

CASTLENET TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT AUDITORS
FOR THE SIX-MONTH PERIODS ENDED
JUNE 30, 2025 AND 2024

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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

English Translation of Review Report Originally Issued in Chinese

Independent Auditors' Report

To CastleNet Technology, Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of CastleNet Technology, Inc. and its subsidiaries (the "Group") as of June 30, 2025, the related consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2025, changes in equity and cash flows for the six-month period ended June 30, 2025, and notes to the consolidated financial statements including the summary of material accounting policies (together "the consolidated financial statements"). Management is responsible for the preparation and fair presentation of these 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" as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit 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.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2025, and their consolidated financial performance for the three-month and six-month periods ended June 30, 2025, and their consolidated cash flows for the six-month period then ended, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and made effective by the Financial Supervisory Commission of the Republic of China.

Other Matter— Prior Period Reviewed by Other Independent Auditors

The consolidated financial statements of the Group were reviewed by other independent auditors, and an unqualified review report was issued on August 12, 2024.

Chen, Chih-Chung

Yu, Chien-Ju

Ernst & Young, Taiwan
August 14, 2025

Taipei, Taiwan
Republic of China

Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position and results of operations and cash flows in accordance with Standard on Review Engagements 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.

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English translation of consolidated financial statements originally issued in Chinese

CASTLENET TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

June 30, 2025, December 31, 2024 and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of					
		June 30, 2025	%	December 31, 2024	%	June 30, 2024	%
Current assets							
Cash and cash equivalents	6	\$754,065	10	\$324,734	11	\$114,205	4
Financial assets at fair value through profit or loss-current	6	-	-	1,388,084	47	1,613,208	56
Accounts receivable, net	6	1,620,739	21	156,793	5	151,393	5
Accounts receivable due from related parties, net	6,7	1,097,346	14	40,819	1	-	-
Other receivables	6,12	44,176	1	2,475	-	2,880	-
Other receivables due from related parties	7	175,883	2	126,224	4	8,541	1
Current tax assets		2,036	-	-	-	-	-
Inventory	6	2,636,276	34	798,944	27	835,656	29
Prepayments	6	50,362	1	-	-	-	-
Other current assets	8	58,361	1	74,177	3	73,408	3
Total current assets		<u>6,439,244</u>	<u>84</u>	<u>2,912,250</u>	<u>98</u>	<u>2,799,291</u>	<u>98</u>
Non-current assets							
Property, plant and equipment	6,8	94,189	1	12,704	-	14,377	1
Right-of-use assets	6,8	89,329	1	2,095	-	5,723	-
Intangible assets	6	1,089,298	14	233	-	357	-
Deferred tax assets	6	35,189	-	28,833	1	34,553	1
Prepaid equipment		329	-	-	-	-	-
Guarantee deposits paid		35,193	-	1,321	-	1,322	-
Other non-current assets	6	14,117	-	13,979	1	10,703	-
Total non-current assets		<u>1,357,644</u>	<u>16</u>	<u>59,165</u>	<u>2</u>	<u>67,035</u>	<u>2</u>
Total assets		<u>\$7,796,888</u>	<u>100</u>	<u>\$2,971,415</u>	<u>100</u>	<u>\$2,866,326</u>	<u>100</u>

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

English translation of consolidated financial statements originally issued in Chinese
 CASTLENET TECHNOLOGY INC. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS
 June 30, 2025, December 31, 2024 and June 30, 2024
 (Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of					
		June 30, 2025	%	December 31, 2024	%	June 30, 2024	%
Current liabilities							
Short-term borrowings	6	\$1,611,375	21	\$901,952	31	\$694,000	24
Short-term notes and bills payable	6	150,000	2	150,000	5	-	-
Contract liabilities-current	6	15,102	-	6,362	-	4,191	-
Accounts payable		1,218,788	16	24,091	1	103,565	4
Accounts payable to related parties	7	2,706,400	35	201,097	7	84,387	3
Other payables	6,12	205,308	3	65,686	2	43,862	2
Other payables to related parties	7	5,453	-	2,753	-	2,851	-
Current tax liabilities		25,815	-	-	-	-	-
Lease liabilities-current	6	50,140	-	2,120	-	4,890	-
Long-term liabilities, current portion	6	273,999	4	-	-	-	-
Other current liabilities, others		3,212	-	3,157	-	14,882	-
Total current liabilities		<u>6,265,592</u>	<u>81</u>	<u>1,357,218</u>	<u>46</u>	<u>952,628</u>	<u>33</u>
Non-current liabilities							
Long-term borrowings	6	139,559	2	-	-	-	-
Deferred tax liabilities	6	57,337	-	28,833	1	34,553	2
Lease liabilities-non-current	6	48,315	1	-	-	875	-
Net defined benefit liability, non-current	6	22,198	-	-	-	-	-
Other non-current liabilities, others		2,860	-	1,667	-	1,117	-
Total non-current liabilities		<u>270,269</u>	<u>3</u>	<u>30,500</u>	<u>1</u>	<u>36,545</u>	<u>2</u>
Total liabilities		<u>6,535,861</u>	<u>84</u>	<u>1,387,718</u>	<u>47</u>	<u>989,173</u>	<u>35</u>
Equity attributable to owners of parent							
Share capital	6						
Common stock		1,934,458	25	1,931,190	65	1,926,305	67
Advance receipts for capital stock		3,285	-	2,375	-	1,510	-
Capital surplus	6	154,601	2	150,298	4	148,453	5
Retained earnings	6						
Legal reserve		18,969	-	18,969	1	18,969	1
Accumulated deficit		(850,140)	(11)	(476,940)	(16)	(175,770)	(6)
Total retained earnings		<u>(831,171)</u>	<u>(11)</u>	<u>(457,971)</u>	<u>(15)</u>	<u>(156,801)</u>	<u>(5)</u>
Other equity interest		(173,353)	(2)	(42,195)	(1)	(42,314)	(2)
Total equity attributable to owners of parent		1,087,820	14	1,583,697	53	1,877,153	65
Non-controlling interests	6	173,207	2	-	-	-	-
Total equity		<u>1,261,027</u>	<u>16</u>	<u>1,583,697</u>	<u>53</u>	<u>1,877,153</u>	<u>65</u>
Total liabilities and equity		<u>\$7,796,888</u>	<u>100</u>	<u>\$2,971,415</u>	<u>100</u>	<u>\$2,866,326</u>	<u>100</u>

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

English translation of consolidated financial statements originally issued in Chinese
CASTLENET TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three-month and six-month period ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	For the three-month period ended				For the six-month period ended			
		June 30, 2025	%	June 30, 2024	%	June 30, 2025	%	June 30, 2024	%
Operating revenue	6,7	\$1,568,405	100	\$99,613	100	\$1,748,281	100	\$159,478	100
Operating costs	6,7	(1,487,531)	(95)	(118,340)	(119)	(1,708,726)	(98)	(172,291)	(108)
Gross profit (loss) from operations		80,874	5	(18,727)	(19)	39,555	2	(12,813)	(8)
Operating expenses	6,7								
Selling expenses		(92,855)	(6)	(5,834)	(6)	(99,861)	(6)	(9,984)	(6)
Administrative expenses		(63,783)	(4)	(17,170)	(17)	(70,861)	(4)	(29,284)	(18)
Research and development expenses		(84,577)	(5)	(36,753)	(37)	(111,144)	(6)	(61,359)	(39)
Expected credit impairment losses		(17,328)	(1)	-	-	(40,254)	(2)	-	-
Total operating expenses		(258,543)	(16)	(59,757)	(60)	(322,120)	(18)	(100,627)	(63)
Net operating income (loss)		(177,669)	(11)	(78,484)	(79)	(282,565)	(16)	(113,440)	(71)
Non-operating income and expenses	6								
Interest income		7,414	-	1,441	2	8,636	-	2,514	2
Other income		1,671	-	268	1	1,771	-	429	-
Other gains and losses, net		(70,568)	(4)	32,140	32	(71,673)	(4)	65,816	41
Finance costs, net		(20,252)	(2)	(3,717)	(4)	(26,562)	(2)	(7,109)	(4)
Total non-operating income and expenses		(81,735)	(6)	30,132	31	(87,828)	(6)	61,650	39
Loss before tax		(259,404)	(17)	(48,352)	(48)	(370,393)	(22)	(51,790)	(32)
Total tax expense	6	(16,401)	(1)	-	-	(16,401)	(1)	-	-
Net loss		(275,805)	(18)	(48,352)	(48)	(386,794)	(23)	(51,790)	(32)
Other comprehensive income	6								
Components of other comprehensive income that will not be reclassified to profit or loss:									
Gains on remeasurements of defined benefit plans		73	-	-	-	73	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss:									
Exchange differences on translation		(160,457)	(10)	454	-	(159,822)	(9)	2,066	1
Total other comprehensive income (loss)		(160,384)	(10)	454	-	(159,749)	(9)	2,066	1
Total comprehensive income (loss)		\$(436,189)	(28)	\$(47,898)	(48)	\$(546,543)	(32)	\$(49,724)	(31)
Net loss attributable to:									
Owners of parent		\$(262,270)	(17)	\$(48,352)	(48)	\$(373,259)	(21)	\$(51,790)	(32)
Non-controlling interests		(13,535)	(1)	-	-	(13,535)	(2)	-	-
Total		\$(275,805)	(18)	\$(48,352)	(48)	\$(386,794)	(23)	\$(51,790)	(32)
Comprehensive loss attributable to:									
Owners of parent		\$(394,004)	(25)	\$(47,898)	(48)	\$(504,358)	(29)	\$(49,724)	(31)
Non-controlling interests		(42,185)	(3)	-	-	(42,185)	(3)	-	-
Total		\$(436,189)	(28)	\$(47,898)	(48)	\$(546,543)	(32)	\$(49,724)	(31)
Loss per share (in dollars)	6								
Basic loss per share		\$(1.36)		\$(0.25)		\$(1.93)		\$(0.27)	
Diluted loss per share		\$(1.36)		\$(0.25)		\$(1.93)		\$(0.27)	

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

English translation of consolidated financial statements originally issued in Chinese

CASTLENET TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six-month period ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Item	Equity attributable to owners of parent						Non-Controlling Interests	Total Equity	
	Share capital		Capital surplus	Retained earnings		Other equity interest			
	Common stock	Advance receipts for share capital		Legal reserve	Accumulated deficit	Financial statements translation differences of foreign operations			
Balance on January 1, 2024	\$1,908,905	\$7,445	\$145,763	\$18,969	\$(123,980)	\$(44,380)	\$1,912,722	\$-	\$1,912,722
Loss for the six-month period ended June 30, 2024	-	-	-	-	(51,790)	-	(51,790)	-	(51,790)
Other comprehensive income for the six-month period ended June 30, 2024	-	-	-	-	-	2,066	2,066	-	2,066
Total comprehensive income (loss) for the six-month period ended June 30, 2024	-	-	-	-	(51,790)	2,066	(49,724)	-	(49,724)
Share-based payments	-	-	401	-	-	-	401	-	401
Exercise of employee share options	17,400	(5,935)	2,290	-	-	-	13,755	-	13,755
Overdue dividends reclaimed by shareholders	-	-	(1)	-	-	-	(1)	-	(1)
Balance on June 30, 2024	\$1,926,305	\$1,510	\$148,453	\$18,969	\$(175,770)	\$(42,314)	\$1,877,153	\$-	1,877,153
Balance on January 1, 2025	\$1,931,190	\$2,375	\$150,298	\$18,969	\$(476,940)	\$(42,195)	\$1,583,697	\$-	1,583,697
Loss for the six-month period ended June 30, 2025	-	-	-	-	(373,259)	-	(373,259)	(13,535)	(386,794)
Other comprehensive income for the six-month period ended June 30, 2025	-	-	-	-	59	(131,158)	(131,099)	(28,650)	(159,749)
Total comprehensive income (loss) for the six-month period ended June 30, 2025	-	-	-	-	(373,200)	(131,158)	(504,358)	(42,185)	(546,543)
Acquisition of ownership interests in subsidiaries	-	-	-	-	-	-	-	215,392	215,392
Share-based payments	-	-	3,724	-	-	-	3,724	-	3,724
Exercise of employee share options	3,268	910	609	-	-	-	4,787	-	4,787
Others	-	-	(30)	-	-	-	(30)	-	(30)
Balance on June 30, 2025	\$1,934,458	\$3,285	\$154,601	\$18,969	\$(850,140)	\$(173,353)	\$1,087,820	\$173,207	1,261,027

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

CASTLENET TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six-month period ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Item	For the six-month period ended	
	June 30, 2025	June 30, 2024
Cash flows from (used in) operating activities:		
Loss before tax	\$(370,393)	\$(51,790)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	21,620	7,265
Amortization expense	1,955	545
Expected credit loss	40,254	8
Loss (gain) on financial assets measured at fair value through profit or loss	18,090	(62,738)
Interest expense	26,562	7,109
Interest income	(8,636)	(2,514)
Share-based payments	3,724	401
Other adjustments to reconcile profit (loss)	(2,103)	9,873
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	1,360,988	(51,742)
Decrease (increase) in accounts receivable due from related parties	(1,056,527)	-
Decrease (increase) in other receivable	(24,914)	(1,755)
Decrease (increase) in other receivable due from related parties	(49,659)	-
Decrease (increase) in inventories	405,476	(126,933)
Decrease (increase) in prepayments	(10,509)	-
Decrease (increase) in other current assets	15,816	(9,817)
Increase (decrease) in contract liabilities	8,740	-
Increase (decrease) in accounts payable	(2,513,572)	7,509
Increase (decrease) in accounts payable to related parties	2,505,303	40,300
Increase (decrease) in other payable	(31,997)	(14,949)
Increase (decrease) in other payable to related parties	2,700	(139,927)
Increase (decrease) in other current liabilities	386	(224)
Increase (decrease) in net defined benefit liability	(6,688)	-
Cash inflow (outflow) generated from operations:	336,616	(389,379)
Interest received	6,824	-
Interest paid	(25,428)	(7,120)
Income taxes received	-	83
Income taxes paid	(5,157)	(204)
Net cash flows from (used in) operating activities	312,855	(396,620)
Cash flows from (used in) investing activities:		
Net cash flow from acquisition of subsidiaries	\$385,470	\$-
Acquisition of property, plant and equipment	(4,052)	(5,515)
Increase in guarantee deposits paid	(110)	-
Decrease in guarantee deposits paid	-	157
Decrease in other non-current assets	(138)	-
Increase in prepayments for business facilities	(329)	-
Dividends received	-	2,182
Net cash flows from (used in) investing activities	380,841	(3,176)
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,066,359	1,148,023
Decrease in short-term loans	(1,359,851)	(884,023)
Decrease in short-term notes	-	(100,000)
Proceeds from long-term debt	191,606	-
Repayments of long-term debt	(33,834)	-
Repayments of lease liabilities	(10,936)	(3,827)
Overdue dividends reclaimed by shareholders	-	(1)
Employee execute stock options	4,787	13,755
Net cash flows from (used in) financing activities	(141,869)	173,927
Effect of exchange rate changes on cash and cash equivalents	(122,496)	2,066
Net increase (decrease) in cash and cash equivalents	429,331	(223,803)
Cash and cash equivalents at the beginning of period	324,734	338,008
Cash and cash equivalents at the end of period	\$754,065	\$114,205

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

English translation of consolidated financial statements originally issued in Chinese
CASTLENET TECHNOLOGY INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the six-month period ended June 30, 2025 and 2024
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

1. History and organization

CastleNet Technology Inc. (the “Company”) was incorporated as a company limited by shares on June 26, 1998 and obtained its Business Registration Certificate on August 26, 1998. In addition, the Company’s stocks were listed on the Taipei Exchange in March 2010. The Company is primarily engaged in the manufacturing and selling of consumer electronics products such as broadband communications and digital home entertainment. The Company’s registered office for its main operation is at No. 14, Lane 141, Section 3, Beishen Road, Shenkeng District, New Taipei City, Taiwan.

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of CastleNet Technology Inc. and its subsidiaries (the “Group”) for the six-month periods ended June 30, 2025 and 2024 were authorized for issue by the Board of Directors on August 14, 2025.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2025. The adoption of these new standards and amendments had no material impact on the Group.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which have been endorsed by FSC, but not yet adopted by the Group as at the date when the Group’s financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 17 “Insurance Contracts”	January 1, 2023
b	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
c	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
d	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

(a) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(b) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (3) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(c) Annual Improvements to IFRS Accounting Standards – Volume 11

- (1) Amendments to IFRS 1
- (2) Amendments to IFRS 7
- (3) Amendments to Guidance on implementing IFRS 7
- (4) Amendments to IFRS 9
- (5) Amendments to IFRS 10
- (6) Amendments to IAS 7

(d) Contracts related to reliance on natural electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify the regulations applicable to “personal use”.
- (2) When a contract is used as a hedging instrument, hedge accounting is allowed.
- (3) Increase the disclosure requirements in the notes to help investors understand the impact of such contracts on the company’s financial performance and cash flows.

The abovementioned standards and amendments are applicable for annual periods beginning on or after January 1, 2026 and have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, but not yet adopted by the Group as at the date when the Group’s financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
c	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027

- (a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures.

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

(b) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(1) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(2) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(c) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (b), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of material accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the six-month periods ended June 30, 2025 and 2024 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS 34 Interim Financial Reporting as endorsed and became effective by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NTD") unless otherwise stated.

(3) Basis of consolidation

The same principles of consolidation have been applied in the Group's consolidated financial statements as those applied in the Group's consolidated financial statements for the year ended December 31, 2024. For the principles of consolidation, please refer to the Group's consolidated financial statements for the year ended December 31, 2024.

Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Percentage of ownership (%)			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	CastleNet Technology (BVI) Inc.	Investment holdings	100.00%	100.00%	100.00%	
"	Superhero Patterns, Inc.	Investment holdings	99.79%	-	-	Note 1
CastleNet Technology (BVI) Inc.	CastleNet Technology Inc.-Kunshan	Manufacture and design of broadband communication products such as modem	100.00%	100.00%	100.00%	
Superhero Patterns, Inc.	HUMAX Networks, Inc.	Sales of broadcast and network communication equipment	80.62%	-	-	Note 1
HUMAX Networks, Inc.	HUMAX Networks (USA) Inc.	Sales of broadcast and network communication equipment	100.00%	-	-	Note 1
"	HUMAX Networks (Japan) Co., Ltd.	Sales of broadcast and network communication equipment	100.00%	-	-	Note 1
"	HUMAX Networks (Thailand) Co., Ltd.	Sales of broadcast and network communication equipment	49.00%	-	-	Note 1
"	HUMAX Networks GmbH	Sales of broadcast and network communication equipment	100.00%	-	-	Note 1
"	HUMAX Networks India Private Limited	Sales of broadcast and network communication equipment	100.00%	-	-	Note 1

Note 1 : On April 22, 2025, the Group obtained the investment approval letter from the local authority to convert its financial assets (previously classified as financial assets at fair value through profit or loss-current) in the amount of KRW 54,990,000 thousand (equivalent to NTD 1,381,840 thousand) for 99.79% of the equity interest in Superhero Patterns, Inc. (SPI). As a result, the Group acquired control over SPI. The equity transaction has been completed, and SPI. then its subsidiaries have been included in the consolidated financial statements starting from the same date.

(4) The same accounting policies applied in the Group's consolidated financial statements for the six-month period ended June 30, 2025 as those applied in the Group's consolidated financial statements for the year ended December 31, 2024 except for description below. For summary of other significant accounting policies, please refer to Note 4 of the Group's consolidated financial statements for the year ended December 31, 2024.

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

B. Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The estimated average annual effective income tax rate only includes current income tax. The recognition and measurement of deferred tax follows annual financial reporting requirements in accordance with IAS 12. The Group recognizes the effect of change in tax rate for deferred taxes in full if the new tax rate is enacted by the end of the interim reporting period, by charging to profit or loss, other comprehensive income, or directly to equity.

5. Significant accounting judgments, estimates and assumptions

The same significant accounting judgments, estimates and assumptions have been applied in the Group's consolidated financial statements for the six-month period ended June 30, 2025 as those applied in the Group's consolidated financial statements for the year ended December 31, 2024. For significant accounting judgments, estimates and assumptions, please refer to Note 5 of the Group's consolidated financial statements for the year ended December 31, 2024.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of		
	June 30, 2025	December 31, 2024	June 30, 2024
Petty cash and revolving funds	\$145	\$149	\$157
Cash in banks	706,039	287,761	77,308
Time deposits	32,881	36,824	36,740
Cash equivalents	15,000	-	-
Total	<u>\$754,065</u>	<u>\$324,734</u>	<u>\$114,205</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group's demand deposits pledged to others as collateral had been transferred to "other current asset". Refer to Note 8 for details.

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

	As of		
	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Convertible bonds	\$-	\$1,138,470	\$1,334,996
Valuation adjustment	-	249,614	278,212
Total	\$-	\$1,388,084	\$1,613,208

A. The Group has no financial assets at fair value through profit or loss pledged to others.

B. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

June 30, 2025 : No such circumstances.

Financial instruments	December 31, 2024	
	Contract amount (in thousands)	Contract period
Current items:		
Convertible bonds	KRW \$54,990,000	2019.12.27~2024.12.26

Financial instruments	June 30, 2024	
	Contract amount (in thousands)	Contract period
Current items:		
Convertible bonds	KRW \$54,990,000	2019.12.27~2024.12.26

C. On December 27, 2019, the Group acquired convertible bonds issued by SPI. for KRW 54,990,000 thousand. In accordance with the contract, both parties may, in the event of any significant events, decide whether to re-negotiate the coupon rate and other contract terms and conditions on a semi-annual basis, and interest is payable annually at the agreed coupon rate. In addition, the Group has the right to convert the bonds into ordinary shares of SPI. at KRW 1,000 per share at expiration date. On December 26, 2024, with the resolution of the Board of Directors, the Group exercised the right to convert the bonds into ordinary shares of SPI. In accordance with local regulations in SPI.'s jurisdiction, this transaction is subject to approval by the local competent authority before the conversion rights can be exercised. Therefore, the conversion record date for the exercise of the conversion rights by the Group is set as the date of receipt of the approval letter from the local competent authority. The Group has recognized the aforementioned convertible corporate bonds under the category of financial assets mandatorily measured at fair value through profit or loss. The Group received the approval letter from the local competent authority on April 22, 2025, and completed the settlement of the related equity.

D. The interest income received during the years ended December 31, 2024 and 2023 at the agreed coupon rate was \$196,526 thousand and \$26,095 thousand, respectively.

E. The movements of the Company's financial assets measured at fair value through profit or loss are provided in Note 12.

(3) Accounts receivable and accounts receivable – related parties

	As of		
	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	\$1,620,879	\$156,917	\$151,488
Less: Allowance for uncollectible accounts	(140)	(124)	(95)
Subtotal	<u>1,620,739</u>	<u>156,793</u>	<u>151,393</u>
Accounts receivable – related parties	1,097,346	40,819	-
Less: Allowance for uncollectible accounts	-	-	-
Subtotal	<u>1,097,346</u>	<u>40,819</u>	<u>-</u>
Total	<u><u>\$2,718,085</u></u>	<u><u>\$197,612</u></u>	<u><u>\$151,393</u></u>

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

	As of		
	June 30, 2025	December 31, 2024	June 30, 2024
Not past due	\$1,947,431	\$178,452	\$111,734
Up to 90 days	639,909	19,284	39,754
Over 90 days	130,885	-	-
Total	<u>\$2,718,225</u>	<u>\$197,736</u>	<u>\$151,488</u>

B. Accounts receivable was all from contracts with customers. As of January 1, 2024, the balances of receivables from contracts with customers amounted to \$99,746 thousand.

C. The Group has no accounts receivable pledged to others.

D. Accounts receivable credit terms are generally from 30 to 180 day. The total carrying amounts as of June 30, 2025, December 31, 2024 and June 30, 2024 were \$2,718,225 thousand, \$197,736 thousand and \$151,488 thousand, respectively. Please refer to Note 12 for more details on credit risk.

E. The Group entered into account receivables factoring agreements with recourse with a financial institution. Under the agreements, the Group has transferred the contractual rights to receive the cash flows of the financial asset. However, such agreements shall bear default risk. Therefore, the transferred assets did not meet the requirement of derecognition. The related terms were as follows:

June 30,2025 :

The Factor (Transferee)	Accounts receivable transferred	Amounts paid in advance (Note)	Interest Rate	Credit Line (in thousands)
Taishin Bank	US\$18,435	(US\$14,748)	5.53%~5.65%	US\$60,000

December 31, 2024 : No such circumstances.

June 30, 2024 : No such circumstances.

Note: After deducting interest and handling fees from the factoring of accounts receivable.

(4) Inventories

	June 30, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$1,464,936	\$(270,255)	\$1,194,681
Work in process	907	(757)	150
Finished goods	1,445,158	(3,713)	1,441,445
Merchandise inventory	6,068	(6,068)	-
Total	<u>\$2,917,069</u>	<u>\$(280,793)</u>	<u>\$2,636,276</u>

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$949,242	\$(186,429)	\$762,813
Work in process	907	(722)	185
Finished goods	56,937	(20,991)	35,946
Total	<u>\$1,007,086</u>	<u>\$(208,142)</u>	<u>\$798,944</u>

	June 30, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$877,654	\$(59,963)	\$817,691
Work in process	907	(722)	185
Finished goods	19,813	(2,033)	17,780
Total	<u>\$898,374</u>	<u>\$(62,718)</u>	<u>\$835,656</u>

The cost of inventories recognized as expense for the three-month period and six-month ended June 30, 2024 and 2025 are as follows:

	Three-month periods ended June 30,	
	2025	2024
Cost of goods sold	\$1,431,668	\$96,404
Valuation loss	55,863	21,936
Total	<u>\$1,487,531</u>	<u>\$118,340</u>

	Six-month periods ended June 30,	
	2025	2024
Cost of goods sold	\$1,637,930	\$149,864
Valuation loss	70,796	22,427
Total	<u>\$1,708,726</u>	<u>\$172,291</u>

(5) Property, plant and equipment

	Test equipment	Molding equipment	Implements equipment	Other equipment	Total
Cost:					
As of January 1, 2025	\$31,138	\$1,990	\$5,787	\$4,218	\$43,133
Acquired from business combinations	-	-	260,372	27,166	287,538
Additions	-	-	1,523	1,147	2,670
Other changes(Note)	-	-	(25,670)	(3,441)	(29,111)
As of June 30, 2025	<u>\$31,138</u>	<u>\$1,990</u>	<u>\$242,012</u>	<u>\$29,090</u>	<u>\$304,230</u>
As of January 1, 2024	\$36,606	\$827	\$6,708	\$6,251	\$50,392
Additions	(409)	1,989	136	-	1,716
Other changes(Note)	-	(827)	-	-	(827)
As of June 30, 2024	<u>\$36,197</u>	<u>\$1,989</u>	<u>\$6,844</u>	<u>\$6,251</u>	<u>\$51,281</u>
Depreciation and impairment:					
As of January 1, 2025	\$22,452	\$912	\$3,981	\$3,084	\$30,429
Acquired from business combinations	-	-	179,475	10,060	189,535
Depreciation	1,201	498	7,890	936	10,525
Other changes(Note)	-	-	(22,366)	1,918	(20,448)
As of June 30, 2025	<u>\$23,653</u>	<u>\$1,410</u>	<u>\$168,980</u>	<u>\$15,998</u>	<u>\$210,041</u>
As of January 1, 2024	\$26,433	\$707	\$3,411	\$3,652	\$34,203
Depreciation	1,389	534	802	803	3,528
Other changes(Note)	-	(827)	-	-	(827)
As of June 30, 2024	<u>\$27,822</u>	<u>\$414</u>	<u>\$4,213</u>	<u>\$4,455</u>	<u>\$36,904</u>
Net carrying amount as of:					
June 30, 2025	<u>\$7,485</u>	<u>\$580</u>	<u>\$73,032</u>	<u>\$13,092</u>	<u>\$94,189</u>
December 31, 2024	<u>\$8,686</u>	<u>\$1,078</u>	<u>\$1,806</u>	<u>\$1,134</u>	<u>\$12,704</u>
June 30, 2024	<u>\$8,375</u>	<u>\$1,575</u>	<u>\$2,631</u>	<u>\$1,796</u>	<u>\$14,377</u>

Note : Including reclassification, effect of exchange rate changes and other changes.

A. The Group has no property, plant and equipment pledged to others as collateral for borrowings.

(6) Lease transactions – lessee

A. The Group leases various assets including testing equipment, buildings, office and warehouse. Rental contracts are typically entered into for periods from 2 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any significant restrictions, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise part of office. Low-value assets comprise parking space and other office equipment.

C. The carrying amount of right-of-use assets and the depreciation recognition are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
	Carrying Amount	Carrying Amount	Carrying Amount
Buildings, offices, and warehouses	\$85,705	\$402	\$3,014
Transportation equipment	2,947	-	-
Testing equipment	677	1,693	2,709
	<u>\$89,329</u>	<u>\$2,095</u>	<u>\$5,723</u>

	Three-month periods ended June 30,	
	2025	2024
	Depreciation expenses	Depreciation expenses
Buildings, offices, and warehouses	\$8,507	\$1,361
Transportation equipment	205	-
Testing equipment	508	508
	<u>\$9,220</u>	<u>\$1,869</u>

	Six-month periods ended June 30	
	2025	2024
	Depreciation expenses	Depreciation expenses
Buildings, offices, and warehouses	\$9,874	\$2,721
Transportation equipment	205	-
Testing equipment	1,016	1,016
	<u>\$11,095</u>	<u>\$3,737</u>

D. For the six-month periods ended June 30, 2025 and 2024, the additions to right-of-use assets are as follows:

	Six-month periods ended June 30	
	2025	2024
Acquired from business combinations	\$87,104	\$-
Additions	19,119	-
	<u>\$106,223</u>	<u>\$-</u>

E. Profit or loss related to lease contracts:

	Six-month periods ended June 30	
	2025	2024
<u>Items affecting current period profit or loss</u>		
Interest expense on lease liabilities	\$1,200	\$33
Expenses related to short-term lease contracts	705	1,231
Expenses related to leases of low-value assets	150	20

	Six-month periods ended June 30	
	2025	2024
<u>Items affecting current period profit or loss</u>		
Interest expense on lease liabilities	\$1,288	\$76
Expenses related to short-term lease contracts	985	2,496
Expenses related to leases of low-value assets	173	38

F. For the six-month periods ended June 30, 2025 and 2024, the Group's total cash outflow for leases were \$13,382 thousand and \$6,437 thousand, respectively.

(7) Intangible assets

A. The details of changes in the Group's intangible assets are as follows:

	Goodwill	Computer Software	Others	Total
Cost:				
As of January 1, 2025	\$-	\$747	\$-	\$747
Acquired from business combinations	895,690	85,100	275,752	1,256,542
Effect of exchange rate changes	(86,606)	(7,871)	(15,591)	(110,068)
As of June 30, 2025	<u>\$809,084</u>	<u>\$77,976</u>	<u>\$260,161</u>	<u>\$1,147,221</u>
As of January 1, 2024	\$-	\$3,302	\$-	\$3,302
Disposals	-	(2,556)	-	(2,556)
As of June 30, 2024	<u>\$-</u>	<u>\$746</u>	<u>\$-</u>	<u>\$746</u>
Amortization and impairments:				
As of January 1, 2025	\$-	\$514	\$-	\$514
Acquired from business combinations	-	61,164	-	61,164
Amortization	-	1,955	-	1,955
Effect of exchange rate changes	-	(5,710)	-	(5,710)
As of June 30, 2025	<u>\$-</u>	<u>\$57,923</u>	<u>\$-</u>	<u>\$57,923</u>
As of January 1, 2024	\$-	\$2,400	\$-	\$2,400
Amortization	-	545	-	545
Disposals	-	(2,556)	-	(2,556)
As of June 30, 2024	<u>\$-</u>	<u>\$389</u>	<u>\$-</u>	<u>\$389</u>
Net carrying amount as of:				
June 30, 2025	<u>\$809,084</u>	<u>\$20,053</u>	<u>\$260,161</u>	<u>\$1,089,298</u>
December 31, 2024	<u>\$-</u>	<u>\$233</u>	<u>\$-</u>	<u>\$233</u>
June 30, 2024	<u>\$-</u>	<u>\$357</u>	<u>\$-</u>	<u>\$357</u>

B. Amortization expenses of intangible assets were stated as follows:

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2025	2024	2025	2024
Operating costs	\$-	\$-	\$-	\$-
Operating expenses	1,893	96	1,955	545
Total	<u>\$1,893</u>	<u>\$96</u>	<u>\$1,955</u>	<u>\$545</u>

(8) Short-term borrowings

Type of borrowings	As of June 30, 2025	Borrowing period	Interest rate	Collateral
Unsecured borrowings	\$1,396,475	2025/1/13~2026/5/13	2.23%~5.74%	None
Secured borrowings	214,900	2024/9/26~2026/6/10	3.18%~3.94%	Yes
Total	<u>\$1,611,375</u>			

Type of borrowings	As of December 31, 2024	Borrowing period	Interest rate	Collateral
Unsecured borrowings	<u>\$901,952</u>	2024/1/31~2025/6/25	2.27%~2.96%	None

Type of borrowings	As of June 30, 2024	Borrowing period	Interest rate	Collateral
Unsecured borrowings	<u>\$694,000</u>	2023/12/26~2025/3/31	2.22%~2.87%	None

(9) Short-term notes and bills payable

Type of borrowings	As of June 30, 2025	Borrowing period	Interest rate	Collateral
Commercial paper	<u>\$150,000</u>	2025/5/27~2025/9/19	2.49%~2.75%	None

Type of borrowings	As of December 31, 2024	Borrowing period	Interest rate	Collateral
Commercial paper	<u>\$150,000</u>	2024/11/28~2025/3/25	2.49%~2.75%	None

As of June 30, 2024: No such circumstances.

(10) Other payables

	As of		
	June 30, 2025	December 31, 2024	June 30, 2024
Payable on service fees	\$70,459	\$5,499	\$4,703
Wages and bonuses payable	37,677	32,566	20,191
Royalties payable	28,025	-	-
Commissions payable	7,099	3,785	1,157
Interest payable	5,822	809	739
Payable on spare parts	4,948	5,445	4,396
Others	51,278	17,582	12,676
Total	<u>\$205,308</u>	<u>\$65,686</u>	<u>\$43,862</u>

(11) Long-term borrowings

Creditor	As of June 30, 2025	Payment of principal
Kookmin Bank Unsecured loans	\$52,526 (KRW2,444,200)	The period of the loan is from May 28, 2024 to May 28, 2026, repayment of principal shall commence on a monthly basis starting six months after the disbursement date, with interest payable monthly.
Woori Bank Unsecured loans	\$167,622 (KRW7,800,000)	The period of the loan is from August 13, 2024 to August 13, 2026, repayment of principal shall commence on a monthly basis starting six months after the disbursement date, with interest payable monthly.
Kookmin Bank Unsecured loans	\$193,410 (KRW9,000,000)	The period of the loan is from May 15, 2025 to April 15, 2027, repayment of principal shall commence on a monthly basis starting six months after the disbursement date, with interest payable monthly.
Subtotal	<u>413,558</u>	
Less: current portion	<u>(273,999)</u>	
Total	<u>\$139,559</u>	
Interest rate	<u>4.16%~5.18%</u>	

Long-term borrowings were not pledged.

(12) Pensions

A. Defined benefit plans

- (a) The Company has established a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount ranging from 2% to 15% of total employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by the end of March of the following year.
- (b) Pension expenses under the defined benefits plan for the three-month and 2024 and six-month periods ended June 30, 2025 and 2024 amounted to \$5,221 thousand, \$0 thousand, \$5,221 thousand, and \$0 thousand, respectively.
- (c) The Group has no expected contributions to the defined benefit pension plan for the year ending December 31, 2024.

B. Defined contribution plans

- (a) Effective July 1, 2005, the Company established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) Pension benefits for employees of other overseas subsidiaries are provided in accordance with the local regulations.

(c) Pension expenses under the defined benefits plan for the three-month and the six-month periods ended June 30, 2025 and 2024 were \$2,974 thousand, \$1,241 thousand, \$4,189 thousand, and \$2,491 thousand, respectively.

(13) Share-based payment

A. For the six-month periods ended June 30, 2025 and 2024, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract Period	Vesting Conditions
Employee stock Options	2019.8.30	8,508	7 years	Note
Employee stock Options	2020.12.25	1,663	7 years	Note
Employee stock Options	2021.11.24	1,337	7 years	Note

Note: Employee stock options are 50% vested after 2 years of service, 75% vested after 3 years of service and 100% vested after 4 years of service.

B. The following table contains further details on the aforementioned share-based payment plan:

	2025		2024	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	2,465	\$12.12	4,455	\$12.10
Options exercised	(418)	11.46	(1,147)	12.11
Options adjustment	53	-	-	-
Options forfeited	(19)	-	(70)	-
Options outstanding at June 30	2,081	12.23	3,238	12.09
Options exercisable at June 30	1,878	\$12.39	2,507	\$12.39

- C. The expiry date and exercise price of stock options outstanding at the balance sheet date are as follows:

Issue date approved	Expiry date	June 30, 2025		December 31, 2024		June 30, 2024	
		No. of shares (in thousands)	Exercise price (in dollars)	No. of shares (in thousands)	Exercise price (in dollars)	No. of shares (in thousands)	Exercise price (in dollars)
2019.8.30	2026.8.29	1,589	\$12.60	1,599	\$12.60	2,076	\$12.60
2020.12.25	2027.12.24	194	11.45	587	11.45	697	11.45
2021.11.24	2028.11.23	298	10.80	279	10.80	465	10.80

- D. The fair value of stock options granted on August 30, 2019, December 25, 2020 and November 24, 2021 was measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected volatility (%)	Expected option life (Year)	Expected dividends (%)	Risk-free interest rate (%)	Fair value per unit (in dollars)
Employee stock options	2019.8.30	13.60	12.60	39.979~ 41.061%	3.25~ 4.375	-	0.522~ 0.543%	4.01~4.52
Employee stock options	2020.12.25	11.45	11.45	43.540~ 46.311%	3.25~ 4.375	-	0.177~ 0.197%	3.73~4.05
Employee stock options	2021.11.24	10.80	10.80	41.68%	4.875	-	0.46%	3.81~4.08

- E. For the three-month and the six-month periods ended June 30, 2025 and 2024, the compensation cost arising from employee stock options amounted to \$52 thousand, \$201 thousand, \$103 thousand, and \$401 thousand, of which \$0 thousand, \$0 thousand, \$0 thousand, and \$0 thousand, respectively, pertain to share-based payments paid to the employees of the parent company; and \$52 thousand, \$201 thousand, \$103 thousand, and \$401 thousand, respectively, pertain to compensation costs paid to the employees of the Company.
- F. On January 8, 2025 and August 16, 2024, the Company's parent company transferred treasury shares to employees of its subsidiaries, of which 262 thousand shares and 38 thousand shares, respectively, were granted to the employees of the Company at exercise prices of \$11.93 and \$11.87 (in dollars) per share. The Company recognized compensation cost of \$451 thousand arising from the aforementioned share-based payment arrangement for the year ended December 31, 2024. For the six-month periods ended June 30, 2025 and 2024, the compensation costs recognized were \$3,621 thousand and \$0 thousand, respectively.

(14) Share capital

- A. As of June 30, 2025, the Company's authorised capital was \$3,000,000, divided into 300,000 thousand shares of ordinary shares, each with a per value of \$10 (in dollar). The issued and paid-in capital was \$1,937,743 thousand. All proceeds on issued shares had been collected in full.

Movements in the number of the Company's ordinary shares (include advance receipts for share capital) outstanding are as follows:

	2025	2024
	No. of shares (in thousands)	No. of shares (in thousands)
January 1	193,357	191,635
Exercise of employee stock options	418	1,147
June 30	<u>193,775</u>	<u>192,782</u>

- B. For the six-month period ended June 30, 2025, the employees of the Company exercised a total of 418 thousand stock options and paid \$4,787 thousand to the Company. As of June 30, 2025, a total of 329 thousand shares amounting to \$3,285 thousand, had not yet been registered for capital increase and were therefore presented as "Advance receipts for share capital."
- C. To meet the Company's long-term business development needs, replenish working capital, and invest in projects beneficial to its operations, the shareholders, at their meeting on November 13, 2019, resolved to raise additional capital through a private placement of ordinary shares. On the same date, the Board of Directors resolved to set November 27, 2019 as the base date of the private placement, with a subscription price of \$13.44 per share. The private placement raised \$1,377,600 thousand in capital, which has been duly registered. Except that the ordinary shares issued through the private placement must comply with the Securities and Exchange Act before applying for public issuance and listing with the authority, the rights and obligations of these shares are the same as those of other issued ordinary shares.

(15) Capital surplus

- A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
- B. The overdue dividends unclaimed by shareholders shall be recognized as capital surplus in accordance with Order No. Jing-Shang-10602420200 issued in September 2017 by the Ministry of Economic Affairs, R.O.C.
- C. Movements in capital surplus were as follows:

	2025			
	Share premium	Employee stock options	Others	Total
At January 1	\$135,630	\$11,795	\$2,873	\$150,298
Share-based payment transactions	-	3,724	-	3,724
Employee stock options forfeited	(125)	125	-	-
Exercise of employee stock				
options	2,304	(1,695)	-	609
Others	(30)	-	-	(30)
At June 30	<u>\$137,779</u>	<u>\$13,949</u>	<u>\$2,873</u>	<u>\$154,601</u>

	2024			
	Share premium	Employee stock options	Others	Total
At January 1	\$123,780	\$19,082	\$2,901	\$145,763
Share-based payment transactions	-	401	-	401
Employee stock options forfeited	283	(283)	-	-
Exercise of employee stock	7,208	(4,918)	-	2,290
options				
Overdue dividends unclaimed by shareholders	-	-	(1)	(1)
At June 30	<u>\$131,271</u>	<u>\$14,282</u>	<u>\$2,900</u>	<u>\$148,453</u>

(16) Retained earnings (accumulated deficit)

- A. The current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. After that, special reserve shall be set aside or reversed in accordance with the related laws or the regulations made by the Competent Authority. The remainder, if any, along with the unappropriated earnings of prior years and current adjustments on unappropriated earnings shall be proposed by the Board of Directors based on actual needs. While, the appropriation of earnings shall be resolved by the shareholders if earnings are distributed by issuing new shares.
- B. If the Company distributed all or partial of appropriate dividend and bonus, capital surplus or the legal reserve in the form of cash, they should be resolved by a majority vote at a meeting of Board of Directors attended by two-third of the total number of the directors, and be reported to the shareholders. Abovementioned dividends distribution should consider factors of finance, business and operations to appropriate distributable earnings for the period. Cash dividends shall account for at least 10% of the total of cash and stock dividends distributed.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. On June 6, 2024, the shareholders at their annual meeting approved the deficit compensation for 2023. Since the Company had an accumulated deficit, there was no distributable retained earnings. The aforementioned deficit compensation was the same with that proposed by the Board of Directors on March 11, 2024.
- F. On May 29, 2025, the shareholders at their annual meeting approved the deficit compensation for 2024. Since the Company had an accumulated deficit, there was no distributable retained earnings. The aforementioned deficit compensation was the same with that proposed by the Board of Directors on March 11, 2025.

Information on the Company's deficit compensation as resolved by the shareholders and the Board of Directors are posted in the 'Market Observation Post System' at the website of the Taiwan Stock Exchange.

(17) Non-controlling interests

	For the six-month periods ended June 30	
	2025	2024
Beginning balance	\$-	\$-
Net loss attributable to non-controlling interests	(13,535)	-
Other comprehensive income attributable to non-controlling interests:		
Remeasurement of defined benefit plans	14	-
Exchange differences on translation	(28,664)	-
Acquisition of subsidiary interests	215,392	-
Ending balance	<u>\$173,207</u>	<u>\$-</u>

(18) Operating revenue

	For the three-month periods ended June 30	
	2025	2024
Revenue from contracts with customers	<u>\$1,568,405</u>	<u>\$99,613</u>

	For the six-month periods ended June 30	
	2025	2024
Revenue from contracts with customers	<u>\$1,748,281</u>	<u>\$159,478</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time in the following geographical regions:

	For the three-month periods ended June 30	
	2025	2024
Revenue from external customer contracts		
America	\$1,365,005	\$66,768
Asia	132,012	32,440
Other	71,388	405
Total	<u>\$1,568,405</u>	<u>\$99,613</u>

	For the six-month periods ended June 30	
	2025	2024
Revenue from external customer contracts		
America	\$1,482,546	\$66,768
Asia	183,379	92,305
Other	82,356	405
Total	<u>\$1,748,281</u>	<u>\$159,478</u>

B. Contract liabilities

The Group has recognized the following contract liabilities relating to revenue from contracts with customers:

	As of			
	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Contract liabilities:				
Contract liabilities – advance receipts	<u>\$15,102</u>	<u>\$6,362</u>	<u>\$4,191</u>	<u>\$4,191</u>

C. Revenue recognized that was included in the contract liabilities at the beginning of the period

	For the three-month periods ended June 30	
	2025	2024
Revenue from contracts with customers	<u>\$2,238</u>	<u>\$-</u>

	For the six-month periods ended June 30	
	2025	2024
Revenue from contracts with customers	<u>\$2,238</u>	<u>\$-</u>

(19) Other gains and losses

	For the three-month periods ended June 30	
	2025	2024
Gains (losses) on financial assets at fair value through profit or loss		
Convertible bonds	\$-	\$30,591
Accounts receivable factoring	(11,846)	-
Net foreign exchange (losses) gains	(57,591)	1,549
Others	(1,131)	-
Total	<u>\$(70,568)</u>	<u>\$32,140</u>

	For the six-month periods ended June 30	
	2025	2024
Gains (losses) on financial assets at fair value through profit or loss		
Convertible bonds	\$(6,244)	\$62,738
Accounts receivable factoring	(11,846)	-
Net foreign exchange (losses) gains	(52,450)	3,078
Others	(1,133)	-
Total	<u>\$(71,673)</u>	<u>\$65,816</u>

(20) Finance costs

	For the three-month periods ended June 30	
	2025	2024
Interest on borrowings (Note)	\$19,052	\$3,684
Interest on lease liabilities	1,200	33
Total	<u>\$20,252</u>	<u>\$3,717</u>

	For the six-month periods ended June 30	
	2025	2024
Interest on borrowings (Note)	\$25,274	\$7,033
Interest on lease liabilities	1,288	76
Total	<u>\$26,562</u>	<u>\$7,109</u>

Note: Mainly arose from current borrowings, short-term notes and bills payable and non-current borrowings.

(21) Expenses by nature

	For the three-month periods ended June 30	
	2025	2024
Employee benefit expenses	\$131,452	\$36,124
Depreciation expenses (Note)	18,349	3,694
Amortization of intangible assets	1,893	96
Total	<u>\$151,694</u>	<u>\$39,914</u>

	For the six-month periods ended June 30	
	2025	2024
Employee benefit expenses	\$157,632	\$61,363
Depreciation expenses (Note)	21,620	7,265
Amortization of intangible assets	1,955	545
Total	<u>\$181,207</u>	<u>\$69,173</u>

Note: Includes depreciation expenses on property, plant and equipment and right-of-use assets.

(22) Employee benefit expense

	For the three-month periods ended June 30	
	2025	2024
Wages and salaries	\$107,024	\$31,370
Labour and health insurance expenses	7,799	2,576
Pension expenses	8,195	1,241
Other personnel expenses	8,434	937
Total	<u>\$131,452</u>	<u>\$36,124</u>

	For the six-month periods ended June 30	
	2025	2024
Wages and salaries	\$129,003	\$52,342
Labour and health insurance expenses	9,898	4,699
Pension expenses	9,410	2,491
Other personnel expenses	9,321	1,831
Total	<u>\$157,632</u>	<u>\$61,363</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2% for employees and not be higher than 2% for directors and supervisors. However, if the Company has accumulated deficit, earnings should first be reserved to cover accumulated deficit.
- B. Due to the accumulated deficit, no employees' compensation and directors' and supervisors' remuneration was estimated and accrued for the three-month and six-month periods ended June 30, 2025 and 2024.
- C. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Income tax expense

Components of income tax expense:

	For the three-month periods ended June 30	
	2025	2024
Current tax:		
Current income tax charge	\$572	\$-
Adjustments in respect of current income tax of prior periods	40,848	-
Others	(45,149)	-
	<u>(3,729)</u>	<u>-</u>
Deferred tax:		
Deferred tax expense relating to origination and reversal of temporary differences	11,017	-
Deferred tax expense relating to origination and reversal of tax loss and tax credit	9,113	-
	<u>20,130</u>	<u>-</u>
Income tax expense	<u>\$16,401</u>	<u>\$-</u>

	For the six-month periods ended June 30	
	2025	2024
Current tax:		
Current income tax charge	\$572	\$-
Adjustments in respect of current income tax of prior periods	40,848	-
Others	(45,149)	-
	<u>(3,729)</u>	<u>-</u>
Deferred tax:		
Deferred tax expense relating to origination and reversal of temporary differences	11,017	-
Deferred tax expense relating to origination and reversal of tax loss and tax credit	9,113	-
	<u>20,130</u>	<u>-</u>
Income tax expense	<u>\$16,401</u>	<u>\$-</u>

B. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(24) Loss per share

	Three months ended June 30, 2025		
	Amount after tax	Number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss attributable to ordinary shareholders of the parent	<u>\$(262,270)</u>	<u>193,449</u>	<u>\$(1.36)</u>
	Three months ended June 30, 2024		
	Amount after tax	Number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss attributable to ordinary shareholders of the parent	<u>\$(48,352)</u>	<u>192,632</u>	<u>\$(0.25)</u>

Six months ended June 30, 2025		
Amount after tax	Number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic loss per share		
Loss attributable to ordinary shareholders of the parent	193,074	\$(1.93)
\$(373,259)		
Six months ended June 30, 2024		
Amount after tax	Number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic loss per share		
Loss attributable to ordinary shareholders of the parent	192,394	\$(0.27)
\$(51,790)		

Note: Since the Company incurred a net loss for this period, there was no dilutive effect.

(25) Business combination

Acquisition of Superhero Patterns, Inc. and its Subsidiaries (SPI. Group)

On April 22, 2025, the Group obtained investment approval from the regulatory authority in South Korea for the conversion of financial assets previously classified as “Financial assets at fair value through profit or loss – current” in the amount of KRW 54,990,000 thousand (equivalent to approximately \$1,381,840 thousand) into a 99.79% equity interest in SPI. Group. As a result of this transaction, the Group obtained control over SPI. Group, and the equity transfer has been completed. Accordingly, SPI. Group and its subsidiaries have been included in the consolidated financial statements starting from the acquisition date.

The carrying amount of the assets and liabilities of SPI. Group and its subsidiaries as of the acquisition date are as follows:

	<u>Carrying Amount</u>
Cash and cash equivalents	\$385,470
Accounts receivable	2,877,034
Other receivables	14,975
Current tax assets	773
Inventory	2,242,808
Prepayments	39,853
Property, plant and equipment	98,003
Right-of-use assets	87,104
Intangible assets	935,441
Deferred tax assets	54,567
Guarantee deposits paid	34,658
Short-term borrowings	(1,078,481)
Accounts payable	(3,708,269)
Other payables	(173,125)
Current tax liabilities	(29,097)
Lease liabilities – current	(42,903)
Long-term liabilities – current portion	(206,908)
Other current liabilities, others	(3,012)
Long-term borrowings	(56,321)
Deferred tax liabilities	(60,926)
Lease liabilities – non-current	(45,437)
Net defined benefit liabilities – non-current	(28,959)
Net assets	<u>1,337,248</u>
Less: Non-controlling interests	<u>(212,984)</u>
Net assets attributable to SPI. Group	1,124,264
Ownership percentage	99.79%
Net assets attributable to the Group	<u><u>\$1,121,903</u></u>
	<u>Carry Amount</u>
Consideration transferred	\$1,381,840
Less: Net assets attributable to SPI. Group	<u>(1,121,903)</u>
Goodwill	<u><u>\$259,937</u></u>

The net asset recognized in the financial statements as of April 22, 2025, was based on a provisional fair value assessment. The Group has engaged an independent valuation appraiser for the assets acquired from SPI. Group and its subsidiaries; however, the valuation results were not yet available as of the date the Group's interim financial statements for the six-month period ended June 30, 2025 were authorized for issuance by management.

The Group included SPI. Group and its subsidiaries in the consolidated financial statements on April 22, 2025. They contributed revenue and loss before tax in the amount of \$1,370,870 thousand and \$(40,117) thousand, respectively. Had SPI. Group and its subsidiaries been included in the consolidated financial statements on January 1, 2025, the Group's revenue and loss before tax would have been \$4,056,802 thousand and \$ (434,209) thousand, respectively.

(26) Supplemental cash flow information

	For the six-month periods ended June 30	
	2025	2024
Purchase of property, plant and equipment	\$2,670	\$1,716
Add: Beginning balance of payables on equipment	1,382	3,942
Less: Ending balance of payables on equipment	-	(143)
Cash paid during the period	<u>\$4,052</u>	<u>\$5,515</u>

(27) Changes in liabilities from financing activities

For the six-month period ended June 30, 2025:

	Short-term notes		Lease liabilities	Long-term	Total liabilities from financing activities
	Short-term borrowings	and bills payable		borrowings (including current portion)	
As of January 1, 2025	\$901,952	\$150,000	\$2,120	\$-	\$1,054,072
Cash flows	(293,492)	-	(10,936)	157,772	(146,656)
Non-cash changes	1,078,481	-	108,850	263,229	1,450,560
Foreign exchange movement	(75,566)	-	(1,579)	(7,443)	(84,588)
As of June 30, 2025	<u>\$1,611,375</u>	<u>\$150,000</u>	<u>\$98,455</u>	<u>\$413,558</u>	<u>\$2,273,388</u>

For the six-month period ended June 30, 2024:

	Short-term notes		Lease liabilities	Long-term	Total liabilities from financing activities
	Short-term borrowings	and bills payable		borrowings (including current portion)	
As of January 1, 2024	\$430,000	\$100,000	\$9,592	\$-	\$539,592
Cash flows	264,000	(100,000)	(3,827)	-	160,173
Non-cash changes	-	-	-	-	-
As of June 30, 2024	<u>\$694,000</u>	<u>\$-</u>	<u>\$5,765</u>	<u>\$-</u>	<u>\$699,765</u>

7. Related Party Transactions

The related parties that had transactions with the Group during the reporting period are as follows:

A. Names of related parties and relationship

Names of related parties	Relationship with the Group
Kinpo Electronics, Inc.	Parent company
Cal-Comp Electronics & Communications Co., Ltd.	Affiliated company
Cal-Comp Electronics (Thailand) Public Company Limited	Affiliated company
SaveCom International Inc.	Substantial related company
Compal Electronics, Inc. and its subsidiaries	Substantial related company
SPI. Group(Note)	Substantial related company

Note: SPI. Group become a subsidiary of the Group from April 23, 2025. Please refer to Note 4(3) and 6(25).

B. Significant transactions with related parties

(1) Operating revenue

	For the three-month periods ended June 30	
	2025	2024
SPI. Group	\$2,626	\$-

	For the six-month periods ended June 30	
	2025	2024
SPI. Group	\$17,603	\$-

(2) Purchases

	For the three-month periods ended June 30	
	2025	2024
Cal-Comp Electronics (Thailand) Public Company Limited	\$160,979	\$69,054

	For the six-month periods ended June 30	
	2025	2024
Cal-Comp Electronics (Thailand) Public Company Limited	\$347,380	\$91,534

Except for those with no similar transactions for reference and the prices and payment terms are determined by negotiations between both parties, the Group makes purchases from the aforementioned related parties at the prevailing market price. The payment terms are 1-4 months to third parties and 3-4 months to related parties.

(3) Operating Expenses

	<u>For the three-month periods ended June 30</u>	
	<u>2025</u>	<u>2024</u>
Human support service fee: Cal-Comp Electronics & Communications Co., Ltd.	<u>\$230</u>	<u>\$1,125</u>
	<u>For the six-month periods ended June 30</u>	
	<u>2025</u>	<u>2024</u>
Human support service fee: Cal-Comp Electronics & Communications Co., Ltd.	<u>\$1,051</u>	<u>\$2,370</u>

(4) Accounts receivable:

	<u>June 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>June 30,</u> <u>2024</u>
Cal-Comp Electronics (Thailand) Public Company Limited	\$1,097,346	\$-	\$-
SPI. Group	-	40,819	-
Total	<u>\$1,097,346</u>	<u>\$40,819</u>	<u>\$-</u>

(5) Other receivables:

	<u>June 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>June 30,</u> <u>2024</u>
Receivables from raw materials purchases on behalf of others: Cal-Comp Electronics (Thailand) Public Company Limited	<u>\$175,883</u>	<u>\$126,224</u>	<u>\$8,541</u>

Other receivables arise mainly from raw materials purchases on behalf of others and are due 45 days after the date of delivery. The receivables are non-interest bearing.

(6) Payables to related parties

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Account Payables – related parties			
Cal-Comp Electronics (Thailand) Public Company Limited	<u>\$2,706,400</u>	<u>\$201,097</u>	<u>\$84,387</u>

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Account Payables – related parties			
Kinpo Electronics, Inc.	\$91	\$4	\$9
Cal-Comp Electronics (Thailand) Public Company Limited	5,362	1,817	1,713
Others	-	932	1,129
Subtotal	<u>5,362</u>	<u>2,749</u>	<u>2,842</u>
Total	<u>\$5,453</u>	<u>\$2,753</u>	<u>\$2,851</u>

Accounts payable arise mainly from purchase transactions and are due 90 to 120 days after the date of purchase. The payables are non-interest bearing.

Receivables and payables arising from purchases on behalf of related parties were offset as it meets the criteria for derecognition and offsetting of financial assets and financial liabilities, and the net amounts were \$0 thousand, \$3,042,585 thousand and \$3,810,566 thousand as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

(7) Lease transactions – lessee

The Group leases warehouse and equipment from parent company. Rental contracts are typically made for periods of 2 years. Rents are paid at the end of every year.

Lease liabilities:

(a) Outstanding balance:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Parent company	<u>\$936</u>	<u>\$2,120</u>	<u>\$3,352</u>

(b) Interest expenses:

	For the three-month periods ended June 30	
	2025	2024
Parent company	\$5	\$19

	For the six-month periods ended June 30	
	2025	2024
Parent company	\$14	\$40

Key management compensation:

	For the three-month periods ended June 30	
	2025	2024
Salaries and other short-term employee benefits	\$6,848	\$2,981
Post-employment benefits	636	54
	<u>\$7,484</u>	<u>\$3,035</u>

	For the six-month periods ended June 30	
	2025	2024
Salaries and other short-term employee benefits	\$11,486	\$9,193
Post-employment benefits	690	108
	<u>\$12,176</u>	<u>\$9,301</u>

8. Pledged Assets

The Group's assets pledged as collateral were as follows:

Pledged asset	Carrying value			Purpose
	June 30, 2025	December 31, 2024	June 30, 2024	
Pledged demand deposits (shown as other current assets)	\$7,078	\$12,108	\$12,068	Collateral for bank borrowings
Inventory	226,934	-	-	Collateral for bank borrowings
Total	<u>\$234,012</u>	<u>\$12,108</u>	<u>\$12,068</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

None.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital risk management

There was no significant change in current period. Refer to Note 12 in the consolidated financial statements for the year ended December 31, 2024.

(2) Financial instruments

A. Financial instruments by category

Financial Assets

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets at fair value through profit or loss	\$-	\$1,388,084	\$1,613,208
Financial assets measured at amortized cost:			
Cash and cash equivalents (excluding petty cash and revolving funds)	753,920	324,585	114,048
Accounts receivable (including related parties)	2,718,085	197,612	151,393
Other receivables (including related parties)	220,059	128,699	11,421
Guarantee deposits paid	35,193	1,321	1,322
	<u>\$3,727,257</u>	<u>\$2,040,301</u>	<u>\$1,891,392</u>

Financial Liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Financial liabilities measured at amortized cost:			
Short-term borrowings	\$1,611,375	\$901,952	\$694,000
Short-term notes and bills payable	150,000	150,000	-
Accounts payable (including related parties)	3,925,188	225,188	187,952
Other payables (including related parties)	210,761	68,439	46,713
Long-term borrowings (including current portion)	413,558	-	-
Lease liabilities (including non-current)	98,455	2,120	5,765
	<u>\$6,409,337</u>	<u>\$1,347,699</u>	<u>\$934,430</u>

B. Financial risk management policies

There was no significant change in current period. Refer to Note 12 in the consolidated financial statements for the year ended December 31, 2024.

C. Information on Foreign Currency Financial Assets and Liabilities with Material Impact

(a) Market risk

The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD . Exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

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

(Foreign Currency : Functional Currency)					
As of June 30, 2025					
	Foreign Currency (in thousands)	Exchange Rate	Carrying value(NTD)	Sensitivity analysis Extent of variation	Effect on profit or loss
<u>Financial assets</u>					
<u>Monetary items</u>					
	USD : NTD	\$19,631	29.15	\$572,322	1% \$5,723
	JPY : NTD	\$1,289,168	0.2023	\$260,799	1% \$2,608

As of June 30, 2025					
Foreign Currency (in thousands)	Exchange Rate	Carrying value(NTD)	Sensitivity analysis		
			Extent of variation	Effect on profit or loss	
<u>Financial Liabilities</u>					
<u>Monetary items</u>					
USD : NTD	\$10,757	29.15	\$313,610	1%	\$3,136
JPY : NTD	\$479,542	0.2023	\$97,011	1%	\$970
(Foreign Currency : Functional Currency)					
As of December 31, 2024					
Foreign Currency (in thousands)	Exchange Rate	Carrying value(NTD)	Sensitivity analysis		
			Extent of variation	Effect on profit or loss	
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	\$16,833	32.77	\$551,617	1%	\$5,516
<u>Financial Liabilities</u>					
<u>Monetary items</u>					
USD : NTD	\$7,303	32.77	\$239,319	1%	\$2,393
(Foreign Currency : Functional Currency)					
As of June 30, 2024					
Foreign Currency (in thousands)	Exchange Rate	Carrying value(NTD)	Sensitivity analysis		
			Extent of variation	Effect on profit or loss	
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	\$5,705	32.45	\$185,127	1%	\$1,851
<u>Financial Liabilities</u>					
<u>Monetary items</u>					
USD : NTD	\$6,011	32.45	\$195,057	1%	\$1,951

The total exchange gain (losses) arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and six-month periods ended June 30, 2025 and 2024, amounted to \$(57,591) thousand, \$1,549 thousand, \$(52,450) thousand, and \$3,078 thousand respectively.

The Group's foreign currency transactions were denominated in multiple currency; therefore, the information of the foreign exchange gains (losses) of monetary assets and liabilities denominated by each currency was not applicable for disclosure.

(b) Price risk

The Group's investments in equity securities comprise hybrid instruments issued by the foreign enterprise. The prices of hybrid instruments would change due to the change of the future value of investee companies. If the prices of these hybrid instruments had increased/decreased by 1% with all other variables held constant, post-tax profit for the six-month periods ended June 30, 2025 and 2024 would have increased/decreased by \$0 thousand and \$16,132 thousand, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

(c) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During June 30, 2025 and 2024, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars.

If the borrowing interest rate of New Taiwan dollars had increased/decreased by 0.25% (one basis point) with all other variables held constant, profit, net of tax for the six-month periods ended June 30, 2025 and 2024 would have decreased/increased by \$2,719 thousand and \$1,388 thousand, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(d) Credit risk

Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only banks with good credit and financial institutions with sufficient investment grades or above are deemed acceptable for investing. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

The Group assesses expected credit loss on individual significant defaulted accounts receivable, and classifies remaining customers' accounts receivable in accordance with characteristics of customer types. The Group applies different loss rate methodology or provision matrix as basis to estimate expected credit loss on different groups.

The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. According to abovementioned consideration and information, the Group does not expect any significant default possibility of accounts receivable.

The Group considers the grouping of notes receivable and accounts receivable by counterparties' credit rating, by geographical region and by industry sector. Based on the historical credit loss experience, different customer groups do not have significantly different loss patterns. Therefore, the loss allowance is measured by using a provision matrix without distinguishing the sectors. The details as of June 30, 2025, December 31, 2024 and June 30, 2024 are as follows:

	<u>Not past due</u>	<u>Up to 90 days</u>	<u>Over 90 days</u>	<u>Total</u>
<u>June 30, 2025</u>				
Expected loss rate	0.0625%	0.0625%	0.0625%	
Total carrying value	\$1,947,431	\$639,909	\$130,885	\$2,718,225
Loss allowance	\$(139)	\$-	\$(1)	\$(140)

	<u>Not past due</u>	<u>Up to 90 days</u>	<u>Over 90 days</u>	<u>Total</u>
<u>December 31, 2024</u>				
Expected loss rate	0.0625%	0.0625%	0.0625%	
Total carrying value	\$178,452	\$19,284	\$-	\$197,736
Loss allowance	\$(112)	\$(12)	\$-	\$(124)

	<u>Not past due</u>	<u>Up to 90 days</u>	<u>Over 90 days</u>	<u>Total</u>
<u>June 30, 2024</u>				
Expected loss rate	0.0625%	0.0625%	0.0625%	
Total carrying value	\$111,734	\$39,754	\$-	\$151,488
Loss allowance	\$(70)	\$(25)	\$-	\$(95)

Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	<u>2025</u>	<u>2024</u>
At January 1	\$124	\$87
Provision for impairment	40,254	8
Acquired through business combination	39	-
Reclassified to other receivables	(40,277)	-
At June 30	<u>\$140</u>	<u>\$95</u>

(e) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements, for example, currency restrictions. As of August 13, 2025, the Group's unused credit lines amounted to \$1,585,673 thousand.

The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities.

Except as set out below, as of June 30, 2025, December 31, 2024 and June 30, 2024, the Group's non-derivative financial liabilities (including short-term borrowings, accounts payable, other payables and other current liabilities, others) were due within 1 year.

June 30, 2025	Less than 1 year	Over 1 year	Total
Non-derivative financial liabilities			
Lease liability	\$55,095	\$50,016	\$105,111
Long-term borrowings	\$285,104	\$143,754	\$428,858
December 31, 2024	Less than 1 year	Over 1 year	Total
Non-derivative financial liabilities			
Lease liability	\$2,136	\$-	\$2,136
June 30, 2024	Less than 1 year	Over 1 year	Total
Non-derivative financial liabilities			
Lease liability	\$4,941	\$877	\$5,818

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The Group's financial assets at fair value through profit or loss were classified within Level 3.

B. The carrying amounts of the Group's financial instruments not measured at fair value-including cash and cash equivalents, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, short-term notes and bills payable, accounts payable and other payables approximate equal to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities as of June 30, 2025, December 31, 2024 and June 30, 2024, is as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

As of June 30, 2025: No such circumstances.

As of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss – Convertible bonds	\$-	\$-	\$1,388,084	\$1,388,084

As of June 30, 2024:

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss – Convertible bonds	\$-	\$-	\$1,613,208	\$1,613,208

- (b) The fair values of the convertible bonds as of June 30, 2025, December 31, 2024 and June 30, 2024 were measured using a binomial model (one of the lattice models). Key assumptions were as follows:

As of June 30, 2025: No such circumstances.

	Fair value at December 31, 2024	Expected duration	Risk-free rate of interest	Expected price volatility (%)
Convertible bonds	\$1,388,084	-	2.76%	43.91%
	Fair value at June 30, 2024	Expected duration	Risk-free rate of interest	Expected price volatility (%)
Convertible bonds	\$1,613,208	0.49 years	3.33%	44.70%

D. For the six-month periods ended June 30, 2025 and 2024, there were no transfers between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the six-month period ended June 30, 2025 and 2024:

	Six-month period ended June 30,	
	2025	2024
	Hybrid instrument	Hybrid instrument
At January 1	\$1,388,084	\$1,550,470
Conversion exercised	(1,381,840)	-
(Losses) gains recognized in profit or loss	(6,244)	62,738
At June 30	\$-	\$1,613,208

F. For the six-month periods ended June 30, 2025 and 2024, there were no transfer into or out from Level 3.

G. The Group's fair value measurements categorised within Level 3 is valued through outsourced appraisal performed by the external valuer.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

As of June 30, 2025: No such circumstances.

As of December 31, 2024:

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Hybrid instrument: Convertible bonds	\$1,388,084	Binomial Model (lattice)	Long-term income before taxes weighted average cost of capital	14.79%	The higher the long-term income before taxes and weighted average cost of capital, the higher the fair value; The higher the lack of marketability discount, the lower the fair value.

As of June 30, 2024:

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Hybrid instrument: Convertible bonds	\$1,613,208	Binomial Model (lattice)	Long-term income before taxes weighted average cost of capital	14.02%	The higher the long-term income before taxes and weighted average cost of capital, the higher the fair value; The higher the lack of marketability discount, the lower the fair value.

I. The Group has carefully assessed the valuation models and assumptions used by external valuer to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

As of June 30, 2025: No such circumstances.

		December 31, 2024		
		Recognised in profit or loss		
		Favourable	Unfavourable	
		change	change	
	Input	Change		
Financial assets	Long-term income before taxes			
Convertible bonds	weighted average cost of capital	±1%	\$13,881	\$(13,881)

		June 30, 2024		
		Recognised in profit or loss		
		Favourable	Unfavourable	
		change	change	
	Input	Change		
Financial assets	Long-term income before taxes			
Convertible bonds	weighted average cost of capital	±1%	\$16,132	\$(16,132)

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at period-end (not including subsidiaries, associates and joint ventures): None.

D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 2.

E. Receivables from related parties amounting to \$100 million or 20% of paid-in capital or more: Please refer to table 3.

F. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. Segment Information

(1) General information

The Group operates business only in a single industry. The chief operating decision-maker who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Reconciliation for segment income (loss)

The revenue from external customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income. No reconciliation is needed as the Group's reportable segment income (loss) is the income (loss) before tax.

Table 1: Financings provided to others

(Unit: thousands of NTD/ foreign currency)

No. <Note1>	Financing Company	Related Party	Financial Statement Account	Related Party	Maximum Balance for the period	Ending Balance (Passed by the Board of Directors)	Amount Acutally Drawn	Interest rate	Nature of Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits
													Item	Value		
1	HUMAX Networks, Inc.	Superhero Patterns, Inc.	Other Receivables – Related Parties & Long-term Receivables – Related Parties	Yes	KRW 16,600,000 (375,160)	KRW 16,600,000 (356,795)	KRW 15,600,000 (335,301)	4.6%	2	-	Need for operating	-	-	-	\$419,541	\$839,083
1	HUMAX Networks, Inc.	HUMAX Networks (Thailand) Co., Ltd.	Other Receivables – Related Parties	Yes	USD 500 (16,060)	USD 500 (14,577)	USD 200 (5,831)	4.6%	2	-	Need for operating	-	-	-	419,541	839,083

<Note1> The numbers filled in for the financings provided by the group or subsidiaries are as follows:
1. The Company is "0".
2. The subsidiaries are numbered in order starting from "1".

Table 2: Total purchases from or sales to related parties of at least NTD 100 million or 20% of the paid-in capital

(Unit: thousands of NTD)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction Terms Different From Regular Transactions		Notes/Accounts Receivable (Payable)		Remark
			Purchase /Sales	Amount	% to Total	Payment Term	Unit Price	Payment Term	Ending Balance	% to Total	
CastleNet Technology Inc.	Cal-Comp Electronics (Thailand) Public Company Limited	Affiliated company	Purchases	\$347,380	65.03%	About 90~120 days	Similar to general terms and conditions	About 90~120 days	(\$222,924)	83.05%	
HUMAX Networks, Inc.	HUMAX Networks (USA) Inc.	Subsidiary	Sales	3,003,447	2.17%	About 240 days	Similar to general terms and conditions	About 240 days	1,956,204	1.32%	
HUMAX Networks, Inc.	HUMAX Networks Japan Co., Ltd.	Subsidiary	Sales	146,404	0.11%	About 90 days	Similar to general terms and conditions	About 90 days	96,211	0.06%	

Table 3: Receivables due from related parties amounting to at least NTD 100 million or 20% of the paid-in capital

(Unit: thousands of NTD/ foreign currency)

Company Name	Related Party	Nature of Relationship	Financial Statement Account	Ending Balance	Turover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
							Subsequent Receipts		
HUMAX Networks, Inc.	Cal-Comp Electronics (Thailand) Public Company Limited HUMAX Networks (USA) Inc.	Same parent company Subsidiary	Accounts receivable – related parties	\$1,097,346	-	\$448,451	-	\$273,894	\$-
HUMAX Networks, Inc.			Accounts receivable – related parties	1,956,204	2.07	-	-	-	-

(Unit: thousands of NTD/ foreign currency)

Table 4: Significant intercompany transactions between consolidated entities

No. <Note1>	Company Name	Counter-party	Nature of Relationship <Note2>	Intercompany Transactions			
				Financial Statement Account	Amount <Note3>	Terms	Percentage of Consolidated Net Revenue or Total Assets <Note4>
1	HUMAX Networks, Inc.	CastleNet Technology Inc.	2	Accounts payable – related parties	\$2,509,440	Similar to general terms and conditions	32.02%

<Note1> The numbers filled in represent:

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

<Note2> The following lists the three types of intercompany transactions (one transaction between parent company and subsidiary or between subsidiaries could be disclosed only once.)

- (1) Transactions from parent company to subsidiary is "1".
- (2) Transactions from subsidiary to parent company is "2".
- (3) Transactions between subsidiaries is "3".

<Note3> Disclosure is limited to related party transactions amounting to NT\$100 million or more, or representing 20% or more of the paid-in capital.

<Note4> The calculation of the transaction amount as a percentage of consolidated total revenue or total assets is based on the nature of the item. For balance sheet items, the percentage is calculated using the ending balance over consolidated total assets. For income statement items, the percentage is calculated using the year-to-date accumulated amount over consolidated total revenue. However, such related party transactions have been eliminated in the preparation of the consolidated financial statements.

Table 5: Names, locations and related information of investees over which the company exercises significant influence (not including information on investments in Mainland China)

(Unit: thousands of NTD)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		Balance at The End of Period			Net Income (Losses) of The Investee	Share of Profits (Losses) of Investee	Nature of Relationship
				Ending balance	Beginning balance	Number of shares	Ownership (%)	Book value			
CastleNet Technology Inc.	CastleNet Technology (BVI) Inc.	British Virgin Islands	Investment holdings	\$302,692	\$302,692	8,708	100.00%	\$39,253	\$345	\$345	Subsidiary
CastleNet Technology Inc.	Superhero Patterns, Inc.	South Korea	Investment holdings	1,381,840	-	54,990,000	99.79%	952,526	(165,839)	(54,635)	Subsidiary
Superhero Patterns, Inc.	HUMAX Networks, Inc.	South Korea	Sales of Broadcasting and Network Communication Equipment	1,156,046	-	5,355,000	80.62%	1,156,046	(140,299)	Note1	Sub-subsiidiary
HUMAX Networks, Inc.	HUMAX Networks (USA) Inc.	USA	Sales of Broadcasting and Network Communication Equipment	19,337	-	700,000	100.00%	(100,604)	(35,757)	Note1	Sub-subsiidiary
HUMAX Networks, Inc.	HUMAX Networks (Japan) Co., Ltd	Japan	Sales of Broadcasting and Network Communication Equipment	5,809	-	110,000	100.00%	25,902	(2,000)	Note1	Sub-subsiidiary
HUMAX Networks, Inc.	HUMAX Networks (Thailand) Co., Ltd.	Thailand	Sales of Broadcasting and Network Communication Equipment	4,592	-	50,000	49.00%	(3,832)	(288)	Note1	Sub-subsiidiary
HUMAX Networks, Inc.	HUMAX Networks GmbH	Germany	Sales of Broadcasting and Network Communication Equipment	25,902	-	25,000	100.00%	3,076	(10,405)	Note1	Sub-subsiidiary
HUMAX Networks, Inc.	HUMAX Networks India Private Limited	India	Sales of Broadcasting and Network Communication Equipment	3,525	-	1,000,000	100.00%	3,412	-	Note1	Sub-subsiidiary

Note 1: The share of profits (losses) of investee have already been included in the net income of the investor company. We decided not to further disclose in case of causing confusion.

Table 6 :Information on investments in Mainland China

(Unit: thousands of NTD/ foreign currency)

Investee company	Main business and products	Total Amount of Paid-in Capital (Note 1)	Method of investment (Note 2)	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 (Loss) of the Investee Company	Percentage of Ownership	Investment gains or losses recognized in the current period (Note 3)	Carrying Amount as of June 30, 2025	Accumulated Inward Remittance of Earnings as of June 30, 2025
					Outflow	Inflow						
CastleNet Technology Inc. - Kunshan	Manufacture and design of broadband communication products such as modem	USD 7,500 (218,655)	2	USD 7,500 (218,655)	\$-	\$-	USD 7,500 (218,655)	USD 6 (196)	100.00%	USD 6 (196)	USD 1,100 (32,060)	\$-

Company Name	Accumulated Investment in Mainland China as of June 30, 2025	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit of Investment (in thousands)
CastleNet Technology Inc. - Kunshan	USD 7,500 (218,655)	USD 7,500 (218,655)	\$652,693

Note 1: The numbers in this table are expressed in New Taiwan Dollars. For the amounts denominated in foreign currencies are translated into New Taiwan dollars at the exchange rate used in financial statements.

Note 2: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through establishing CastleNet Technology (BVI) Inc. in the third area, which then invested in the investee in Mainland China.
- (3) Others.

Note 3: The investment income (loss) was recognised based on the financial statements for the six-month period ended June 30, 2025 reviewed by independent auditors.