net (loss) profit of the parent company for the year	<u><u>\$ (137,629)</u></u>	<u><u>21,750</u></u>	<u><u>(302,804)</u></u>	<u><u>(31,158)</u></u>
Outstanding ordinary shares	<u><u>598,613</u></u>	<u><u>597,577</u></u>	<u><u>598,613</u></u>	<u><u>597,577</u></u>
Basic (loss) earnings per share (in New Taiwan dollars)	<u><u>\$ (0.23)</u></u>	<u><u>0.04</u></u>	<u><u>(0.51)</u></u>	<u><u>(0.05)</u></u>

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Diluted (loss) earnings per share

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Net (loss) profit of the parent company for the year	\$ <u>(137,629)</u>	<u>21,750</u>	<u>(302,804)</u>	<u>(31,158)</u>
Weighted average number of outstanding ordinary shares (basic)	598,613	597,577	598,613	597,577
Unvested employee restricted share	-	-	-	-
Employees' compensation has not been resolved by the Board of Directors	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Weighted average number of outstanding ordinary shares (diluted)	<u>598,613</u>	<u>597,577</u>	<u>598,613</u>	<u>597,577</u>
Diluted (loss) earnings per share (in New Taiwan dollars)	\$ <u>(0.23)</u>	<u>0.04</u>	<u>(0.51)</u>	<u>(0.05)</u>

In the first half of 2025 and 2024, the unvested restricted employee shares and employee stock options had anti-dilutive effect and were excluded from the calculation of diluted earnings per share.

(w) Revenue from contracts with customers

(i) The Consolidated Company's revenue from contracts with customers

Major product / service lines	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Switch and Security products	\$ 1,235,081	1,501,758	2,568,151	3,074,066
Wireless and IoT products	347,732	349,996	739,267	719,103
Mobile and Broadband products	339,650	621,518	677,712	1,027,339
Others	<u>1,228,284</u>	<u>1,246,909</u>	<u>2,502,198</u>	<u>2,463,051</u>
	<u>\$ 3,150,747</u>	<u>3,720,181</u>	<u>6,487,328</u>	<u>7,283,559</u>

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Primary geographical markets	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
American	\$ 237,724	228,926	499,291	420,041
European	612,685	852,294	1,259,419	1,517,477
Asian and others	<u>2,300,338</u>	<u>2,638,961</u>	<u>4,728,618</u>	<u>5,346,041</u>
	<u><u>\$ 3,150,747</u></u>	<u><u>3,720,181</u></u>	<u><u>6,487,328</u></u>	<u><u>7,283,559</u></u>

(ii) Contract liabilities

- 1) The Consolidated Company recognized contract revenue related to contract liabilities:

	June 30, 2025	December 31, 2024	June 30, 2024
Current contract liabilities (sales)	\$ <u>204,621</u>	<u>141,379</u>	<u>129,349</u>

- 2) The beginning contract liabilities were recognized as income, amounting to \$13,326 thousand, \$22,543 thousand, \$25,079 thousand and \$76,360 thousand for the three months and six months ended June 30, 2025 and 2024, respectively.

(x) Remunerations to employees and directors

On May 27, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Association. According to the amended Articles, if the Company incurs profit for the year, the profit shall first be used to offset against any deficit. Thereafter, a minimum of 1% to a maximum of 15% of the remainder shall be appropriated as employee remuneration, and less than 1% as directors' remuneration, and a minimum of 0.5% shall be appropriated as remuneration for junior employees. Prior to the amendment, the Articles of Association stipulated that, if the Company incurs profit for the year, the profit shall first be used to offset against any deficit; then, a minimum of 1% to a maximum of 15% of the remainder shall be appropriated as employee remuneration, and less than 1% as directors' remuneration.

The profit shall be considered as the annual income before tax, excluding the remunerations to employees and directors, which shall be decided by two-third of the voting rights exercised by the majority of the directors present at the board meeting, and reported to shareholders' meeting thereafter. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain specific conditions.

No remunerations to employees and directors were accrued for the six months ended June 30, 2025 and 2024, due to the loss before tax incurred by the Company.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

In 2024 and 2023, the Company's remunerations to its employees were \$3,081 thousand and \$31,381 thousand, respectively, and remunerations to its directors were \$308 thousand and \$3,138 thousand, respectively, base on the resolution of the board meeting held on February 26, 2025 and February 27, 2024, and had been reported at the shareholders' meeting thereafter. Related information was available at the Market Observation Post System website of the Taiwan Stock Exchange.

(y) Other income and losses

(i) Interest income

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest income from bank deposits	\$ 32,657	34,268	66,003	58,393
Other interest income	474	806	1,060	1,659
Total	<u>\$ 33,131</u>	<u>35,074</u>	<u>67,063</u>	<u>60,052</u>

(ii) Other income

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Rent income	\$ 1,764	2,323	3,537	4,082
Dividend income	2,265	1,700	2,265	1,700
Total	<u>\$ 4,029</u>	<u>4,023</u>	<u>5,802</u>	<u>5,782</u>

(iii) Other gains and losses

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Gain on disposals of investments	\$ 27,491	12,936	39,449	23,788
Foreign exchange (losses) gains	(66,672)	11,231	(133,915)	17,443
Valuation (losses) gains from financial assets and liabilities	(8,216)	205,989	(15,007)	238,186
Others	(4,928)	1,947	2,607	11,735
Total	<u>\$ (52,325)</u>	<u>232,103</u>	<u>(106,866)</u>	<u>291,152</u>

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Finance costs

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest expense	\$ (3,306)	(4,741)	(6,575)	(8,282)
Lease liability interests	<u>(3,394)</u>	<u>(3,807)</u>	<u>(6,384)</u>	<u>(7,838)</u>
Total	<u><u>\$ (6,700)</u></u>	<u><u>(8,548)</u></u>	<u><u>(12,959)</u></u>	<u><u>(16,120)</u></u>

(z) Reclassification adjustments of components of other comprehensive income

Details of the reclassification adjustments of components of other comprehensive income were summarized as follows:

	For the six months ended June 30,	
	2025	2024
Exchange differences on translation of foreign financial statements:		
Change in exchange from the Consolidated Company	\$ (261,071)	357,843
Change in exchange from non-controlling interests	<u>(96,178)</u>	<u>45,801</u>
Change in exchange differences on translation of foreign financial statements recognized in other comprehensive income	<u><u>\$ (357,249)</u></u>	<u><u>403,644</u></u>
Unrealized losses from investments in debt instruments measured at fair value through other comprehensive income		
Change in fair value from the Consolidated Company	\$ (15)	-
Change in fair value from non-controlling interests	<u>(22)</u>	<u>-</u>
Change in fair value recognized in other comprehensive loss	<u><u>\$ (37)</u></u>	<u><u>-</u></u>
Share of other comprehensive income of associates accounted for using equity method:		
Change in foreign currency exchange from associates	\$ <u>(611)</u>	<u>861</u>
Share of other comprehensive (loss) income	<u><u>\$ (611)</u></u>	<u><u>861</u></u>

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(aa) Financial instruments

(i) Category of financial instruments

1) Financial Assets

	June 30, 2025	December 31, 2024	June 30, 2024
Cash and cash equivalents	\$ 3,656,712	4,416,806	4,166,210
Financial assets at fair value through profit or loss (current and non-current)	1,548,032	1,300,131	1,247,863
Notes receivable, accounts receivable and other receivables (including related parties)	2,727,116	2,936,976	3,511,337
Finance lease payment receivable (current and non-current)	55,532	81,021	99,618
Financial assets at fair value through other comprehensive income - non-current	155,081	179,057	22,216
Refundable deposits and other current assets	<u>290,695</u>	<u>602,015</u>	<u>553,300</u>
	<u>\$ 8,433,168</u>	<u>9,516,006</u>	<u>9,600,544</u>

2) Financial liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Financial liabilities at fair value through profit or loss - current	\$ 17,971	4,402	15,221
Notes payable, accounts payable and other payables (including related parties)	3,142,238	3,013,010	3,170,730
Long-term borrowings (including borrowings due within one year)	467,806	528,881	589,957
Lease liability (current and non-current)	310,916	343,593	394,991
Guarantee deposits received	<u>51,309</u>	<u>69,430</u>	<u>82,294</u>
	<u>\$ 3,990,240</u>	<u>3,959,316</u>	<u>4,253,193</u>

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Credit risk

Exposure to credit risk:

The carrying amount of financial assets represents the maximum amount exposed to credit risk. As of June 30, 2025, December 31, 2024, and June 30, 2024, the maximum exposure to credit risk has amounted to \$8,433,168 thousand, \$9,516,006 thousand and \$9,600,544 thousand, respectively.

(iii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments but excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within six months	6-12 months	1-2 years	2-5 years	Over five years
June 30, 2025							
Non-derivative financial liabilities							
Accounts payable	\$ 1,985,358	1,985,358	1,985,358	-	-	-	-
Accounts payable to related parties	198,010	198,010	198,010	-	-	-	-
Other payables	958,870	958,870	958,870	-	-	-	-
Lease liability	310,916	357,905	86,435	69,054	87,581	99,243	15,592
Guarantee deposits received	51,309	51,309	51,309	-	-	-	-
Long-term borrowings (including borrowings due within one year)	467,806	512,934	31,054	28,826	56,847	190,925	205,282
Derivative financial liabilities							
Cross currency swaps							
Outflow	\$ 9,599	852,917	852,917	-	-	-	-
Inflow	-	843,093	843,093	-	-	-	-
Forward foreign exchange contracts							
Outflow	8,372	448,977	448,977	-	-	-	-
Inflow	-	437,471	437,471	-	-	-	-
	<u>\$ 3,990,240</u>	<u>6,646,844</u>	<u>5,893,494</u>	<u>97,880</u>	<u>144,428</u>	<u>290,168</u>	<u>220,874</u>

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Carrying amount	Contractual cash flows	Within six months	6-12 months	1-2 years	2-5 years	Over five years
December 31, 2024							
Non-derivative financial liabilities							
Notes payable	\$ 575	575	575	-	-	-	-
Accounts payable	1,833,852	1,833,852	1,833,852	-	-	-	-
Accounts payable to related parties	183,654	183,654	183,654	-	-	-	-
Other payables	994,929	994,929	994,929	-	-	-	-
Lease liability	343,593	363,776	92,128	83,722	109,109	60,989	17,828
Guarantee deposits received	69,430	69,430	69,430	-	-	-	-
Long-term borrowings (including borrowings due within one year)	528,881	579,545	66,611	31,053	57,384	182,572	241,925
Derivative financial liabilities							
Cross currency swaps							
Outflow	\$ 3,223	451,284	451,284	-	-	-	-
Inflow	-	445,682	445,682	-	-	-	-
Forward foreign exchange contracts							
Outflow	1,179	115,644	115,644	-	-	-	-
Inflow	-	115,704	115,704	-	-	-	-
	<u>\$ 3,959,316</u>	<u>5,154,075</u>	<u>4,369,493</u>	<u>114,775</u>	<u>166,493</u>	<u>243,561</u>	<u>259,753</u>
June 30, 2024							
Non-derivative financial liabilities							
Notes payable	\$ 153	153	153	-	-	-	-
Accounts payable	1,981,633	1,981,633	1,981,633	-	-	-	-
Accounts payable to related parties	161,606	161,606	161,606	-	-	-	-
Other payables	1,027,338	1,027,338	1,027,338	-	-	-	-
Lease liability	394,991	415,601	101,685	89,129	138,865	82,610	3,312
Guarantee deposits received	82,294	82,294	82,294	-	-	-	-
Long-term borrowings (including borrowings due within one year)	589,957	646,698	67,153	66,612	59,879	174,104	278,950
Derivative financial liabilities							
Cross currency swaps							
Outflow	\$ 15,102	939,971	939,971	-	-	-	-
Inflow	-	923,494	923,494	-	-	-	-
Forward foreign exchange contracts							
Outflow	119	153,229	153,229	-	-	-	-
Inflow	-	152,447	152,447	-	-	-	-
	<u>\$ 4,253,193</u>	<u>6,484,464</u>	<u>5,591,003</u>	<u>155,741</u>	<u>198,744</u>	<u>256,714</u>	<u>282,262</u>

The Consolidated Company does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amount.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iv) Currency risk

- 1) The Consolidated Company's significant exposure to foreign currency risk was as follows:

	June 30, 2025			December 31, 2024			June 30, 2024			
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	
Financial assets (note):										
Monetary items:										
CLP	\$	52,261	0.03	1,670	150,579	0.03	4,975	156,582	0.03	5,343
JPY		991,337	0.21	205,854	947,810	0.21	197,534	789,448	0.20	159,274
EUR		30,885	35.22	1,087,737	32,310	33.95	1,097,053	19,357	34.76	672,797
USD		140,604	29.90	4,204,363	174,071	32.78	5,706,210	173,863	32.45	5,641,855
BRL		5,564	5.48	30,489	5,564	5.29	29,455	5,566	5.84	32,490
AUD		3,153	19.66	61,990	2,818	20.29	57,164	4,502	21.63	97,394
IDR		1,630,251	0.0018	3,004	752,323	0.0020	1,533	2,108,496	0.0020	4,180
PEN		300	8.42	2,526	-	-	-	-	-	-
				<u>\$ 5,597,633</u>		<u>7,093,924</u>				<u>6,613,333</u>
Non-monetary items:										
USD	\$	22,290	29.90	<u>666,523</u>	22,831	32.78	<u>748,429</u>	23,498	32.45	<u>762,495</u>
Derivative instruments:										
AUD		2	19.66	32	23	20.29	471	-	-	-
USD		55	29.90	1,643	68	32.78	2,243	200	32.45	6,481
BRL	-	-	-	-	214	5.29	1,131	849	5.84	4,958
JPY		75,718	0.21	15,723	48,745	0.21	10,159	35,271	0.20	7,116
CNY		4	4.17	16	550	4.56	2,509	469	4.47	2,096
CAD	-	-	-	-	-	-	-	1	23.73	30
KRW	-	-	-	-	67,732	0.03	1,822	51,970	0.03	1,398
EUR	-	-	-	-	104	33.95	3,538	78	34.76	2,726
INR		250	0.35	<u>87</u>	640	0.38	<u>245</u>	-	-	-
				<u>\$ 17,501</u>		<u>22,118</u>				<u>24,805</u>
Financial liabilities (note):										
Monetary items:										
JPY	\$	3,151,476	0.21	654,413	3,130,208	0.21	652,370	3,082,676	0.20	621,940
EUR		9,614	35.22	338,571	11,998	33.95	407,388	11,435	34.76	397,465
BRL		20,658	5.48	113,196	20,663	5.29	109,387	21,768	5.84	127,072
USD		79,706	29.90	2,383,369	96,979	32.78	3,179,079	106,840	32.45	3,466,956
CLP		115,935	0.03	3,705	129,173	0.03	4,268	131,436	0.03	4,485
AUD		1,458	19.66	28,664	1,472	20.29	29,863	1,874	21.63	40,536
IDR		1,962,863	0.0018	3,617	66	0.0020	-	5,657	0.0020	11
PEN		22	8.42	<u>186</u>	-	-	-	-	-	-
				<u>\$ 3,525,721</u>		<u>4,382,355</u>				<u>4,658,465</u>
Derivative instruments:										
EUR	\$	395	35.22	13,913	2	33.95	73	1	34.76	27
CAD	-	-	-	-	14	22.80	313	-	-	-
JPY	-	-	-	-	13,613	0.21	2,837	68,495	0.20	13,819
IDR	-	-	-	-	-	-	-	7,567	0.0020	15
BRL		423	5.48	2,320	185	5.29	981	-	-	-
USD	-	-	29.90	7	-	-	-	9	32.45	289
INR		143	0.35	50	-	-	-	157	0.39	61
CNY		168	4.17	703	43	4.56	198	223	4.47	994
AUD	-	-	-	-	-	-	-	1	21.63	16
KRW		36,357	0.03	<u>978</u>	-	-	-	-	-	-
				<u>\$ 17,971</u>		<u>4,402</u>				<u>15,221</u>

Note: Disclosure in the consolidated financial statements of the financial assets and liabilities in foreign currency is limited to information on subsidiaries directly held by the Consolidated Company.

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D-LINK CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Since the Consolidated Company has various functional currencies, the information on foreign currency exchange gains and losses on monetary items is presented on a consolidated basis. The total foreign currency gains and losses, including those realized and unrealized, were a loss of \$66,672 thousand, a gain of \$11,231 thousand, a loss of \$133,915 thousand and a gain of \$17,443 thousand for the three months and six months ended June 30, 2025 and 2024, respectively.

The Consolidated Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, borrowings, accounts payable and other payables that are denominated in foreign currency. A 1.5% of appreciation (depreciation) of each consolidated components currency, other than the functional currency, against the functional currency for the six months ended June 30, 2025 and 2024 would have increased or decreased the net income after tax by \$32,824 thousand and \$32,679 thousand, respectively, and increased or decreased the equity by \$39 thousand and \$56 thousand, respectively, assuming all other variables were held constant.

(v) Interest rate analysis

For the interest rate exposure of the Consolidated Company's financial assets and liabilities, please refer to the notes on liquidity risk management.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of outstanding liabilities at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when the Consolidated Company reports to management internally, which also represents the Consolidated Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 0.5%, the Consolidated Company's net income after tax would have increased or decreased by \$3,617 thousand and \$1,243 thousand for the six months ended June 30, 2025 and 2024, respectively, assuming all other variables were held constant.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Assets and liabilities measured at fair value

1) The information of levels in the fair value hierarchy

The Consolidated Company measures the financial instruments at fair value based on a recurring basis. The level of fair values was as follows:

June 30, 2025				
Assets and liabilities	Total	Level 1	Level 2	Level 3
Measured at fair value on recurring basis				
Non-derivative instruments				
Assets:				
Financial assets mandatorily measured at fair value through profit or loss - current				
Beneficiary certificates	\$ 693,253	693,253	-	-
Domestic listed (OTC) stock	63,895	63,895	-	-
Financial assets mandatorily measured at fair value through profit or loss - non-current				
Domestic listed (OTC) stock	773,383	326,683	-	446,700
Financial assets at fair value through other comprehensive income - non-current				
Equity instruments:				
Domestic listed (OTC) stock	48,013	13,070	-	34,943
Unlisted stock	7,086	498	-	6,588
Debt instruments:				
Fixed-rate corporate bonds	99,982	-	99,982	-
Derivative instruments				
Assets:				
Financial assets mandatorily measured at fair value through profit or loss - current	17,501	-	17,501	-
Liabilities:				
Financial liabilities at fair value through profit or loss - current	17,971	-	17,971	-

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D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024			
Assets and liabilities	Total	Level 1	Level 2	Level 3
Measured at fair value on recurring basis				
Non-derivative instruments				
Assets:				
Financial assets mandatorily measured at fair value through profit or loss - current				
Beneficiary certificates	\$ 745,328	745,328	-	-
Financial assets mandatorily measured at fair value through profit or loss - non-current				
Domestic listed (OTC) stock	532,685	90,885	-	441,800
Financial assets at fair value through other comprehensive income - non-current				
Equity instruments:				
Domestic listed (OTC) stock	72,558	15,963	-	56,595
Unlisted stock	6,481	803	-	5,678
Debt instruments:				
Fixed-rate corporate bonds	100,018	-	100,018	-
Derivative instruments				
Assets:				
Financial assets mandatorily measured at fair value through profit or loss - current	22,118	-	22,118	-
Liabilities:				
Financial liabilities at fair value through profit or loss - current	4,402	-	4,402	-

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2024				
Assets and liabilities	Total	Level 1	Level 2	Level 3
Measured at fair value on recurring basis				
Non-derivative instruments				
Assets:				
Financial assets mandatorily measured at fair value through profit or loss - current				
Beneficiary certificates	\$ 758,758	758,758	-	-
Financial assets mandatorily measured at fair value through profit or loss - non-current				
Domestic listed (OTC) stock	464,300	-	-	464,300
Financial assets at fair value through other comprehensive income - non-current				
Domestic listed (OTC) stock	22,216	16,310	-	5,906
Derivative instruments				
Assets:				
Financial assets mandatorily measured at fair value through profit or loss - current	24,805	-	24,805	-
Liabilities:				
Financial liabilities at fair value through profit or loss - current	15,221	-	15,221	-

2) Valuation techniques for financial instruments measured at fair value

The Consolidated Company measures the fair value of financial instruments that are traded in active markets by a quoted price. Market prices quoted on major exchanges and over-the-counter trading centers for central government bonds judged to be popular, are based on the fair value of listed (OTC) equity instruments and debt instruments with quoted prices in an active market.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. If the above conditions are not met, the market is considered inactive. In general, wide bid-ask spreads, significant increase in bid-ask spreads or low trading volume are all indicators of an inactive market.

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D-LINK CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Except for the financial instruments with active markets mentioned above, for other financial instruments like private placement of stocks of listed (OTC) companies and domestic bank securities, the fair value is determined by the market quotations and valuation techniques, and also considers the value after liquidity discounts or other valuation techniques which include model calculating with observable market data at the reporting date (such as yield curve from Taipei Exchange).

The Consolidated Company measures the fair value of financial instruments that are traded in inactive markets by category and attribution as follows:

· Unquoted equity instruments : The fair value is estimated using the liquidity discount model (Finnerty model), with the main assumption being based on the market price of the investees. The estimate has been adjusted for the discount impact of the lack of market liquidity in the equity securities.

3) Transfer between Level 1 and Level 2

The common stock of StemCyte International, LTD. (StemCyte) originally classified as Level 3 financial assets measured at fair value through other comprehensive income. From December 2024, it started to list on the Emerging Stock Market and had quoted prices in an active market. Therefore, it reclassified from Level 3 to Level 1.

4) Reconciliation of level 3 fair values

	Non-derivative financial assets mandatorily measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income
Balance at January 1, 2025	\$ 441,800	62,273
Total gains or losses recognized		
Recognized in profit or loss	4,900	-
Recognized in other comprehensive loss	-	(20,742)
Balance at June 30, 2025	<u><u>\$ 446,700</u></u>	<u><u>41,531</u></u>
Balance at January 1, 2024	\$ 254,100	3,679
Total gains or losses recognized		
Recognized in profit or loss	210,200	-
Recognized in other comprehensive income	-	808
Reclassification	-	1,419
Balance at June 30, 2024	<u><u>\$ 464,300</u></u>	<u><u>5,906</u></u>

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D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

As of June 30, 2025 and 2024, the Consolidated Company still held the following assets related to the total gains or losses described above, which were reported in “other gains and losses” and “unrealized gains and losses on financial assets at fair value through other comprehensive income” showed below:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Total gains or losses recognized:				
In profit or loss, and reported in “other gains and losses”	\$ (5,800)	210,200	4,900	210,200
In other comprehensive (loss) income, and reported in “ unrealized gains and losses on financial assets at fair value through other comprehensive income”	\$ (6,103)	859	(20,742)	808

- 5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Consolidated Company’s financial instruments that use Level 3 inputs to measure fair value include “financial assets mandatorily measured at fair value through profit or loss – equity securities investments” and “financial assets at fair value through other comprehensive income – equity securities investments”.

Most of the Consolidated Company's financial assets with fair value classified as Level 3 have only a single significant unobservable input, and only equity instrument investments without active markets have multiple significant unobservable inputs. The significant unobservable inputs of equity instrument investments without active markets are independent of each other, therefore, there is no correlation between them.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets mandatorily measured at fair value through profit or loss - equity instrument investments	·The fair value is determined by the market approach and considered the liquidity discount model (Finnerty model) on June 30, 2025, December 31, 2024, and June 30, 2024.	·Lack of market liquidity discount (13.76% on June 30, 2025, 18.18% on December 31, 2024, and 22.62% on June 30, 2024.)	·The higher the market liquidity discount lacks, the lower the fair value is.
Financial assets at fair value through other comprehensive income - equity instrument investments without an active market	·The fair value is determined by the market approach and considered the liquidity discount model (Finnerty model) on June 30, 2025, and December 31, 2024.	·Lack of market liquidity discount (both 15.75% on June 30, 2025, and December 31, 2024)	·The higher the market liquidity discount lacks, the lower the fair value is.
Financial assets at fair value through other comprehensive income - equity instrument investments without an active market	Net Asset Value Method	Net Asset Value	Not applicable

6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The fair value measurement of financial instruments by the Consolidated Company is reasonable, but the use of different evaluation models or parameters may result in different evaluation results. For financial instruments classified as Level 3, if the evaluation parameters change, the impact on the current period's profit or loss is as follows:

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Inputs	Upward or downward movement	Changes in fair value through the current period's profit or loss	
			Favorable	Unfavorable
June 30, 2025				
Financial assets mandatorily measured at fair value through profit or loss	Lack of market liquidity discount	5%	\$ <u>25,900</u>	<u>(25,900)</u>
Financial assets at fair value through other comprehensive income	Lack of market liquidity discount	5%	\$ <u>2,074</u>	<u>(2,074)</u>
December 31, 2024				
Financial assets mandatorily measured at fair value through profit or loss	Lack of market liquidity discount	5%	\$ <u>27,000</u>	<u>(27,000)</u>
Financial assets at fair value through other comprehensive income	Lack of market liquidity discount	5%	\$ <u>3,308</u>	<u>(3,308)</u>
June 30, 2024				
Financial assets mandatorily measured at fair value through profit or loss	Lack of market liquidity discount	5%	\$ <u>30,000</u>	<u>(30,000)</u>

(vii) Assets and liabilities not measured at fair value

1) Information of fair value

Except for those listed in the below table, the carrying amounts of the Consolidated Company's financial instruments not measured at fair value, including cash and cash equivalents, notes receivable, accounts receivable/payable and other receivables/payables, approximate their fair values. Therefore, their fair values are not disclosed. Moreover, lease liabilities are not required to disclose fair value information according to the regulation.

	June 30, 2025		December 31, 2024		June 30, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Non-financial assets:						
Investment property	\$ <u>37,489</u>	<u>82,491</u>	<u>37,687</u>	<u>83,626</u>	<u>37,885</u>	<u>79,912</u>

June 30, 2025				
Assets and liabilities	Total	Level 1	Level 2	Level 3
Non-financial assets:				
Investment property	\$ 82,491	-	-	82,491
December 31, 2024				
Assets and liabilities	Total	Level 1	Level 2	Level 3
Non-financial assets:				
Investment property	\$ 83,626	-	-	83,626

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2024

Assets and liabilities	Total	Level 1	Level 2	Level 3
Non-financial assets:				
Investment property	\$ 79,912	-	-	79,912

2) Valuation techniques

The methods and assumptions used by the Consolidated Company's financial instruments not measured at fair value were as follows:

- a) The carrying amount of cash and cash equivalents and other financial instruments that approximate their fair value due to their short maturities or similar to the future receipt and payment price.
- b) The fair value of investment property that was based on the comparable deal information with similar location and category.

(ab) Financial risk management

The objective and policies of the Consolidated Company's financial risk management were not materially different from those disclosed in note 6(ac) of the consolidated financial statements for the year ended December 31, 2024.

(ac) Capital management

The Consolidated Company's fundamental management objective is to maintain a strong capital base. Capital consists of ordinary shares, capital surplus, retained earnings and other equities. The Board of Directors monitors the capital structure regularly and selects the optimal capital structure by considering the capital scale, overall operating environment, operating characteristics of the industry in order to support future development of the business. The current aim for debt-to-equity ratio is set within 100%. As of the reporting date, the debt-to-equity ratio is considered appropriate.

Debt-to-equity ratio:

	June 30, 2025	December 31, 2024	June 30, 2024
Total liabilities	\$ 5,021,779	4,990,410	5,458,950
Less: cash and cash equivalents	(3,656,712)	(4,416,806)	(4,166,210)
Net debt	<u>\$ 1,365,067</u>	<u>573,604</u>	<u>1,292,740</u>
Total equity	<u>\$ 10,850,347</u>	<u>11,500,155</u>	<u>11,637,435</u>
Debt-to-equity ratio	<u>12.58%</u>	<u>4.99%</u>	<u>11.11%</u>

As of June 30, 2025, the methods of the Consolidated Company's capital management remained unchanged.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ad) Investing and financing activities not affecting current cash flow

Information of non-cash-traded investing and financing activities for the six months ended June 30, 2025 and 2024, were as follows:

- (i) For acquisition of right-of-use assets through leases, please refer to note 6(i).
(ii) The reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Non-cash changes			June 30, 2025
			Exchange	Fair value changes	Others	
Long-term borrowings (including borrowings due within one year)	\$ 528,881	(61,075)	-	-	-	467,806
Lease liabilities	343,593	(132,309)	-	-	99,632	310,916
Others	69,430	(18,121)	-	-	-	51,309
Total liabilities from financing activities	<u>\$ 941,904</u>	<u>(211,505)</u>	<u>-</u>	<u>-</u>	<u>99,632</u>	<u>830,031</u>

	January 1, 2024	Cash flows	Non-cash changes			June 30, 2024
			Exchange	Fair value changes	Others	
Long-term borrowings (including borrowings due within one year)	\$ 651,032	(61,075)	-	-	-	589,957
Lease liabilities	454,808	(95,164)	-	-	35,347	394,991
Others	68,337	13,957	-	-	-	82,294
Total liabilities from financing activities	<u>\$ 1,174,177</u>	<u>(142,282)</u>	<u>-</u>	<u>-</u>	<u>35,347</u>	<u>1,067,242</u>

(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are entities that have transactions with related party during the periods covered in the consolidated financial statement:

Name of related party	Relationship with the Consolidated Company
T-COM, LLC (T-COM)	An associate
Sapido Technology Inc.	Other related party
Amigo Technology Inc.(Amigo)	Other related party
Amit Wireless Inc. (Amit)	Other related party
E-Sheng Steel Co., Ltd. (E-Sheng)	Other related party
TSG Hawks Baseball Co., Ltd.	Other related party
TSG Sports Marketing Co., Ltd.	Other related party
Gloria Material Technology Corp. (GMTC)	Other related party
Jia Jie Biomedical	Other related party
TSG TRANSPORT CORP.	Other related party

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of related party	Relationship with the Consolidated Company
TSG Royalty Eagle Social Welfare Charitable Foundation	Other related party
United Fiber Optic Communication Inc. (UFOC)	Other related party
Advanced Communication Technology & Solutions Corporation	Other related party (Dissolution after merging with the parent company, UFOC, on December 1, 2024)
NewSoft Technology Corporation	Other related party
Yung-Fu Co., Ltd.	Other related party
TSG Star Travel Corp.	Other related party
Kuei Tien Cultural & Creative Entertainment Co., Ltd.	Other related party
Kuei Tien Creative Co., Ltd.	Other related party
HOME-CHAIN FOODS, LTD.	Other related party
YangMingShan Tien Lai Resort & Spa Co., Ltd.	Other related party
E-Top Metal Co., Ltd. (E-Top)	Other related party
TMP	Other related party
S-Tech	Other related party
King House	Other related party

(b) Significant related party transactions

(i) Sales and service revenue

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Associates	\$ 5,042	497	5,093	4,403
Other related parties	<u>423</u>	<u>1,858</u>	<u>566</u>	<u>2,062</u>
	<u>\$ 5,465</u>	<u>2,355</u>	<u>5,659</u>	<u>6,465</u>

The average credit terms extended to related parties and third-party customers were approximately 30-90 days. However, credit terms to related parties might be further extended when necessary.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Purchases

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Other related parties:				
Amigo	\$ 168,470	145,676	358,197	290,198
Others	<u>23,257</u>	<u>569</u>	<u>40,850</u>	<u>1,349</u>
	<u><u>\$ 191,727</u></u>	<u><u>146,245</u></u>	<u><u>399,047</u></u>	<u><u>291,547</u></u>

The payment term of related parties was 30-90 days. There were no significant differences in payment terms between related parties and third-party suppliers.

(iii) Receivables from related parties

Account	Relationship	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	Associates	\$ 6,048	381	148
Accounts receivable	Other related parties	374	50	1,972
Other receivables	Other related parties	<u>1,988</u>	<u>483</u>	<u>1,262</u>
		<u><u>\$ 8,410</u></u>	<u><u>914</u></u>	<u><u>3,382</u></u>

(iv) Other current assets

Account	Relationship	June 30, 2025	December 31, 2024	June 30, 2024
Prepayment for purchase	Other related parties	\$ 5,439	9,147	15,613
Other current assets	Other related parties	<u>571</u>	<u>2,160</u>	<u>-</u>
		<u><u>\$ 6,010</u></u>	<u><u>11,307</u></u>	<u><u>15,613</u></u>

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Payables to related parties

Account	Relationship	June 30, 2025	December 31, 2024	June 30, 2024
Accounts payable	Other related parties — Amigo	\$ 173,150	163,142	160,994
Accounts payable	Other related parties — Others	24,860	20,512	612
Other payables	Other related parties	<u>11,533</u>	<u>16,937</u>	<u>10,911</u>
		<u><u>\$ 209,543</u></u>	<u><u>200,591</u></u>	<u><u>172,517</u></u>

The Consolidated Company's other payables to other related parties included equipment payables and others.

(vi) Property transaction

		For the three months ended June 30,		For the six months ended June 30,	
		2025	2024	2025	2024
Other related parties:					
Amigo	\$	6,473	323	10,431	323
Amit		<u>3,581</u>	<u>-</u>	<u>3,611</u>	<u>-</u>
	\$	<u><u>10,054</u></u>	<u><u>323</u></u>	<u><u>14,042</u></u>	<u><u>323</u></u>

The Consolidated Company purchased mold equipment and acquired intangible assets from the related parties.

(vii) Services purchased from related parties and expenses

		For the three months ended June 30,		For the six months ended June 30,	
		2025	2024	2025	2024
Other related parties	\$	<u><u>15,889</u></u>	<u><u>13,136</u></u>	<u><u>28,079</u></u>	<u><u>17,800</u></u>

(viii) Other income and expenses

		For the three months ended June 30,		For the six months ended June 30,	
Account	Relationship	2025	2024	2025	2024
Other gains and losses	Other related parties	\$ <u><u>1,681</u></u>	<u><u>-</u></u>	<u><u>1,781</u></u>	<u><u>430</u></u>

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ix) Lease

Account	Relationship	For the three months ended June 30,		For the six months ended June 30,	
		2025	2024	2025	2024
Rent Income	Other related parties— Amigo	\$ 745	960	1,489	1,920
Rent Income	Other related parties— UFOC	681	1,116	1,361	1,644
Rent Income	Other related parties— Others	-	6	-	12
		<u>\$ 1,426</u>	<u>2,082</u>	<u>2,850</u>	<u>3,576</u>

The Consolidated Company's rental contracts as the lessor with the related parties are referenced to the market conditions of office rentals in the vicinity, and the rent is collected on a monthly basis.

As of June 30, 2025, except for \$307 thousand of UFOC had been accounted for other receivables, the aforementioned rental had been fully collected.

(x) Collection and payment on behalf of related party

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
E-Sheng	\$ 167,056	-	355,718	-
E-Top	<u>32,015</u>	<u>-</u>	<u>139,535</u>	<u>-</u>
	<u>\$ 199,071</u>	<u>-</u>	<u>495,253</u>	<u>-</u>

The balance of collection and payment on behalf of related party was zero as of June 30, 2025.

(xi) Financial Instruments

For details regarding the shares held by the Consolidated Company in other related parties, please refer to notes 6(b) and 13(a).

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Short-term employee benefits \$	8,553	9,440	15,905	16,795
Post-employee benefits	139	167	297	320
Share-based payments	<u>916</u>	<u>1,562</u>	<u>1,863</u>	<u>2,988</u>
	<u><u>\$ 9,608</u></u>	<u><u>11,169</u></u>	<u><u>18,065</u></u>	<u><u>20,103</u></u>

(8) Pledged assets:

The Consolidated Company's carrying amounts of pledged assets were as follows:

Pledged assets	Object	June 30, 2025	December 31, 2024	June 30, 2024
Other current assets and other non-current assets	Rental deposits, performance bond and time deposits	\$ 104,719	111,241	118,709
Property, plant, and equipment-land	Long-term bank borrowings	346,639	346,639	346,639
Property, plant, and equipment-buildings	Long-term bank borrowings	<u>882,712</u>	<u>898,198</u>	<u>913,685</u>
		<u><u>\$ 1,334,070</u></u>	<u><u>1,356,078</u></u>	<u><u>1,379,033</u></u>

(9) Significant contingent liabilities and unrecognized commitments:

- (a) The Consolidated Company's subsidiary, D-Link Brazil, had disputes regarding prior year's insufficient invoices attached to sales return with the local tax authorities, and had filed litigation. D-Link Brazil had accrued possible tax, interest and penalty.
- (b) The Consolidated Company's subsidiary, D-Link India, had disputes regarding prior year's declaration tax on customs with the local tax authorities. Based on its evaluation, the Consolidated Company believes the above litigation will not have any significant impact on its current operations.
- (c) Bell Northern Research, LLC filed a lawsuit against D-Link Systems in 2023, alleging that some of D-Link Systems' products have infringed its patents. Hence, D-Link Systems has appointed attorneys to conduct defense. Based on its evaluation, the Consolidated Company believes the above litigation will not have any significant impact on its current operations.
- (d) Skyworks Solutions, Inc. filed a lawsuit against the Company and requested an investigation from the ITC in 2024, alleging that some of D-Link's products infringed its patents. The Company has appointed attorneys to conduct defense and the ITC investigation has been concluded. Based on its evaluation, the Consolidated Company believes the above litigation will not have any significant impact on its current operations.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (e) Integral Wireless Technologies LLC filed a lawsuit against the Company in 2025, alleging that some of D-Link's products have infringed its patents. Hence, the Company has appointed attorneys to conduct defense. Based on its evaluation, the Consolidated Company believes the above litigation will not have any significant impact on its current operations.
- (f) Estelgia, LLC filed a lawsuit against the Company and requested an investigation from the ITC in 2025, alleging that some of D-Link's products infringed its patents. The Company has appointed attorneys to conduct defense. Based on its evaluation, the Consolidated Company believes the above litigation will not have any significant impact on its current operations.
- (g) As of June 30, 2025, Cameo's unfulfilled purchase commitment was \$433,734 thousand and was deemed as an irrevocable purchase agreement.
- (h) In addition to the abovementioned lawsuits, the Consolidated Company is currently under negotiations with a number of companies regarding the royalty on patents and the amount of liabilities is not significant or unclear. The Consolidated Company has accrued the possible expense.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other:

- (a) The information on employee benefits, depreciation, and amortization expenses by function was summarized as follows:

	For the three months ended June 30,					
	2025			2024		
	Cost of Goods Sold	Operating Expense	Total	Cost of Goods Sold	Operating Expense	Total
By item						
Employee benefits						
Salaries	53,851	444,655	498,506	50,077	491,568	541,645
Labor and health insurance	4,567	25,977	30,544	4,001	27,167	31,168
Pension	3,253	28,342	31,595	3,006	27,673	30,679
Others	5,851	52,008	57,859	5,444	55,262	60,706
Depreciation	18,333	47,499	65,832	20,100	54,684	74,784
Amortization	19	14,442	14,461	6	11,046	11,052

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the six months ended June 30,					
	2025			2024		
	Cost of Goods Sold	Operating Expense	Total	Cost of Goods Sold	Operating Expense	Total
By item						
Employee benefits						
Salaries	104,964	881,663	986,627	99,214	993,378	1,092,592
Labor and health insurance	8,876	53,576	62,452	8,159	55,830	63,989
Pension	6,451	57,011	63,462	6,056	55,890	61,946
Others	11,747	107,370	119,117	11,095	111,411	122,506
Depreciation	37,090	100,203	137,293	40,769	113,567	154,336
Amortization	38	27,976	28,014	18	21,659	21,677

(b) Seasonality of operations

The Consolidated Company's operations are not affected by seasonal or cyclical factors.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Consolidated Company:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period (%)	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note)	Maximum limit of fund financing (Note)
													Item	Value		
0	D-Link Corporation	D-Link Europe	Accounts receivable-related parties	Yes	31,273	-	-	4.25	2	-	Convert from Account receivables to loan receivable	-	-	-	3,347,558	3,347,558
1	D-Link International	D-Link Shanghai	Accounts receivable-related parties	Yes	131,495	-	-	3.55	2	-	Operating Capital	-	-	-	1,479,137	1,479,137
1	D-Link International	D-Link Shanghai	Accounts receivable-related parties	Yes	250,467	125,233	125,233	3.20	2	-	Operating Capital	-	-	-	1,479,137	1,479,137
1	D-Link International	D-Link Shanghai	Accounts receivable-related parties	Yes	350,898	350,898	350,898	-	2	-	Convert from Account receivables to loan receivable	-	-	-	1,479,137	1,479,137
1	D-Link International	D-Link Corporation	Accounts receivable-related parties	Yes	228,418	228,418	228,418	0.77	2	-	Operating Capital	-	-	-	1,479,137	1,479,137
2	D-Link Capital Investment	D-Link Corporation	Accounts receivable-related parties	Yes	732,599	313,971	313,971	-	2	-	Operating Capital	-	-	-	329,491	329,491
3	D-Link Japan	D-Link Corporation	Accounts receivable-related parties	Yes	166,122	166,122	166,122	0.55	2	-	Operating Capital	-	-	-	600,333	600,333
3	D-Link Japan	D-Link Corporation	Accounts receivable-related parties	Yes	207,653	207,653	207,653	0.77	2	-	Operating Capital	-	-	-	600,333	600,333
4	D-Link Deutschland	D-Link Europe	Accounts receivable-related parties	Yes	109,178	109,178	109,178	4.25	2	-	Operating Capital	-	-	-	154,781	154,781

Note 1: Purpose of fund financing for the borrower:

1. For those companies with business transaction with the Company, please fill in 1.
2. For those companies with short-term financing needs, please fill in 2.

Note 2 : Total amount of loans from the Company to D-Link Europe shall not exceed 40% of the net worth of the Company.

Note 3 : Total amount of loans from D-Link International to the Company and the Company's 100% directly or indirectly owned overseas subsidiaries shall not exceed 100% of the net worth of D-Link International. The ending amount and funding loan limits are calculated by the unaudited balance.

Note 4 : Total amount of loans from D-Link Capital Investment to the Company shall not exceed 100% of the net worth of D-Link Capital Investment. The ending amount and funding loan limits are calculated by the unaudited balance.

Note 5 : Total amount of loans from D-Link Japan to the Company shall not exceed 100% of the net worth of D-Link Japan. The ending amount and funding loan limits are calculated by the unaudited balance.

Note 6 : Total amount of loans from D-Link Deutschland to the Company's 100% directly or indirectly owned overseas subsidiaries shall not exceed 100% of the net worth of D-Link Deutschland. The ending amount and funding loan limits are calculated by the unaudited balance.

Note 7 : The transactions of the subsidiaries had been eliminated in the consolidated financial statements.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements amount	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/guarantees to third parties on behalf of parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	D-Link Corporation	D-Link Europe	2	2,007,766	131,224	131,224	41,149	-	1.57 %	6,023,297	Y	N	N
0	D-Link Corporation	D-Link Shanghai	2	2,007,766	149,510	149,510	48,034	-	1.79 %	6,023,297	Y	N	Y

Note 1: The endorsement and guarantee amount for a single company shall not exceed 1/3 of the Company’s capital.

Note 2: The total amount of endorsement and guarantee shall not exceed the Company’s capital.

Note 3: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into following categories:

- 1. Having business relationship.
- 2. The Company owns more than 50% equity shares in the entity, directly or indirectly.
- 3. An entity owns more than 50% equity shares in the Company, directly or indirectly.

Note 4: The amounts in New Taiwan Dollars were translated at the exchange rates at the balance sheet date.

(iii) Securities held as of June 30, 2025 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars/shares)

Name of holder	Category and name of security	Relationship with company	Account name	Ending balance				Note
				Shares/Units	carrying amount	Percentage of ownership (%)	Fair value	
D-Link Corporation	King House	Other related party	Financial assets at fair value through profit or loss-non-current	5,000,000	223,350	2.96 %	223,350	
D-Link Corporation	S-Tech	Other related party	Financial assets at fair value through profit or loss-non-current	1,387,000	34,606	0.60 %	34,606	
D-Link Corporation	GMTC	Other related party	Financial assets at fair value through profit or loss-current	1,414,000	48,995	0.23 %	48,995	
D-Link Corporation	DataVan	Other related party	Financial assets at fair value through other comprehensive income-non-current	3,500,000	34,943	2.73 %	34,943	
D-Link India	MIRAE MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	36,334	35,288	- %	35,288	
D-Link India	ICICI MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	467,694	63,647	- %	63,647	
D-Link India	ADITYA BIRLA MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	451,657	67,054	- %	67,054	
D-Link India	NIPON INDIA MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	31,417	70,701	- %	70,701	
D-Link India	TATA MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	44,270	63,479	- %	63,479	
D-Link India	SBI MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	36,866	53,004	- %	53,004	
D-Link India	HDFC MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	27,422	49,515	- %	49,515	
D-Link India	UTI MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	23,468	35,367	- %	35,367	
D-Link India	AXIS MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	69,765	70,722	- %	70,722	
D-Link India	HSBC LIQUID FUND	None	Financial assets at fair value through profit or loss-current	77,476	70,334	- %	70,334	
D-Link India	KOTAK MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	17,112	31,787	- %	31,787	
D-Link India	CANARA ROBECO MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	32,193	35,478	- %	35,478	
Cameo	King House	Other related party	Financial assets at fair value through profit or loss-non-current	5,000,000	223,350	2.96 %	223,350	
Cameo	S-Tech	Other related party	Financial assets at fair value through profit or loss-non-current	1,232,000	30,738	0.53 %	30,738	

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with company	Account name	Ending balance				Note
				Shares/Units	carrying amount	Percentage of ownership (%)	Fair value	
Cameo	IBF	None	Financial assets at fair value through profit or loss-non-current	15,808,000	212,618	0.45 %	212,618	
Cameo	Domestic bank green bonds-P13 Taipei Fubon Bank 3	None	Financial assets at fair value through other comprehensive income-non-current	-	99,982	- %	99,982	Each bond has a denomination of \$10,000 thousand, with 10 bonds in total.
Qianjin Investment	D-Link Corporation	Parent company	Treasury shares	5,434,069	92,651	0.90 %	92,651	

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ (Sales)	Amount	Percentage of total Purchases/ (Sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
D-Link Corporation	D-Link International	Subsidiary	(Sales and service revenue)	(150,099)	(6) %	60 Days	—	—	49,281	4%	
D-Link Corporation	D-Link Systems	Subsidiary	(Sales and service revenue)	(245,966)	(10) %	60 Days	—	—	105,049	8%	
D-Link Corporation	D-Link Europe	Subsidiary	(Sales and service revenue)	(502,629)	(20) %	60 Days	—	—	561,043	41%	
D-Link Corporation	D-Link ME	Subsidiary	(Sales and service revenue)	(552,671)	(22) %	60 Days	—	—	290,394	21%	
D-Link Corporation	D-Link Japan	Subsidiary	(Sales and service revenue)	(215,246)	(9) %	60 Days	—	—	39,962	3%	
D-Link Corporation	D-Link India	Subsidiary	(Sales and service revenue)	(508,396)	(20) %	45 Days	—	—	153,697	11%	
D-Link Corporation	Cameo	Subsidiary	Purchase	620,186	28 %	90 Days	—	—	(404,311)	(31)%	
D-Link Corporation	Amigo	Other related party	Purchase	267,957	12 %	90 Days	—	—	(137,214)	(11)%	
D-Link International	D-Link Corporation	Parent company	Purchase	147,882	56 %	60 Days	—	—	(49,281)	(5)%	
D-Link Systems	D-Link Corporation	Parent company	Purchase	244,492	94 %	60 Days	—	—	(105,049)	(37)%	
D-Link Europe	D-Link Corporation	Parent company	Purchase	498,125	99 %	60 Days	—	—	(561,043)	(90)%	
D-Link ME	D-Link Corporation	Parent company	Purchase	551,170	61 %	60 Days	—	—	(290,394)	(81)%	
D-Link Japan	D-Link Corporation	Parent company	Purchase	191,296	84 %	60 Days	—	—	(39,962)	(95)%	
D-Link India	D-Link Corporation	Parent company	Purchase	470,001	18 %	45 Days	—	—	(153,697)	(26)%	
Cameo	D-Link Corporation	Parent company	(Sales)	(627,883)	(68) %	90 Days	—	—	403,207	81%	
Cameo	D-Link Shanghai	The ultimate parent company is D-Link Corporation	(Sales)	(124,138)	(13) %	90 Days	—	—	40,397	8%	
D-Link Shanghai	D-Link Trade	The ultimate parent company is D-Link Corporation	(Sales)	(354,710)	(95) %	120 Days	—	—	342,685	98%	
D-Link Trade	D-Link Shanghai	The ultimate parent company is D-Link Corporation	Purchase	354,710	100 %	120 Days	—	—	(342,685)	(86)%	
D-Link Shanghai	Cameo	The ultimate parent company is D-Link Corporation	Purchase	124,587	33 %	90 Days	—	—	(41,255)	(12)%	

Note : The subsidiaries' intercompany transactions had been eliminated in the consolidated financial statements.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue (Note 1)		Amounts received in subsequent period (Note 2)	Allowance for bad debts
					Amount	Action taken		
D-Link Corporation	D-Link Systems	Subsidiary	105,049	5.61	-	-	20,168	-
D-Link Corporation	D-Link Europe	Subsidiary	561,043	1.96	103,913	-	39,643	-
D-Link Corporation	D-Link ME	Subsidiary	290,394	5.14	-	-	-	-
D-Link Corporation	D-Link India	Subsidiary	153,697	6.71	-	-	30,151	-
D-Link International	D-Link L.A.	The ultimate parent company is D-Link Corporation	622,006	-	622,006	-	-	-
D-Link International	D-Link Brazil	The ultimate parent company is D-Link Corporation	145,554	-	145,554	-	-	-
D-Link Shanghai	D-Link Trade	The ultimate parent company is D-Link Corporation	342,685	1.29	-	-	-	-
Cameo	D-Link Corporation	Parent company	403,207	3.74	-	-	139,378	-

Note 1: Over three months during the normal credit period.
Note 2: The amount represents collections subsequent to June 30, 2025 up to July 25, 2025.
Note 3: The transactions had been eliminated in the consolidated financial statements.

(vi) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	For the six months ended June 30, 2025			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	D-Link Corporation	D-Link Systems	1	Investments accounted for using equity method	1,170,844	-	7%
0	D-Link Corporation	D-Link International	1	Investments accounted for using equity method	1,356,371	-	9%
0	D-Link Corporation	D-Link Holding	1	Investments accounted for using equity method	1,337,066	-	8%
0	D-Link Corporation	D-Link ME	1	Investments accounted for using equity method	801,175	-	5%
0	D-Link Corporation	D-Link Japan	1	Investments accounted for using equity method	605,334	-	4%
0	D-Link Corporation	Cameo	1	Investments accounted for using equity method	1,464,797	-	9%
0	D-Link Corporation	D-Link Brazil	1	Investments accounted for using equity method-credit	(187,682)	-	(1)%
0	D-Link Corporation	D-Link L.A.	1	Investments accounted for using equity method-credit	(611,021)	-	(4)%
0	D-Link Corporation	D-Link Investment	1	Investments accounted for using equity method	271,452	-	2%
0	D-Link Corporation	D-Link International	1	Sales and service revenue	150,099	60 Days	2%
0	D-Link Corporation	D-Link Systems	1	Sales and service revenue	245,966	60 Days	4%

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

No.	Name of company	Name of counter-party	Nature of relationship	For the six months ended June 30, 2025			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	D-Link Corporation	D-Link Europe	1	Sales and service revenue	502,629	60 Days	8%
0	D-Link Corporation	D-Link ME	1	Sales and service revenue	552,671	60 Days	9%
0	D-Link Corporation	D-Link Japan	1	Sales and service revenue	215,246	60 Days	3%
0	D-Link Corporation	D-Link India	1	Sales and service revenue	508,396	45 Days	8%
0	D-Link Corporation	D-Link Europe	1	Accounts receivable-related party	561,043	60 Days	4%
0	D-Link Corporation	D-Link ME	1	Accounts receivable-related party	290,394	60 Days	2%
1	D-Link Holding	D-Link Mauritius	3	Investments accounted for using equity method	1,241,095	-	8%
2	D-Link International	D-Link L.A.	3	Accounts receivable-related party	622,006	75 Days	4%
2	D-Link International	D-Link Capital Investment	3	Investments accounted for using equity method	329,491	-	2%
2	D-Link International	D-Link Shanghai	3	Investments accounted for using equity method-credit	(159,242)	-	(1)%
3	D-Link Mauritius	D-Link India	3	Investments accounted for using equity method	1,237,293	-	8%
4	D-Link Investment	D-Link Trade	3	Investments accounted for using equity method	271,622	-	2%
5	D-Link Shanghai	D-Link Trade	3	Sales	354,710	120 Days	5%
5	D-Link Shanghai	D-Link Trade	3	Accounts receivable-related party	342,685	120 Days	2%
6	Cameo	Huge Castle	3	Investments accounted for using equity method	229,436	-	1%
6	Cameo	D-Link Corporation	2	Accounts receivable-related party	403,207	90 Days	3%
6	Cameo	D-Link Corporation	2	Sales	627,883	90 Days	10%
6	Cameo	D-Link Shanghai	3	Sales	124,138	90 Days	2%

Note 1: Parties to the intercompany transactions are identified and numbered as follows:

1. "0" represents the Company.
2. Subsidiaries are numbered from "1".

Note 2: Nature of relationship are listed as below:

- No. 1 represents the transaction from parent company to subsidiary
- No. 2 represents the transaction from subsidiary to parent company
- No. 3 represents the transaction from subsidiary to subsidiary

Note 3: Intercompany relationships and significant intercompany transactions are disclosed only for the amounts that exceed 1% of consolidated net operating revenues or total assets.

Note 4: The transactions have been eliminated in the consolidated financial statements.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the six months ended June 30, 2025 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars/shares)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2025			Net income (losses) of investee	Investment income (losses) (Note 1)	Note
				June 30, 2025	December 31, 2024	Shares	Percentage of ownership	carrying amount			
D-Link Corporation	D-Link Systems	USA	Sales and after-sales service in USA	1,672,702	1,672,702	48,045,007	100.00 %	1,170,844	9,320	9,320	
D-Link Corporation	D-Link International	Singapore	Sales and after-sales service in Southeast Asia	868,036	1,941,986	31,500,000	100.00 %	1,356,371	(158,814)	(154,317)	Investment loss included the amounts of transactions between affiliated companies.(Note 3)
D-Link Corporation	D-Link L.A.	Cayman Island	Sales and after-sales service in Latin America	326,600	326,600	41,000	100.00 %	(611,021)	-	-	
D-Link Corporation	D-Link Sudamerica	Chile	Sales and after-sales service in Chile	6,512	6,512	199,999	100.00 %	5,717	284	284	100% shares owned by D-Link Corporation and D-Link Holding.
D-Link Corporation	D-Link Peru	Peru	Sales and after-sales service in Peru	3,318	-	3,499	99.97 %	3,128	(126)	(96)	D-Link Corporation and D-Link International acquired 99.97% and 0.03% of equity interests in D-Link Peru from D-Link Sudamerica and D-Link L.A., respectively, in April 2025.
D-Link Corporation	D-Link Brazil	Brazil	Sales and after-sales service in Brazil	932,197	932,197	2,964,836,727	100.00 %	(187,682)	19,693	19,693	100% shares owned by D-Link Corporation and D-Link Holding.
D-Link Corporation	D-Link ME	UAE	Sales and after-sales service in Middle East and Africa	103,930	103,930	6	100.00 %	801,175	29	29	
D-Link Corporation	D-Link Australia	Australia	Sales and after-sales service in Australia and New Zealand	16,764	16,764	1,000,000	100.00 %	45,078	(10,639)	(10,639)	
D-Link Corporation	D-Link Holding	BVI	Investment company	891,177	891,177	27,044,212	100.00 %	1,337,066	93,331	93,331	
D-Link Corporation	D-Link Deutschland	Germany	Sales and after-sales service in Germany	120,047	120,047	(Note 2)	- %	120,047	(9,466)	-	100% shares owned by D-Link Corporation and D-Link Europe. Investment loss was consolidated into D-Link Europe.
D-Link Corporation	D-Link Indonesia	Indonesia	Sales and after-sales service in Indonesia	5,046	5,046	24,750	99.00 %	373	(1,040)	(1,040)	100% shares owned by D-Link Corporation and D-Link International.
D-Link Corporation	D-Link Japan	Japan	Sales and after-sales service in Japan	595,310	595,310	9,500	100.00 %	605,334	30,667	30,667	
D-Link Corporation	D-Link Investment	Singapore	Investment company	67,191	67,191	2,200,000	100.00 %	271,452	37,944	37,944	
D-Link Corporation	D-Link Europe	UK.	Sales and after-sales service in Europe	1,260,451	1,260,451	32,497,455	100.00 %	40,880	(202,624)	(202,624)	
D-Link Corporation	D-Link Taiwan Investment	Taiwan	Investment company	146,000	146,000	14,600,000	100.00 %	50,954	474	474	
D-Link Corporation	Cameo	Taiwan	Manufacturing and sell computer networks system equipment and its components and related technology research and development	1,102,479	1,102,479	137,532,993	41.58 %	1,464,797	(79,717)	(45,609)	Investment loss included the amounts of transactions between affiliated companies.
D-Link Systems	D-Link Canada	Canada	Sales and after-sales service in Canada	159,585	159,585	5,736,000	100.00 %	92,763	79,275	79,275	
D-Link Investment	D-Link Trade	Russia	Sales and after-sales service in Russia	66,538	66,538	(Note 2)	100.00 %	271,622	37,974	37,974	
D-Link Trade	T-COM	Russia	Sales and after-sales service in Russia	12,485	12,485	(Note 2)	40.00 %	(9,963)	(19,582)	(7,588)	Investment loss included the amounts of transactions between affiliated companies.
D-Link International	D-Link Korea	Korea	Sales and after-sales service in Korea	44,300	44,300	330,901	100.00 %	(62,037)	4,007	4,007	
D-Link International	D-Link Trade M	Republic of Moldova	Sales and after-sales service in Moldova	13	13	(Note 2)	100.00 %	19	(59)	(59)	

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2025			Net income (losses) of investee	Investment income (losses) (Note 1)	Note
				June 30, 2025	December 31, 2024	Shares	Percentage of ownership	carrying amount			
D-Link International	D-Link Capital Investment	BVI	Investment company	352,731	789,757	11,000,000	100.00 %	329,491	(151,397)	(151,397)	(Note 4)
D-Link International	D-Link Malaysia	Malaysia	Sales and after-sales service in Malaysia	6,130	6,130	800,000	100.00 %	9,031	116	116	
D-Link International	D-Link Lithuania	Lithuania	Sales and after-sales service	3,574	3,574	1,000	100.00 %	7,408	2,056	2,056	
D-Link International	D-Link Kazakhstan	Kazakhstan	Sales and after-sales service in Kazakhstan	171	171	(Note 2)	100.00 %	382	(558)	(558)	
D-Link International	D-Link Indonesia	Indonesia	Sales and after-sales service in Indonesia	52	52	250	1.00 %	49	(1,040)	-	D-Link Indonesia's investment loss was recognized in D-Link Corporation.
D-Link International	D-Link Peru	Peru	Sales and after-sales service in Peru	1	-	1	0.03 %	1	(126)	-	D-Link Corporation and D-Link International acquired 99.97% and 0.03% of equity interests in D-Link Peru from D-Link Sudamerica and D-Link L.A., respectively, in April 2025. D-Link Peru's investment loss was recognized in D-Link Corporation.
D-Link Lithuania	D-Link Ukraine	Ukraine	Sales and after-sales service in Ukraine	4,883	4,883	(Note 2)	100.00 %	(716)	(958)	(958)	
D-Link Holding	OOO D-Link Russia	Russia	After-sales service in Russia	11,309	11,309	(Note 2)	100.00 %	5,599	(1)	(1)	
D-Link Holding	D-Link Mauritius	Mauritius	Investment company	186,789	186,789	200,000	100.00 %	1,241,095	97,161	97,161	
D-Link Holding	D-Link Shiang-Hai (Cayman)	Cayman Island	Investment company	-	654,974	-	- %	-	-	-	Liquidation completed in March 2025.
D-Link Holding	Success Stone	BVI	Investment company	297,027	297,027	9,822	100.00 %	155,767	(3,950)	(3,950)	
D-Link Holding	MiiiCasa Holding	Cayman Island	Investment company	61,087	61,087	21,000,000	28.98 %	-	-	-	
D-Link Holding	D-Link Brazil	Brazil	Sales and after-sales service in Brazil	-	-	100	- %	-	19,693	-	D-Link Brazil's investment income was recognized in D-Link Corporation.
D-Link Holding	D-Link Sudamerica	Chile	Sales and after-sales service in Chile	-	-	1	- %	-	284	-	D-Link Sudamerica's investment income was recognized in D-Link Corporation.
D-Link Mauritius	D-Link India	India	Sales and after-sales service in India	340,319	340,319	18,114,663	51.02 %	1,237,293	191,441	97,673	
D-Link Mauritius	TeamF1 India	India	Technical services for software and hardware system integration	8	8	1	0.01 %	15	2,351	-	100% shares owned by D-Link Mauritius and D-Link India.
D-Link India	TeamF1 India	India	Technical services for software and hardware system integration	84,114	84,114	10,499	99.99 %	131,616	2,351	2,351	100% shares owned by D-Link Mauritius and D-Link India.
D-Link L.A.	D-Link Peru	Peru	Sales and after-sales service in Peru	-	-	-	- %	-	(126)	-	D-Link Corporation and D-Link International acquired 99.97% and 0.03% of equity interests in D-Link Peru from D-Link Sudamerica and D-Link L.A., respectively, in April 2025.
D-Link Sudamerica	D-Link de Colombia SAS.	Colombia	Sales and after-sales service in Colombia	22,213	22,213	1,443,605	100.00 %	6,175	318	318	
D-Link Sudamerica	D-Link Guatemala S.A.	Guatemala	Sales and after-sales service in Guatemala	410	410	99,000	99.00 %	550	-	-	In liquidation process.

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2025			Net income (losses) of investee	Investment income (losses) (Note 1)	Note
				June 30, 2025	December 31, 2024	Shares	Percentage of ownership	carrying amount			
D-Link Sudamerica	D-Link Peru	Peru	Sales and after-sales service in Peru	-	38	-	- %	-	(126)	(30)	D-Link Corporation and D-Link International acquired 99.97% and 0.03% of equity interests in D-Link Peru from D-Link Sudamerica and D-Link L.A., respectively, in April 2025.
D-Link Europe	D-Link Deutschland	Germany	Sales and after-sales service in Germany	131,769	131,769	(Note 2)	100.00 %	154,781	(9,466)	(9,466)	100% shares owned by D-Link Corporation and D-Link Europe.
D-Link Europe	D-Link AB	Sweden	Sales and after-sales service in Sweden	9,022	9,022	15,500	100.00 %	11,250	396	396	
D-Link Europe	D-Link Iberia	Spain	Sales and after-sales service in Spain	1,976	1,976	50,000	100.00 %	60,255	(15,995)	(15,995)	
D-Link Europe	D-Link Mediterraneo	Italy	Sales and after-sales service in Italy	2,177	2,177	50,000	100.00 %	10,251	(28,136)	(28,136)	
D-Link Europe	D-Link (Holdings) Ltd.	UK	Investment company	-	-	3	100.00 %	-	-	-	In liquidation process.
D-Link Europe	D-Link France	France	Sales and after-sales service in France	5,287	5,287	114,560	100.00 %	29,516	(15,915)	(15,915)	
D-Link Europe	D-Link Netherlands	Netherlands	Sales and after-sales service in Netherlands	2,132	2,132	50,000	100.00 %	5,262	80	80	
D-Link Europe	D-Link Polska	Poland	Sales and after-sales service in Poland	1,210	1,210	100	100.00 %	33,327	1,530	1,530	
D-Link Europe	D-Link Magyarorszag	Hungary	Sales and after-sales service in Hungary	523	523	300	100.00 %	3,956	(52)	(52)	
D-Link Europe	D-Link s.r.o	Czech	Sales and after-sales service in Czech	329	329	100	100.00 %	3,376	61	61	
D-Link (Holdings) Ltd	D-Link UK	UK	Sales and after-sales service in UK	-	-	300,100	100.00 %	-	-	-	In liquidation process.
Cameo	Huge Castle	Samoa	Investment company	295,006	295,006	9,329,718	100.00 %	229,436	(22,529)	(22,529)	
Cameo	Qianjin Investment	Taiwan	Investment company	270,000	270,000	27,000,000	100.00 %	143,004	5,253	5,253	
Huge Castle	PC	Mauritius	Investment and trading	-	-	-	- %	-	-	-	Liquidation completed in May 2025.
Huge Castle	Luis Jo'se	BVI	Investment company	-	43,673	-	100.00 %	-	(4,886)	(4,886)	In liquidation process.

Note 1: Including recognition of profit (loss) from affiliated companies.

Note 2: Limited Company

Note 3:On February 25 and June 27, 2025, D-Link International reduced its capital in cash by 15,000,000 shares and 20,000,000 shares, respectively, and refunded the capital reduction payment amounting to NTS490,650 thousand and NTS583,300 thousand, respectively.

Note 4: On January 16 and May 16, 2025, D-Link Capital Investment reduced its capital in cash by 5,000,000 shares and 9,000,000 shares, respectively, and refunded the capital reduction payment amounting to USD 5,000 thousand and USD 9,000 thousand, respectively.

Note 5: The transactions have been eliminated in the consolidated financial statements.

D-LINK CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value (Note 2)	Accumulated remittance of earnings in current period	Note
					Outflow	Inflow							
D-Link Shanghai	Buy and sell of networking equipment and wireless system	583,089	2	583,089	-	-	583,089	7,189	100.00 %	7,189	(159,242)	-	
Netpro	Research, development and trading business	20,931	2	19,511	-	-	19,511	2,990	100.00 %	2,990	17,334	-	
YouXiang	Technical Service and Import/Export trading business	59,277	3	-	-	-	-	(2,423)	9.86 %	-	2,612	-	
Cameo Technology Development (Shenzhen) Co., Ltd.	R&D for communications technology and products	-	2	9,457	-	-	9,457	N/A	- %	N/A	-	-	Note 3 : Liquidation completed in March 2012.
Wide View Technology Inc.	R&D, production, and sale of electronic components	-	2	19,413	-	-	19,413	N/A	- %	N/A	-	-	Note 4 : Liquidation completed in September 2018.
Suzhou Soarnex Technology Co., Ltd	Software development and software services for computer information systems	22,064	2	-	-	-	-	(5,597)	100.00 %	(5,597)	19,439	-	

Note 1: Method of Investment:

Type 1: Direct investments in Mainland China

Type 2: Indirect investments in Mainland China

Type 3: Others

Note 2: The amounts in New Taiwan Dollars were translated at the exchange rates of USD 29.90 and CNY 4.17 as of June 30, 2025.

Note 3: Cameo Technology Development (Shenzhen) Co., Ltd. completed its liquidation process in March 2012, wherein it refunded the shares amounting to USD \$177 thousand to Huge Castle on November 28, 2013, with the approval of the Investment Commission, Ministry of Economic Affairs (MOEAIC).

Note 4: Wide View Technology Inc. completed its liquidation process in September 2018, wherein it refunded the shares amounting to USD \$740 thousand to Luis Jo'se on September 4, 2018, with the approval of the MOEAIC.

(ii) Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of June 30, 2025	Investment Amounts Authorized by the MOEAIC	Upper Limit on Investment (Note 1)
D-Link Corporation	602,600	602,600	6,510,208
Cameo	28,870	32,442	1,729,712

Note 1: The maximum cumulative amount of investment in Mainland China by the Company and Cameo is calculated based on 60% of each entity's consolidated net equity.

(iii) Significant transactions:

For the six months ended June 30, 2025, the significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

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D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information:

The Consolidated Company has three reportable segments: American markets, European markets, Asian markets and others. Those reportable segments are primarily operated in research, development and selling of computer network, equipments and wireless communication products.

The Consolidated Company's reportable segments are strategic business units that offer geographical products and services.

The Consolidated Company's income tax expenses are not allocated to reportable segment, and operating segment profit (loss) is determined by the profit before tax. The reportable amount is consistent with the report used by the chief operating decision and make a performance evaluation.

The Consolidated Company's operating segment information and reconciliation were as follows:

For the three months ended June 30, 2025					
	American markets	European markets	Asian markets and others	Adjustments and eliminations	Total
Revenue:					
Third-party customers	\$ 237,724	612,685	2,300,338	-	3,150,747
Inter-company	<u>7,030</u>	<u>12,058</u>	<u>468,161</u>	<u>(487,249)</u>	<u>-</u>
Total revenue	<u><u>\$ 244,754</u></u>	<u><u>624,743</u></u>	<u><u>2,768,499</u></u>	<u><u>(487,249)</u></u>	<u><u>3,150,747</u></u>
Reportable segment profit (loss)	<u><u>\$ 27,697</u></u>	<u><u>(107,841)</u></u>	<u><u>41,938</u></u>	<u><u>(53,466)</u></u>	<u><u>(91,672)</u></u>
For the three months ended June 30, 2024					
	American markets	European markets	Asian markets and others	Adjustments and eliminations	Total
Revenue:					
Third-party customers	\$ 228,926	852,294	2,638,961	-	3,720,181
Inter-company	<u>29,461</u>	<u>27,243</u>	<u>235,710</u>	<u>(292,414)</u>	<u>-</u>
Total revenue	<u><u>\$ 258,387</u></u>	<u><u>879,537</u></u>	<u><u>2,874,671</u></u>	<u><u>(292,414)</u></u>	<u><u>3,720,181</u></u>
Reportable segment (loss) profit	<u><u>\$ (59,147)</u></u>	<u><u>(86,985)</u></u>	<u><u>298,921</u></u>	<u><u>(11,944)</u></u>	<u><u>140,845</u></u>

(Continued)

D-LINK CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025					
	American markets	European markets	Asian markets and others	Adjustments and eliminations	Total
Revenue:					
Third-party customers	\$ 499,291	1,259,419	4,728,618	-	6,487,328
Inter-company	<u>16,977</u>	<u>27,206</u>	<u>798,795</u>	<u>(842,978)</u>	<u>-</u>
Total revenue	<u>\$ 516,268</u>	<u>1,286,625</u>	<u>5,527,413</u>	<u>(842,978)</u>	<u>6,487,328</u>
Reportable segment profit (loss)	<u>\$ 30,817</u>	<u>(323,106)</u>	<u>(5,332)</u>	<u>120,021</u>	<u>(177,600)</u>
For the six months ended June 30, 2024					
	American markets	European markets	Asian markets and others	Adjustments and eliminations	Total
Revenue:					
Third-party customers	\$ 420,041	1,517,477	5,346,041	-	7,283,559
Inter-company	<u>41,028</u>	<u>69,913</u>	<u>402,432</u>	<u>(513,373)</u>	<u>-</u>
Total revenue	<u>\$ 461,069</u>	<u>1,587,390</u>	<u>5,748,473</u>	<u>(513,373)</u>	<u>7,283,559</u>
Reportable segment (loss) profit	<u>\$ (143,785)</u>	<u>(207,217)</u>	<u>476,362</u>	<u>11,421</u>	<u>136,781</u>
	American markets	European markets	Asian markets and others	Adjustments and eliminations	Total
Reportable segment assets:					
June 30, 2025	<u>\$ 1,893,900</u>	<u>2,702,727</u>	<u>24,864,892</u>	<u>(13,589,393)</u>	<u>15,872,126</u>
December 31, 2024	<u>\$ 2,022,928</u>	<u>3,508,343</u>	<u>27,457,825</u>	<u>(16,498,531)</u>	<u>16,490,565</u>
June 30, 2024	<u>\$ 2,252,349</u>	<u>3,964,940</u>	<u>27,034,059</u>	<u>(16,154,963)</u>	<u>17,096,385</u>