

**D-LINK CORPORATION****Parent Company Only Financial Statements****With Independent Auditors' Report  
For the Years Ended December 31, 2025 and 2024**

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

## Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Report	3
4. Balance Sheets	4
5. Statements of Comprehensive Income	5
6. Statements of Changes in Equity	6
7. Statements of Cash Flows	7
8. Notes to the Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the financial statements	8
(3) New standards, amendments and interpretations adopted	8~10
(4) Summary of material accounting policies	10~28
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	28~29
(6) Explanation of significant accounts	29~66
(7) Related-party transactions	67~73
(8) Pledged assets	74
(9) Commitments and contingencies	74
(10) Losses Due to Major Disasters	74
(11) Subsequent Events	74
(12) Other	75
(13) Other disclosures	
(a) Information on significant transactions	76~79
(b) Information on investees	79~82
(c) Information on investment in mainland China	82~83
(14) Segment information	83
9. List of major account titles	84~100



安侯建業聯合會計師事務所  
KPMG

台北市110615信義路5段7號68樓(台北101大樓)  
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,  
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666  
傳真 Fax + 886 2 8101 6667  
網址 Web kpmg.com/tw

## Independent Auditors' Report

To the Board of Directors of D-Link Corporation:

### Opinion

We have audited the financial statements of D-Link Corporation("the Company"), which comprise the balance sheets as of December 31, 2025 and 2024, the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of another auditor (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years ended December 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the report of another auditor, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Other Matter

We did not audit the financial statements of D-Link International Ptd. Ltd.、D-Link (Europe) Ltd. and D-Link Middle East FZE, subsidiaries of the Company as of and for the years ended December 31, 2025 and 2024. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for above subsidiaries, is based solely on the report of other auditors. Investments accounted for using equity method of above subsidiaries reflect the total assets of \$1,193,998 thousand and \$2,810,725 thousand, constituting 10% and 22%, of the total assets at December 31, 2025 and 2024, respectively. Besides, the share of profit (loss) of subsidiaries accounted for using equity method of \$(715,355) thousand and \$(349,555) thousand, constituting 131% and (600)%, of the net (loss) profit before tax for the years ended December 31, 2025 and 2024, respectively.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 1. Evaluation of investments accounted for using equity method

Please refer to Note 4(h) “Summary of significant accounting policies – Investment in associates”, Note 4(i) “Summary of significant accounting policies – Investment in subsidiaries”, and Note 6(e) “Explanation of significant accounts - Investments accounted for using equity methods” of the parent-company-only financial statements.

#### Key Audit Matter Explanation:

Investments accounted for using equity method is a material asset to the Company and is significant in its financial statements, with a carrying amount amounting to \$6,661,113 thousand as of December 31, 2025. Therefore, it has been identified as the key matter in our audit.

#### How the matter was addressed in our audit:

Our principal audit procedures included: Communicating with other auditors who audited the financial statements of the associates and subsidiaries of the Company including issuing group audit instruction to subsidiaries and associates, and obtaining the financial statements audited by other auditors. Another auditors performing audit procedures on inventories, accounts receivable and revenue, such as inventory evaluation, as well as reviewing the correctness of value and timing of revenue recognition, reviewing and evaluating the reasonableness of main operation changes of the investments; comparing the financial statements of the Company’s investments accounted for using equity method with the group reporting information provided by other auditors, and issuing confirmation letters; as well as considering the adequacy of company’s disclosures on its accounts.

### 2. Revenue recognition

Please refer to Note 4(q) for accounting policy of revenue recognition and Note 6(s) for sales details of the financial statements.

#### Key Audit Matter Explanation:

The Company sells internet related products and services, and aims to offer high-quality internet solution proposals to global consumers and enterprises. Revenue is the key performance indicator to evaluate the Company's performance, and thus, needs significant attention in our audit.

#### How the matter was addressed in our audit:

We tested the effectiveness of the Company’s controls surrounding revenue recognition; reviewed relevant sales documents to evaluate whether terms of sales are consistent with the accounting standards; analyzed and compared the changes in sales to major customers to assess the reasonableness of revenue recognition.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Mei, Yuan-Chen and Chang, Stu-Ying.

KPMG

Taipei, Taiwan (Republic of China)  
March 10, 2026

#### **Notes to Readers**

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

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**D-LINK CORPORATION****Balance Sheets****December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

Assets		December 31, 2025		December 31, 2024		Liabilities and Equity		December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (notes 6(a) and (w))	\$ 702,619	6	976,025	8	2100	Short-term borrowings (notes 6(k), (w) and 7)	\$ 980,224	9	768,297	6
1110	Financial assets at fair value through profit or loss — current (notes 6(b) and (w))	68,023	-	8,802	-	2120	Financial liabilities at fair value through profit or loss — current (notes 6(b) and (w))	3,582	-	2,910	-
1150	Notes receivable, net (notes 6(c) and (w))	1,113	-	11,748	-	2130	Contract liabilities — current (notes 6(s) and 7)	27,075	-	34,725	-
1170	Accounts receivable, net (notes 6(c) and (w))	90,248	1	79,462	-	2150	Notes payable (note 6(w))	-	-	575	-
1180	Accounts receivable due from related parties, net (notes 6(c), (w) and 7)	1,151,049	10	886,588	7	2170	Accounts payable (note 6(w))	420,678	4	557,115	4
1200	Other receivables (notes 6(c), (w) and 7)	28,784	-	115,220	1	2180	Accounts payable to related parties (notes 6(w) and 7)	364,961	3	441,841	4
1220	Current tax assets	4,326	-	2,442	-	2200	Other payables (notes 6(w) and 7)	259,246	2	289,749	2
130X	Inventories (note 6(d))	327,595	3	266,128	2	2250	Provisions — current (note 6(m))	137,195	1	94,470	1
1410	Other current assets (note 7)	40,754	-	100,122	1	2280	Lease liabilities-current (notes 6(l) and (w))	477	-	40	-
		<u>2,414,511</u>	<u>20</u>	<u>2,446,537</u>	<u>19</u>	2300	Other current liabilities	31,307	-	51,515	1
						2365	Refund liability-current (note 6(n))	18,301	-	17,243	-
								<u>2,243,046</u>	<u>19</u>	<u>2,258,480</u>	<u>18</u>
<b>Non-current assets:</b>						<b>Non-Current liabilities:</b>					
1510	Financial assets at fair value through profit or loss — non-current (notes 6(b) and (w))	653,385	6	249,750	2	2542	Other long-term borrowings (notes 6(k), (w) and 7)	329,910	3	639,230	5
1518	Financial assets at fair value through other comprehensive income — non-current (notes 6(b) and (w))	42,000	-	56,595	-	2570	Deferred tax liabilities (note 6(p))	46,031	-	45,632	-
1550	Investments accounted for using equity method (notes 6(e) and 7)	7,545,798	64	8,916,802	70	2580	Lease liabilities-Non-current (notes 6(l) and (w))	40	-	-	-
1600	Property, plant and equipment (notes 6(g) and 7)	700,870	6	712,685	6	2600	Other non-current liabilities (notes 6(e) and (w))	885,167	8	872,695	7
1755	Right-of-use assets (note 6(f))	511	-	40	-			<u>1,261,148</u>	<u>11</u>	<u>1,557,557</u>	<u>12</u>
1760	Investment property, net (notes 6(h) and (w))	37,291	-	37,687	-			<u>3,504,194</u>	<u>30</u>	<u>3,816,037</u>	<u>30</u>
1780	Intangible assets (notes 6(i) and 7)	92,920	1	67,902	1		<b>Total liabilities</b>				
1840	Deferred tax assets (note 6(p))	286,928	3	277,084	2		<b>Equity: (note 6(q))</b>				
1900	Other non-current assets (notes 6(o) and (w))	25,598	-	21,503	-	3100	Capital stock	6,022,424	51	6,024,275	47
		<u>9,385,301</u>	<u>80</u>	<u>10,340,048</u>	<u>81</u>	3200	Capital surplus	1,349,634	12	1,364,834	11
							Retained earnings:				
						3310	Legal reserve	2,203,730	19	2,198,957	17
						3320	Special reserve	864,207	7	864,207	7
						3350	(Accumulated deficit) unappropriated retained earnings	(543,847)	(5)	47,728	-
								<u>2,524,090</u>	<u>21</u>	<u>3,110,892</u>	<u>24</u>
						3400	Other equity interest	(1,517,707)	(13)	(1,446,630)	(11)
						3500	Treasury stocks	(82,823)	(1)	(82,823)	(1)
							<b>Total equity</b>	<u>8,295,618</u>	<u>70</u>	<u>8,970,548</u>	<u>70</u>
<b>Total assets</b>		<u>\$ 11,799,812</u>	<u>100</u>	<u>12,786,585</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 11,799,812</u>	<u>100</u>	<u>12,786,585</u>	<u>100</u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**D-LINK CORPORATION****Statements of Comprehensive Income****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		<u>2025</u>		<u>2024</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	<b>Net operating revenues</b> (notes 6(s) and 7)	\$ 5,105,154	100	4,572,486	100
5000	<b>Operating costs</b> (notes 6(d), (o) and 7)	<u>4,299,055</u>	<u>84</u>	<u>3,792,962</u>	<u>83</u>
	<b>Gross profit from operations</b>	806,099	16	779,524	17
5910	Less: Unrealized gross loss from sales	<u>(4,328)</u>	<u>-</u>	<u>(86,205)</u>	<u>(2)</u>
	<b>Realized gross profit from operations</b>	<u>810,427</u>	<u>16</u>	<u>865,729</u>	<u>19</u>
	<b>Operating expenses:</b> (notes 6(c), (l), (o), (t) and 7)				
6100	Selling expenses	397,615	8	401,295	9
6200	Administrative expenses	270,629	5	246,745	5
6300	Research and development expenses	272,650	6	391,332	9
6450	Expected credit loss (reversal gain) (note 6(c))	<u>212</u>	<u>-</u>	<u>(269)</u>	<u>-</u>
		<u>941,106</u>	<u>19</u>	<u>1,039,103</u>	<u>23</u>
	<b>Net operating losses</b>	<u>(130,679)</u>	<u>(3)</u>	<u>(173,374)</u>	<u>(4)</u>
	<b>Non-operating income and expenses:</b>				
7100	Interest income (notes 6(u) and 7)	13,529	-	18,959	-
7010	Other income (notes 6(u) and 7)	27,035	1	15,146	-
7020	Other gains and losses (notes 6(e), (u), (w) and 7)	33,517	1	161,003	4
7050	Finance costs (notes 6(l), (u) and 7)	(5,546)	-	(3,118)	-
7060	Share of (loss) profit of associates accounted for using equity method (note 6(e))	<u>(484,496)</u>	<u>(10)</u>	<u>39,620</u>	<u>1</u>
		<u>(415,961)</u>	<u>(8)</u>	<u>231,610</u>	<u>5</u>
	<b>(Loss) profit before tax</b>	(546,640)	(11)	58,236	1
7950	<b>Less: Income tax (benefit) expense</b> (note 6(p))	<u>(7,105)</u>	<u>-</u>	<u>22,917</u>	<u>1</u>
	<b>Net (loss) profit</b>	<u>(539,535)</u>	<u>(11)</u>	<u>35,319</u>	<u>-</u>
8300	<b>Other comprehensive (loss) income:</b>				
8310	<b>Components of other comprehensive (loss) income that will not be reclassified to profit or loss</b> (note 6(q))				
8311	Gains on remeasurements of defined benefit plans (note 6(o))	4,974	-	11,435	-
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(14,595)	-	6,895	-
8330	Share of other comprehensive gains of subsidiaries and associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6,509	-	1,688	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(3,112)</u>	<u>-</u>	<u>20,018</u>	<u>-</u>
8360	<b>Components of other comprehensive (loss) income that will be reclassified to profit or loss</b> (notes 6(q) and (v))				
8361	Exchange differences on translation of foreign financial statements	(89,978)	(1)	236,464	5
8380	Share of other comprehensive income of subsidiaries and associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(733)	-	329	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(p))	<u>9,445</u>	<u>-</u>	<u>(56,703)</u>	<u>(1)</u>
		<u>(81,266)</u>	<u>(1)</u>	<u>180,090</u>	<u>6</u>
8300	<b>Other comprehensive (loss) income, net</b>	<u>(84,378)</u>	<u>(1)</u>	<u>200,108</u>	<u>6</u>
	<b>Total comprehensive (loss) income</b>	<u>\$ (623,913)</u>	<u>(12)</u>	<u>235,427</u>	<u>6</u>
	<b>Basic (loss) earnings per share</b> (New Taiwan dollars) (note 6(r))	<u>\$ (0.90)</u>		<u>0.06</u>	
	<b>Diluted (loss) earnings per share</b> (New Taiwan dollars) (note 6(r))	<u>\$ (0.90)</u>		<u>0.06</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**D-LINK CORPORATION****Statements of Changes in Equity****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings				Total other equity interest					Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earning (accumulated deficit)	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unearned Stock-Based Employee Compensation	Treasury shares	
<b>Balance at January 1, 2024</b>	\$ 6,028,365	1,364,335	2,144,259	693,165	546,976	(1,557,495)	(17,004)	(40,110)	(82,823)	9,079,668
Net profit	-	-	-	-	35,319	-	-	-	-	35,319
Other comprehensive income	-	-	-	-	12,409	180,082	7,617	-	-	200,108
Total comprehensive income	-	-	-	-	47,728	180,082	7,617	-	-	235,427
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	54,698	-	(54,698)	-	-	-	-	-
Special reserve appropriated	-	-	-	171,042	(171,042)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(321,236)	-	-	-	-	(321,236)
Disposal of a subsidiary	-	-	-	-	-	(48,373)	-	-	-	(48,373)
Adjustments of capital surplus for the Company's cash dividends distribute to subsidiaries	-	1,210	-	-	-	-	-	-	-	1,210
Compensation cost of employee restricted shares	-	(4,801)	-	-	-	-	-	28,653	-	23,852
Retirement of expired employee restricted shares	(4,090)	4,090	-	-	-	-	-	-	-	-
<b>Balance at December 31, 2024</b>	6,024,275	1,364,834	2,198,957	864,207	47,728	(1,425,786)	(9,387)	(11,457)	(82,823)	8,970,548
Net Loss	-	-	-	-	(539,535)	-	-	-	-	(539,535)
Other comprehensive income (loss)	-	-	-	-	5,606	(82,163)	(7,821)	-	-	(84,378)
Total comprehensive loss	-	-	-	-	(533,929)	(82,163)	(7,821)	-	-	(623,913)
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	4,773	-	(4,773)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(42,955)	-	-	-	-	(42,955)
Cash distribution from capital surplus	-	(17,132)	-	-	-	-	-	-	-	(17,132)
Changes in equities of the Company's ownership interests in its subsidiaries	-	604	-	-	-	-	-	-	-	604
Adjustments of capital surplus for the Company's cash dividends distribute to subsidiaries	-	226	-	-	-	-	-	-	-	226
Compensation cost of employee restricted shares	-	(749)	-	-	-	-	-	8,989	-	8,240
Retirement of expired employee restricted shares	(1,851)	1,851	-	-	-	-	-	-	-	-
Disposal of equity instruments measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	(9,918)	-	9,918	-	-	-
<b>Balance at December 31, 2025</b>	\$ 6,022,424	1,349,634	2,203,730	864,207	(543,847)	(1,507,949)	(7,290)	(2,468)	(82,823)	8,295,618

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**D-LINK CORPORATION****Statements of Cash Flows****For the years ended December 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	2025	2024
<b>Cash flows from operating activities:</b>		
<b>(Loss) profit before tax</b>	\$ (546,640)	58,236
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	44,182	48,145
Amortization expense	45,943	34,247
Expected credit loss (reversal gain)	212	(269)
Net gain on financial assets or liabilities at fair value through profit or loss	(57,749)	(110,817)
Interest expense	5,546	3,118
Interest income	(13,529)	(18,959)
Dividend income	(8,150)	-
Compensation cost of share-based payment transaction	8,240	23,852
Share of loss (profit) of associates accounted for using equity method	484,496	(39,620)
Unrealized gross loss from sales	(4,328)	(86,205)
Loss on disposal of intangible assets	1,643	-
Gain on disposal of property, plan and equipment	-	(95)
Gain on disposal of investments	(2,711)	(48,373)
Impairment loss on non-financial assets	38,000	-
Others	76,783	30,255
<b>Total adjustments to reconcile profit (loss)</b>	<u>618,578</u>	<u>(164,721)</u>
<b>Changes in operating assets and liabilities:</b>		
Decrease (increase) in notes receivable	10,635	(9,720)
(Increase) decrease in accounts receivable	(10,998)	47,773
(Increase) decrease in accounts receivable due from related parties	(560,528)	55,865
(Increase) decrease in other receivable	(11,637)	25,027
Increase in inventories	(57,938)	(45,671)
Decrease (increase) in other current assets	59,368	(10,220)
Increase in other non-current assets	-	(190)
<b>Total changes in operating assets</b>	<u>(571,098)</u>	<u>62,864</u>
Decrease in contract liabilities	(7,650)	(6,957)
(Decrease) increase in notes payable	(575)	499
(Decrease) increase in accounts payable	(136,437)	146,883
(Decrease) increase in accounts payable to related parties	(76,880)	245,543
Decrease in other payable	(30,919)	(24,404)
Decrease in provisions	(37,744)	(21,036)
Increase (decrease) in refund liabilities	1,058	(1,050)
Decrease in other current liabilities	(2,008)	(5,567)
<b>Total changes in operating liabilities</b>	<u>(291,155)</u>	<u>333,911</u>
<b>Total changes in operating assets and liabilities</b>	<u>(862,253)</u>	<u>396,775</u>
<b>Total adjustments</b>	<u>(243,675)</u>	<u>232,054</u>
Cash flows (used in) from operations	(790,315)	290,290
Interest received	13,529	18,959
Dividends received	224,670	299,806
Interest paid	(5,111)	(2,340)
Income taxes paid	(12,979)	(16,126)
<b>Net cash flows (used in) from operating activities</b>	<u>(570,206)</u>	<u>590,589</u>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(49,700)
Acquisition of financial assets at fair value through profit or loss	(436,503)	(32,000)
Proceeds from disposal of financial assets at fair value through profit or loss	34,779	-
Acquisition of investments accounted for using equity method	(112,453)	(5,046)
Proceeds from capital reduction of investments accounted for using equity method	1,073,950	-
Acquisition of property, plant and equipment	(31,318)	(26,562)
Proceeds from disposal of property, plant and equipment	-	1,329
Decrease in refundable deposits	1,555	1,416
Acquisition of intangible assets	(72,604)	(41,635)
Increase in prepayments for business facilities	(699)	-
<b>Net cash flows from (used in) investing activities</b>	<u>456,707</u>	<u>(152,198)</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	211,927	212,086
(Decrease) increase in other long-term borrowings	(309,320)	50,127
Decrease in guarantee deposits received	(1,941)	(651)
Payment of lease liabilities	(486)	(1,142)
Cash dividends paid	(42,955)	(321,236)
Cash distribution from capital surplus	(17,132)	-
<b>Net cash flows used in financing activities</b>	<u>(159,907)</u>	<u>(60,816)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<u>(273,406)</u>	<u>377,575</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>976,025</u>	<u>598,450</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 702,619</u>	<u>976,025</u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**D-LINK CORPORATION**

**Notes to the Financial Statements**

**For the years ended December 31, 2025 and 2024**

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

**(1) Company history**

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

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

The accompanying financial statements were approved and authorized for release by the Board of Directors on March 10, 2026.

**(3) New standards, amendments and interpretations adopted:**

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

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

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

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

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

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

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

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

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

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

**(4) Summary of material accounting policies:**

The material accounting policies applied in the preparation of the parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented.

(a) Statement of Compliance

These financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” .

(b) Basis of Preparation

(i) Basis of Measurement

Except for the following significant accounts, the financial statements have been prepared on the historical cost basis:

- 1) Financial instruments (including derivative financial instruments) at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) Equity-settled share-based payment are measured at fair value;
- 4) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment. The financial statements are presented in New Taiwan Dollar (TWD), which is the Company’s functional currency. All financial information presented in TWD has been rounded to the nearest thousand.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(c) Foreign currency

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of the Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- an investment in equity securities designated as at fair value through other comprehensive income;
- qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Company's functional currency at exchange rates at the reporting date. Income and expenses of foreign operations are translated to the Company's functional currency at average exchange rate for the period. Foreign currency differences are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

- (i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) It holds the asset primarily for the purpose of trading;
- (iii) It expects to realize the asset within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

- (i) It expects to settle the liability in its normal operating cycle;
- (ii) It holds the liability primarily for the purpose of trading
- (iii) The liability is due to be settled within twelve months after the reporting period; or

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial Instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis or a settlement date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI)—equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

2) Fair value through other comprehensive income (FVOCI )

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Some accounts receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Company, therefore, those receivables are measured at FVOCI. However, they are included in the ‘ trade receivables’ line item.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company’s right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets and beneficiary certificate. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

4) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

5) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

6) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized costs, notes and trade receivables, other receivables, leases receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 360 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization;  
or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

7) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3) Other financial liabilities

Financial liabilities that are not classified as held-for-trading or measured at fair value through profit or loss, which comprise loans and account payable, and other payables, are measured at fair value plus any directly attributable transaction cost at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method. Interest expense not capitalized as capital cost is recognized in non-operating income and expense, and is included in other gains and losses.

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(iii) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the non-financial asset's host contract are not closely related to the embedded derivatives and the host contract is not measured at FVTPL.

The Company assigned parts of hedge instruments (derivate financial instruments) to hedge its cash flow.

At initial designated hedging relationships, the Company documents the risk management objectives and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged items and hedging instrument are expected to offset each other.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under 'other equity— gains (losses) on hedging instruments', limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. Furthermore, if the Company expects that some or all of the loss accumulated in other equity will not be recovered in the future, that amount is immediately reclassified to profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. The discontinuation is accounted for prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(g) Inventories

The cost of inventories shall comprise all costs of purchase and other costs incurred in bring the inventories to their present location and condition. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made on an item-by-item basis. Cost is determined using the weighted-average method. Net realizable value is based on the estimated selling price of inventories; less, all further costs to completion and all relevant marketing and selling costs. Related expenses/losses and incomes of inventory are included in the cost of sales.

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The parent company only financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Company from the date that significant influence commences until the date that significant influence ceases.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated the Company's interests in the associate.

If an associate issues new shares and the Company does not acquire new shares in proportion to its original ownership percentage but still have significant effect, the change in the equity shall be used to adjust the capital surplus or retained earnings, and investments are accounted for using equity method. If it resulted in a decrease in the ownership interest, except for the adjustments mentioned above, the related amount previously recognized in other comprehensive income in relation to the associate will be reclassified proportionately on the same basis as if the Company had directly disposed of the related assets or liabilities.

(i) Investment in subsidiaries

Subsidiaries that the Company has significant influence over their financial and operating policies are accounted for using the equity method. Under equity method, profit or loss and comprehensive income in the parent company only financial statements are consistent with the profit or loss and the comprehensive income that are attributable to the owners of the parent in the consolidated financial statements. In addition, equity in the parent company only financial statements are consistent with the equity attributable to owners in the consolidated financial statements.

The Company recognizes any changes in its subsidiaries' equity, which did not result in the changes of its influence within the transaction regarding its owners' equity.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less, accumulated depreciation and accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- 1) Buildings and improvements: 5~46 years
- 2) Machinery equipment: 2 years
- 3) Transportation, office equipment and others: 2~5 years

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

Depreciation methods, useful lives, and residual values are reviewed at each reporting date. If expectations differ from the previous estimates, the change is accounted for as a change in an accounting estimate.

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

(l) Leases

The Company assesses whether a contract is or contains a lease on the date of its establishment, and a contract is or contains a lease if the contract transfers control over the use of the identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying assets, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office building that have a lease term of 12 months or less and leases of low-value assets, including office equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

The Company recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The interest income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of rental income’.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(m) Intangible assets

(i) Goodwill and trademark

(1) Recognition

Goodwill and trademark arise from acquisition of subsidiaries are included in intangible assets.

(2) Subsequent measurement

Goodwill is carried at cost less accumulated impairment losses. As regards to the investments accounted for using equity method, the carrying value of goodwill consists of the carrying value of its investment. The impairment loss is attributed to parts of investments accounted for using equity method other than goodwill or other assets.

(ii) Other intangible assets

Other intangible assets are measured at cost less accumulated amortization and accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iv) Amortization

The amortized amount is the cost of an asset less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- 1) Computer software: 1~8 years
- 2) Patents: Amortization is recognized using the term of patent contract. The estimated live is 1~16 years
- 3) Other intangible asset: 3 years

The residual value, amortization period, and amortization method for an intangible asset with a finite useful life shall be reviewed at least annually at each fiscal year-end. Any change shall be accounted for as changes in accounting estimates.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(n) Impairment – non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

(o) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(i) Warranties

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(ii) Legal proceedings and royalties

Legal proceedings and royalties are estimated at the expected relevant cost based on historical experiences.

(p) Treasury stocks

Repurchased of issued shares as treasury shares, the purchasing price will be stated at cost and shown as a reduction in shareholder's equity.

The parent company's stocks held by the subsidiaries are reclassified as treasury stocks from long-term investments, and are accounted for the book value of the subsidiary's investments in the parent company.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(q) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer.

The main operating activities of the Company is research, development, and sales of wireless LAN products and spare part for integrated circuits. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company grants its customers the right to return the product. Therefore, the Company reduces revenue by the amount of expected returns and recognizes a refund liability. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognized will not occur. At each reporting date, the Company reassesses the estimated amount of expected returns.

The Company often offers volume discounts to its customers. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. As of the reporting date, all expected payment of the related sale discounts paid to the customers is recognized under return liabilities.

The Company offers a standard warranty for the consumer electronics sold to provide assurance that the product complies with agreed-upon specifications and has recognized warranty provisions for this obligation; please refer to note 6(m).

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

In case of fixed-price contracts, the customers the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognized.

A contract liability is a the Company's obligation to transfer goods to a customer for which the Company has received consideration.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(r) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

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

(s) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

(t) **Income Taxes**

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

- 1) the same taxable entity; or
- 2) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

(u) Earnings per share

The Company discloses the Company's basic and diluted earnings (loss) per share attributable to ordinary shareholders of the Company. The calculation of basic earnings (loss) per share is based on the profit attributable to the ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. The calculation of diluted earnings (loss) per share is based on the profit attributable to ordinary shareholders of the Company, divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as employee stock options, and employee bonus settled using shares that have yet to be approved by the Board of Directors meeting. Increasing shares from the transfer of unappropriated earnings, capital surplus, and employee profit sharing is computed retroactively.

(v) Operating segments

The Company discloses the informations of operating segments in the consolidated financial statements. Therefore the Company does not disclose such information in the parent company only financial statements.

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

The preparation of the parent company only financial statements requires management to make judgement and estimates about the future, including climate-related risks and opportunities that affect the application of the accounting policies and the reporting amount of assets, liabilities, incomes, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management align with the risk management and climate-related commitments of the Company. Changes in estimates are deferred and recognized over the periods in which the changes occur and the future periods affected.

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(a) Impairment of Account receivable

The Company has estimated the loss allowance of trade receivable that is based on the risk of a default occurring and the rate of expected credit loss. The Company has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. Refer to Note 6(c) for further description of the impairment of account receivable.

(b) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories.

**(6) Explanation of significant accounts:**

(a) Cash and Cash Equivalents

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Cash on hand	\$ 556	345
Checking and saving accounts	702,063	776,233
Time deposit	<u>-</u>	<u>199,447</u>
Cash and cash equivalents	<u><b>\$ 702,619</b></u>	<u><b>976,025</b></u>

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

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

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(b) Financial Assets and Liabilities

(i) Details were as follows

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
<b>Financial assets mandatorily measured at fair value through profit or loss - current</b>		
Beneficiary certificates – mutual funds	\$ 14,467	-
Domestic listed (OTC) stock	50,749	-
Cross currency swaps	2,750	6,163
Forward foreign exchange contracts	<u>57</u>	<u>2,639</u>
	<b><u>\$ 68,023</u></b>	<b><u>8,802</u></b>
<b>Financial liabilities at fair value through profit or loss – current</b>		
Cross currency swaps	\$ 2,789	2,910
Forward foreign exchange contracts	<u>793</u>	<u>-</u>
	<b><u>\$ 3,582</u></b>	<b><u>2,910</u></b>
<b>Financial assets mandatorily measured at fair value through profit or loss - non-current</b>		
Domestic listed (OTC) stock	<b><u>\$ 653,385</u></b>	<b><u>249,750</u></b>
<b>Financial assets at fair value through other comprehensive income – non-current</b>		
Domestic listed (OTC) stock	<b><u>\$ 42,000</u></b>	<b><u>56,595</u></b>

- 1) On December 4, 2023, the Company participated in 5,000 shares of common stock of domestic listed company - King House Co., Ltd. (King House) (Original name: Ensure Global Corp., Ltd.) through a private placement, at an investment cost of \$36,000 thousand (\$7.2 per share). According to the Securities and Exchange Act, from the delivery date of January 19, 2024 to the maturity date of January 18, 2027, the common stock of this private placement shall not be sold within three years unless the circumstances of transferring in accordance with Article 43-8.
- 2) During the year of 2025, the Company purchased 20,559 thousand common stocks of IBF Financial Holdings Co., Ltd. (IBF), a domestic listed (OTC) company, at an investment cost of \$299,886 thousand.
- 3) During the year of 2025 and 2024, the Company purchased 687 thousand and 1,000 thousand common shares of S-Tech Corp. (S-Tech), a domestic listed (OTC) company, for \$16,756 thousand and \$32,000 thousand, respectively.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

- 4) During the year of 2025, the Company purchased 1,414 thousand common shares of Gloria Material Technology Corp (GMTC), a domestic listed (OTC) company, for \$49,724 thousand.
- 5) On December 10, 2024, the Company participated in 3,500 thousand shares of common stock of domestic listed company - TSG Development Co., Ltd (TSG Development) (formerly known as DataVan International Corp.) through a private placement, at an investment cost of \$49,700 thousand (\$14.2 per share). According to the Securities and Exchange Act, from the delivery date of February 10, 2025 to the maturity date of February 9, 2028, the common stock of this private placement shall not be sold within three years unless the circumstances of transferring in accordance with Article 43-8.
- 6) During the year of 2025, the Company acquired the ordinary shares of other related parties, with the investment costs amounting to \$24,390 thousand.
- 7) For disclosures on credit, currency and interest rate risks in financial instruments, please refer to note 6(w).
- 8) As of December 31, 2025 and 2024, no financial assets are pledged as collateral.

(ii) Non-hedging-derivative financial instruments

Derivative financial instruments are used to hedge certain foreign exchange and interest rate risk arising from the Company's operating, financing and investing activities. As of December 31, 2025 and 2024, transactions that do not qualify for hedging accounting are presented as held-for-trading financial assets and liabilities were as follows:

1) Derivative financial assets

	December 31, 2025			December 31, 2024		
	Contract amount (thousand)	Currency	Maturity date	Contract amount (thousand)	Currency	Maturity date
Cross currency swaps:						
USD	\$ 10,500	USD	2026.01	18,500	USD	2025.01
JPY	800,000	JPY	2026.01	1,100,000	JPY	2025.01
AUD	1,250	AUD	2026.01	-	-	-
EUR	2,700	EUR	2026.01~2026.02	4,700	EUR	2025.01
Forward foreign exchange contracts:						
JPY (sell)	220,000	JPY	2026.01	150,000	JPY	2025.02
EUR (sell)	-	-	-	4,200	EUR	2025.01~2025.02
AUD (sell)	-	-	-	500	AUD	2025.02

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

2) Derivative financial liabilities

	December 31, 2025			December 31, 2024		
	Contract amount (thousand)	Currency	Maturity date	Contract amount (thousand)	Currency	Maturity date
Cross currency swaps:						
EUR	5,400	EUR	2026.01~2026.02	1,500	EUR	2025.02
USD	3,000	USD	2026.01	-	-	-
JPY	2,840,000	JPY	2026.01~2026.02	1,800,000	JPY	2025.01
Forward foreign exchange contracts:						
EUR (sell)	1,500	EUR	2026.02	-	-	-
USD (sell)	1,500	USD	2026.01	-	-	-

(c) Notes and accounts receivable (including related parties) and other receivables

	December 31, 2025	December 31, 2024
Notes receivable for operating activities	\$ 1,113	11,748
Accounts receivable (including related parties) for operating activities	1,242,180	966,721
Other receivables	<u>28,784</u>	<u>115,220</u>
	1,272,077	1,093,689
Less: Loss Provision	<u>(883)</u>	<u>(671)</u>
	<u><u>\$ 1,271,194</u></u>	<u><u>1,093,018</u></u>

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

	December 31, 2025		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 789,193	0.11%	855
90 days or less past due	474,228	0.01%	28
91 to 180 days past due	1,241	0.00%	-
181 to 270 days past due	<u>7,415</u>	0.00%	<u>-</u>
	<u><u>\$ 1,272,077</u></u>		<u><u>883</u></u>

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

	<b>December 31, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 867,914	0.08%	664
90 days or less past due	223,413	0.00%	7
91 to 180 days past due	1,751	0.00%	-
181 to 270 days past due	<u>611</u>	0.00%	<u>-</u>
	<u><u>\$ 1,093,689</u></u>		<u><u>671</u></u>

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

	<b>2025</b>	<b>2024</b>
Balance at January 1, 2025 and 2024	\$ 671	940
Expected credit loss (reversal gain)	<u>212</u>	<u>(269)</u>
Balance at December 31, 2025 and 2024	<u><u>\$ 883</u></u>	<u><u>671</u></u>

(d) Inventories

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Finished goods	<u><u>\$ 327,595</u></u>	<u><u>266,128</u></u>

The operating cost comprises of cost of goods sold, write-down loss of inventories to net realizable value, warranty costs and other loss. For the years ended December 31, 2025 and 2024, the cost of goods sold were \$4,284,425 thousand, and \$3,773,573 thousand, respectively. The loss on product warranty, obsolescence and order cancellation amounted to \$18,159 thousand and \$17,820 thousand, respectively. In 2025, the Company assessed the net realizable value of inventories in consideration of the market share trend and life cycle of products, and active sales of inventories resulted in reversal of write-down loss of inventories to net realizable value to reduce cost of goods sold by \$3,529 thousand. In 2024, the Company recognized write-down loss of inventories to net realizable value of \$1,569 thousand.

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

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(e) Investments accounted for using equity methods

Investments accounted for using equity methods were as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Subsidiaries	\$ 7,545,798	8,916,802
Less: Credit balance of equity investment (Recorded under other non-current liabilities)	<u>(884,685)</u>	<u>(870,272)</u>
	<b><u>\$ 6,661,113</u></b>	<b><u>8,046,530</u></b>

- (i) D-Link International carried out cash capital reductions in February and June 2025, and returned capital totaling \$1,073,950 thousand (USD35,000 thousand).
- (ii) In April 2025, the Company reorganized and repurchased 99.97% shares of D-Link Peru from D-Link Sudamerica for \$3,318 thousand (USD102 thousand).
- (iii) In September 2025, the Company underwent a organizational restructuring. Following the capital reduction of D-Link Mediterraneo to offset accumulated losses and D-Link Europe's waiver of its subscription rights to the newly issued shares, the Company acquired 100% of the shares of D-Link Mediterraneo through a capital injection of \$17,748 thousand (EUR500 thousand).
- (iv) In December 2025, the Company's subsidiary, D-Link Europe, carried out a capital reduction to offset accumulated losses of \$1,351,737 thousand (EUR39,827 thousand), resulting in a decrease of 29,014 thousand shares held by the Company. In the same month, the Company converted its accounts receivable from D-Link Europe amounting to \$296,067 thousand (EUR8,000 thousand) into an equity injection, thereby increasing its shareholdings by 7,063 thousand shares. In addition, due to the organizational restructuring in 2025, D-Link Europe recognized restructuring expenses of \$128,151 thousand (EUR3,642 thousand).
- (v) In December 2025, the Company reorganized and repurchased 100% shares of D-Link Deutschland from D-Link Europe for \$32,981 thousand (EUR902 thousand). Followed by a cash capital injection of \$58,406 thousand (EUR1,598 thousand).
- (vi) In October 2024, the Company reorganized and bought back 0.64% shares of D-Link International from D-Link Holding for \$0 thousand (USD0 thousand).
- (vii) D-Link Mexicana, a subsidiary of the Company, completed the liquidation in July 2024.
- (viii) In April 2024, the Company invested in a new subsidiary, D-Link Indonesia, for a price of \$5,046 thousand (USD157 thousand).

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(ix) Subsidiaries

The Company recognized goodwill arising from the acquisition of Cameo Communication, Inc. on April 1, 2023. In accordance with IAS 36, goodwill acquired in a business combination is required to be tested for impairment at least annually. As the estimated recoverable amount was lower than its carrying amount, an impairment loss of \$38,000 thousand was recognized in 2025. For additional financial information, please refer to the consolidated financial statements for the year 2025.

(x) Pledges

As of December 31, 2025 and 2024, no investments accounted for using equity methods were pledged as collateral.

(f) Right-of-use assets

The Company leases buildings and the information was presented below:

	<b>Buildings</b>
<b>Cost:</b>	
Balance at January 1, 2025	\$ 952
Increase	944
Decrease	<u>(952)</u>
Balance at December 31, 2025	<u><b>\$ 944</b></u>
Balance at January 1, 2024	\$ 10,107
Decrease	(6,898)
Reclassification	<u>(2,257)</u>
Balance at December 31, 2024	<u><b>\$ 952</b></u>
<b>Accumulated Depreciation:</b>	
Balance at January 1, 2025	\$ 912
Increase	473
Decrease	<u>(952)</u>
Balance at December 31, 2025	<u><b>\$ 433</b></u>
Balance at January 1, 2024	\$ 7,670
Increase	1,266
Decrease	(5,767)
Reclassification	<u>(2,257)</u>
Balance at December 31, 2024	<u><b>\$ 912</b></u>
<b>Carrying amount:</b>	
Balance at December 31, 2025	<u><b>\$ 511</b></u>
Balance at December 31, 2024	<u><b>\$ 40</b></u>
Balance at January 1, 2024	<u><b>\$ 2,437</b></u>

(Continued)





**D-LINK CORPORATION**  
**Notes to the Financial Statements**

Investment properties are commercial real estate that are leased to third parties. The lease contract includes an initial non-cancellable period of 3 years. Subsequent renewals are negotiated with the lessee and no contingent rents are charged. For further information of rental income, please refer to note 6(u). Besides, direct operating expenses related to investment property were \$280 thousand and \$284 thousand in 2025 and 2024, respectively.

As of December 31, 2025 and 2024, the fair value of investment property was evaluated based on the comparable deal information with similar location and category or appraisal report.

As of December 31, 2025 and 2024, no investment properties were pledged as collateral.

(i) Intangible assets

	2025				Balance as of
	Balance as of January 1, 2025	Increase	Decrease	Amortization	December 31, 2025
Patents	\$ 6,952	-	-	(2,691)	4,261
Computer software costs	6,786	144	-	(2,261)	4,669
Other intangible assets	<u>54,164</u>	<u>72,460</u>	<u>(1,643)</u>	<u>(40,991)</u>	<u>83,990</u>
	<u>\$ 67,902</u>	<u>72,604</u>	<u>(1,643)</u>	<u>(45,943)</u>	<u>92,920</u>
	2024				Balance as of
	Balance as of January 1, 2024	Increase	Decrease	Amortization	December 31, 2024
Patents	\$ 9,644	-	-	(2,692)	6,952
Computer software costs	3,249	5,786	-	(2,249)	6,786
Other intangible assets	<u>47,621</u>	<u>35,849</u>	<u>-</u>	<u>(29,306)</u>	<u>54,164</u>
	<u>\$ 60,514</u>	<u>41,635</u>	<u>-</u>	<u>(34,247)</u>	<u>67,902</u>

(j) Share-based payment

(i) Restricted share plan for employees

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

(In Thousands of shares)

Grant Date	Granted Shares Approved by the Board	Fair Value Per Share	Issued Date	Issued Shares
2023/09/25	3,000	\$ 19.90	2023/09/25	3,000

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

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

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

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

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

Other agreed matters:

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

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

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

Information on restricted share plan for employees was as follows:

(In Thousands of shares)

	<b>For the year ended December 31, 2025</b>	<b>For the year ended December 31, 2024</b>
Balance at January 1	1,555	3,000
Vested in the current period	(699)	(1,036)
Forfeited in the current period(Note)	(185)	(409)
Balance at December 31	<b>671</b>	<b>1,555</b>

Note: For the years ended December 31, 2025 and 2024, the recovered restricted employee stock options were 185 thousand shares and 409 thousand shares, respectively, and the registration have been completed.

For the years ended December 31, 2025 and 2024, the compensation costs recognized amounted to \$8,240 thousand and \$23,852 thousand, respectively.

(k) Long-term and short-term borrowings

For further information on other long-term and short-term borrowings from the subsidiaries, please refer to note 7(b).

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

	Currency	Interest rate	Maturity year	December 31, 2025	December 31, 2024
Unsecured bank loan	TWD	1.975~2.050	2026	\$ 200,000	-
Unsecured bank loan	USD	4.760	2026	50,272	-
Other short-term borrowings	JPY	0.550~0.860	2025~2026	729,952	604,392
Other short-term borrowings	USD	-	2025	-	163,905
Other long-term borrowings	USD	-	2027	329,910	639,230
Total				<b>\$ 1,310,134</b>	<b>1,407,527</b>
Unused credit facilities				<b>\$ 2,366,646</b>	<b>2,858,134</b>

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

## (l) Lease liabilities

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

	December 31, 2025	December 31, 2024
Current	\$ <u>477</u>	<u>40</u>
Non-current	\$ <u>40</u>	<u>-</u>

The amounts recognized in profit or loss were as follows:

	2025	2024
Interests on lease liabilities	\$ <u>19</u>	<u>22</u>
Expenses relating to short-term leases	\$ <u>2,381</u>	<u>2,248</u>

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

	2025	2024
Total cash outflow for leases	\$ <u>2,886</u>	<u>3,412</u>

## Real estate leases

The Company leases buildings for its office space, and the leases of office space typically run for 2 to 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

## (m) Provisions — current

	2025					Balance as of December 31, 2025
	Balance as of January 1, 2025	Increase	Used	Reversed	Effect of exchange	
Warranties	\$ 51,855	3,057	(2,237)	-	-	52,675
Legal proceedings and royalties	<u>42,615</u>	<u>111,649</u>	<u>(35,507)</u>	<u>(34,765)</u>	<u>528</u>	<u>84,520</u>
	<u>\$ 94,470</u>	<u>114,706</u>	<u>(37,744)</u>	<u>(34,765)</u>	<u>528</u>	<u>137,195</u>
	2024					Balance as of December 31, 2024
	Balance as of January 1, 2024	Increase	Used	Reversed	Effect of exchange	
Warranties	\$ 56,223	-	(3,406)	(962)	-	51,855
Legal proceedings and royalties	<u>30,735</u>	<u>44,815</u>	<u>(17,630)</u>	<u>(17,485)</u>	<u>2,180</u>	<u>42,615</u>
	<u>\$ 86,958</u>	<u>44,815</u>	<u>(21,036)</u>	<u>(18,447)</u>	<u>2,180</u>	<u>94,470</u>

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

## (n) Refund liabilities

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Refund liabilities	\$ <u>18,301</u>	<u>17,243</u>

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

## (o) Employee benefits

- (i) The reconciliations of the present value of the defined benefit obligations and fair value of plan assets were as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Present value of defined benefit obligations	\$ 54,937	59,938
Fair value of plan assets	<u>(76,536)</u>	<u>(76,406)</u>
Net defined benefit assets	<u>\$ (21,599)</u>	<u>(16,468)</u>

Based on the Company pension plan, each employee earns two units for the first fifteen years of service, and earns one unit for each additional year thereafter, subject to a maximum of forty-five units. Payments of retirement benefits are based on the number of units earned and each unit represents the average monthly salaries for the last six months prior to retirement.

## 1) Composition of plan assets

The Company allocates 2% of each employee's monthly wage to the labor pension personal account at Bank of Taiwan in accordance with the provisions of Labor Pension Act, whereby, the labor pension personal account will make pension payment in advance.

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$76,536 thousand at the date of reporting date. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

- 2) Movements in the present value of the defined benefit obligations in 2025 and 2024 were as follows:

	<b>2025</b>	<b>2024</b>
Defined benefit obligation at January 1	\$ 59,938	72,252
Current service costs and interests	1,142	1,183
Remeasurement of the defined benefit liabilities		
— Actuarial losses (gains) from changes in the financial assumptions	1,741	(2,825)
— Actuarial gains from changes in experience adjustments	(1,303)	(1,636)
Benefits paid	<u>(6,581)</u>	<u>(9,036)</u>
Defined benefit obligation at December 31	<u><u>\$ 54,937</u></u>	<u><u>59,938</u></u>

- 3) Movements in the fair value of the plan assets

The movements in the present value of the plan assets in 2025 and 2024 were as follows:

	<b>2025</b>	<b>2024</b>
Fair value of plan assets at January 1	\$ 76,406	77,461
Interest income	1,299	1,007
Remeasurement of the defined benefit assets		
— Actuarial return on plan assets (excluding interests)	5,412	6,974
Benefits paid	<u>(6,581)</u>	<u>(9,036)</u>
Fair value of plan assets at December 31	<u><u>\$ 76,536</u></u>	<u><u>76,406</u></u>

- 4) Expenses recognized in profit or loss

The Company's expenses recognized in loss (profit) in 2025 and 2024 were as follow:

	<b>2025</b>	<b>2024</b>
Current service costs	\$ 123	244
Net interest on the net defined benefit obligation	<u>(280)</u>	<u>(68)</u>
	<u><u>\$ (157)</u></u>	<u><u>176</u></u>
Operating costs	\$ -	1
Selling (benefits) expenses	(77)	71
Administrative (benefits) expenses	(41)	38
Research and development (benefits) expenses	<u>(39)</u>	<u>66</u>
	<u><u>\$ (157)</u></u>	<u><u>176</u></u>

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

- 5) Remeasurement of the net define benefits liabilities recognized in other comprehensive income

The Company's remeasurement of the net define benefit liabilities recognized in other comprehensive income for the years ended December 31, 2025 and 2024 were as follows:

	2025	2024
Balance at January 1	\$ 22,381	33,816
Reversal	<u>(4,974)</u>	<u>(11,435)</u>
Balance at December 31	<u>\$ 17,407</u>	<u>22,381</u>

- 6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2025	December 31, 2024
Discount rate	1.400 %	1.700 %
Future salary increases	3.000 %	3.000 %

The Company has a net defined benefit asset as of December 31, 2025 and 2024 and no contributions are expected to be made within one year.

The weighted average duration of defined benefit obligation is 11.00 years and 12.00 years in 2025 and 2024, respectively.

- 7) Sensitivity analysis

As of December 31, 2025 and 2024, the impacts on present value due to the changes in the actuarial assumptions were as follows:

	<b>Effective of defined benefit obligation</b>	
	Increase	Decrease
December 31, 2025		
Discount rate (0.25% change)	\$ (1,456)	1,510
Future salary increase (0.25% change)	1,345	(1,307)
December 31, 2024		
Discount rate (0.25% change)	\$ (1,683)	1,746
Future salary increase (0.25% change)	1,570	(1,524)

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

The analysis of the impact of sensitivity was based on the situation that other assumptions remain constant. In actual situation, many changes in assumption might be linked. The method used in the sensitivity analysis was consistent with the calculation of the net pension liabilities in the balance sheets.

The assumptions used to prepare sensitivity analysis in this period are the same as the previous financial statements.

(ii) Defined contribution plans

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

The amounts of the Company's pension expenses under defined contribution pension plan in 2025 and 2024 were as follows and the amounts were contributed to the labor pension personal accounts of Bureau of the Labor Insurance:

	2025	2024
Operating costs	\$ 82	136
Operating expenses	<u>23,849</u>	<u>26,159</u>
	<u>\$ 23,931</u>	<u>26,295</u>

(p) Income Taxes

Income tax expenses (benefit) for the years ended 2025 and 2024 were summarized as follows:

	2025	2024
Current income tax (benefit) expense	\$ (7,105)	15,032
Deferred tax expense	<u>-</u>	<u>7,885</u>
	<u>\$ (7,105)</u>	<u>22,917</u>

The amounts of income tax (benefit) expense recognized in other comprehensive income were as follows:

	2025	2024
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	<u>\$ (9,445)</u>	<u>56,703</u>

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

Reconciliations of income tax (benefit) expense and (loss) profit before tax were as follows:

	2025	2024
(Loss) profit before income tax	\$ <u>(546,640)</u>	<u>58,236</u>
Income tax using the Company's domestic tax rate	\$ (109,328)	11,647
Share of loss of subsidiaries and associates accounted for using equity method	105,321	32,505
Investment loss from domestic company	8,614	16,788
Suspension of income tax on domestic securities transactions	(546)	-
Unrecognized changes of temporary differences	8,196	12,071
Liquidation loss from foreign investment	-	(69,164)
Income tax adjustments on prior years and others	<u>(19,362)</u>	<u>19,070</u>
Income tax (benefit) expense	\$ <u>(7,105)</u>	<u>22,917</u>

Deferred tax assets and liabilities

(i) Unrecognized deferred income tax assets

	December 31, 2025	December 31, 2024
Deductible temporary differences		
Unrealized expenses	\$ 16,094	7,818
Provisions for warranty	10,535	10,371
Unrealized gross profit from sales	56,704	65,382
Others	<u>25,042</u>	<u>17,484</u>
	<u>108,375</u>	<u>101,055</u>
Operating loss carry forward	<u>409,124</u>	<u>408,248</u>
	\$ <u>517,499</u>	<u>509,303</u>

(ii) Recognized deferred tax assets and liabilities

	Intra-group transactions	Exchange differences on translation of foreign financial statements	Loss carry forward	Total
Deferred income tax assets:				
Balance at January 1, 2025	\$ -	231,450	45,634	277,084
Recognized in profit or loss	-	-	399	399
Exchange differences on translation of foreign financial statements	<u>-</u>	<u>9,445</u>	<u>-</u>	<u>9,445</u>
Balance at December 31, 2025	\$ <u>-</u>	<u>240,895</u>	<u>46,033</u>	<u>286,928</u>

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

	Intra-group transactions	Exchange differences on translation of foreign financial statements	Loss carry forward	Total
Balance at January 1, 2024	\$ 7,886	288,153	86,698	382,737
Recognized in profit or loss	(7,886)	-	(41,064)	(48,950)
Exchange differences on translation of foreign financial statements	-	(56,703)	-	(56,703)
Balance at December 31, 2024	<u>\$ -</u>	<u>231,450</u>	<u>45,634</u>	<u>277,084</u>

	Investments under equity method	Others	Total
Deferred income tax liabilities:			
Balance at January 1, 2025	\$ 43,058	2,574	45,632
Recognized in profit or loss	(17,424)	17,823	399
Balance at December 31, 2025	<u>\$ 25,634</u>	<u>20,397</u>	<u>46,031</u>
Balance at January 1, 2024	\$ 46,214	40,483	86,697
Recognized in profit or loss	(3,156)	(37,909)	(41,065)
Balance at December 31, 2024	<u>\$ 43,058</u>	<u>2,574</u>	<u>45,632</u>

In accordance with the ROC Tax laws, the operating loss carry forward assessed by the tax authorities are deductible from taxable income for a ten-year period. As of December 31, 2025, the Company's unused loss carry forward available to offset future taxable income and the year of expiry were as follows:

Years of loss	Unused amount	Year of expiry
2017	\$ 1,108,789	2027
2019	162,350	2029
2020	620,355	2030
2021	250,835	2031
2025	133,448	2035
	<u>\$ 2,275,777</u>	

The Company's income tax return had been examined by the tax authorities through 2021.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(q) Share capital and other equity

(i) Common stock

As of December 31, 2025 and 2024, the authorized capital amounted to \$8,800,000 thousand (including \$750,000 thousand authorized for the issuance of the employee stock options). As of December 31, 2025 and 2024, the paid-in capital consisted 602,242 thousand shares and 602,428 thousand shares, with a par value of \$10 per share, amounting to \$6,022,424 thousand and \$6,024,275 thousand, respectively.

(ii) Capital surplus

The balances of capital surplus were as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Common stock in excess of par value	\$ 1,037,134	1,047,340
Treasury share transactions	41,253	41,027
Expiry of share-based payment transactions	129,459	129,459
Expiry of redeemed options of convertible corporate bonds	81,454	81,454
Changes in equities of the Company's ownership interests in subsidiaries	55,924	55,320
Issue employee restricted shares	<u>4,410</u>	<u>10,234</u>
	<b><u>\$ 1,349,634</u></b>	<b><u>1,364,834</u></b>

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

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

(iii) Retained earnings

1) Legal reserve

According to the ROC Company Act No. 237, the Company must retain 10% of its annual income as a legal reserve until such retention equals the amount of authorized common stock.

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

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

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

2) Special reserve

In accordance with Ruling No. 1010012865 issued by the FSC on 6 April, 2012, a special reserve equivalent to the net debit balance of other shareholders' equity shall be set aside from the current earnings and the prior unappropriated earnings. The Company shall not distribute the special reserve equivalent to the net debit balance of shareholders' equity from the prior fiscal years set aside from the prior unappropriated earnings. The amount of subsequent reversals pertaining to the net debt balance of other shareholders' equity shall qualify for distribution.

3) Earning distribution

In accordance with the Company's Articles of Incorporation, if there are earnings at year-end, 10 percent should be set aside as legal reserve and special earnings reserve or reversal in accordance with the Securities and Exchange Act after the payment of income tax and offsetting accumulated losses from prior years. The remaining portion will be combined with earnings from prior years, and the board of directors can propose profit distribution to be approved by the shareholders' meeting.

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

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

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

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

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

4) Dividend policy

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

(iv) Treasury stocks

As of December 31, 2025, Qianjin Investment, a subsidiary of the Company, holds 5,434 thousand shares of the Company, which have not yet been sold. The repurchase cost attributed to the Company is \$82,823 thousand, listed under treasury stock.

(v) Other equity

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

	<b>Exchange differences on translation of foreign financial statements</b>	<b>Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income</b>
Balance at January 1, 2025	\$ (1,425,786)	(9,387)
The Company	(80,533)	(14,595)
Subsidiaries & Associates	(1,630)	6,774
Subsidiaries & Associates—disposal	-	9,918
Balance at December 31, 2025	<u>\$ (1,507,949)</u>	<u>(7,290)</u>
Balance at January 1, 2024	\$ (1,557,495)	(17,004)
The Company	179,761	6,895
Subsidiaries & Associates	321	722
Subsidiaries & Associates—disposal	(48,373)	-
Balance at December 31, 2024	<u>\$ (1,425,786)</u>	<u>(9,387)</u>

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

2) Unearned compensation

	2025	2024
Balance at January 1	\$ (11,457)	(40,110)
Restricted shares for employees	<u>8,989</u>	<u>28,653</u>
Balance at December 31	<u>\$ (2,468)</u>	<u>(11,457)</u>

(r) Earnings (loss) per share

The calculations of (loss) earnings per share of the Company were as follows:

(i) Basic (loss) earnings per share

	2025	2024
Net (loss) profit of the Company for the year	\$ <u>(539,535)</u>	<u>35,319</u>
Outstanding ordinary shares	<u>598,847</u>	<u>597,923</u>
Basic (loss) earnings per share (dollar)	<u>\$ (0.90)</u>	<u>0.06</u>

(ii) Diluted (loss) earnings per share

	2025	2024
Net (loss) profit attributable to owners of ordinary shares (diluted)	\$ <u>(539,535)</u>	<u>35,319</u>
Weighted-average number of ordinary shares outstanding (basic)	598,847	597,923
Unvested employee restricted share	-	1,721
Employees' compensation has not been resolved by the Board of Directors	<u>-</u>	<u>385</u>
Weighted average number of ordinary shares (diluted)	<u>598,847</u>	<u>600,029</u>
Diluted (loss) earnings per share (dollar)	<u>\$ (0.90)</u>	<u>0.06</u>

For calculation of the dilutive effect of the stock option, the average market value was assessed based on the quoted market price where the Company's option was outstanding.

For the year ended December 31, 2025, the unvested employee restricted shares and employee stock options had anti-dilutive effect and were excluded from the calculation of diluted earnings per share.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(s) Revenue from contracts with customers

(i) The Company revenue from contract revenue

<b>Major product / service lines</b>	<b>2025</b>	<b>2024</b>
Switch and Security products	\$ 2,590,003	2,711,381
Mobile and Broadband products	1,322,859	869,584
Wireless and IoT products	989,143	721,722
Others	<u>203,149</u>	<u>269,799</u>
	<b><u>\$ 5,105,154</u></b>	<b><u>4,572,486</u></b>

  

<b>Primary geographical markets</b>	<b>2025</b>	<b>2024</b>
Asia and others	\$ 3,704,923	3,268,603
Europe	908,739	1,083,863
America	<u>491,492</u>	<u>220,020</u>
	<b><u>\$ 5,105,154</u></b>	<b><u>4,572,486</u></b>

(ii) Contract liabilities

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

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Contract Liabilities — current (sales)	<b><u>\$ 27,075</u></b>	<b><u>34,725</u></b>

2) The beginning contract liabilities were recognized as income, amounting to \$18,111 thousand and \$35,311 thousand for the years ended December 31, 2025 and 2024, respectively.

(t) Remuneration to employees and directors

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

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

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

No remunerations to employees and directors were accrued for the year ended December 31, 2025, due to the loss before tax incurred by the Company.

In 2024, the Company's remunerations to its employees were \$3,081 thousand and remunerations to its directors were \$308 thousand, based on the resolution of the board meeting held on February 26, 2025, and had been submitted to the shareholders' meeting for reporting. Related information was available at the Market Observation Post System website of the Taiwan Stock Exchange.

(u) Other incomes and losses

(i) Interest income

	2025	2024
Interest income from bank deposits	\$ 13,365	17,850
Interest income from others	<u>164</u>	<u>1,109</u>
Total Interest income	<u><u>\$ 13,529</u></u>	<u><u>18,959</u></u>

(ii) Other income

	2025	2024
Rental income	\$ 12,294	9,521
Dividend income	8,150	-
Others	<u>6,591</u>	<u>5,625</u>
Total	<u><u>\$ 27,035</u></u>	<u><u>15,146</u></u>

(iii) Other gains and losses

	2025	2024
Gain on disposal of property, plant and equipment	\$ -	95
Loss on disposal of intangible assets	(1,643)	-
Gain on disposals of investments	2,711	48,373
Foreign currency exchange gains	16,762	18,349
Impairment loss	(38,000)	-
Valuation gains from financial assets and liabilities	57,749	110,817
Others	<u>(4,062)</u>	<u>(16,631)</u>
Total	<u><u>\$ 33,517</u></u>	<u><u>161,003</u></u>

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

## (iv) Financial costs

	2025	2024
Interest expense	\$ (5,527)	(3,096)
Other financial costs		
Lease liability interests	<u>(19)</u>	<u>(22)</u>
	<u>(19)</u>	<u>(22)</u>
Net financial costs	<u>\$ (5,546)</u>	<u>(3,118)</u>

## (v) Items that were reclassified to other comprehensive income

Details of the reclassification adjustments of other comprehensive income in 2025 and 2024 were summarized as follows:

	2025	2024
Exchange differences on translation of foreign financial statements:		
Change in foreign currency exchange from the Company	<u>\$ (89,978)</u>	<u>236,464</u>
Share of other comprehensive (loss) income accounted for using equity method:		
Change in foreign currency exchange from subsidiaries and associates	\$ (1,630)	321
Debt investment instruments of subsidiaries measured at fair value through other comprehensive income	<u>897</u>	<u>8</u>
Share of other comprehensive (loss) income from associates	<u>\$ (733)</u>	<u>329</u>

## (w) Financial instruments

## (i) Category of financial instruments

## 1) Financial Assets

	December 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 702,619	976,025
Financial assets at fair value through profit or loss — current and non-current	721,408	258,552
Financial assets at fair value through other comprehensive income — non-current	42,000	56,595
Notes receivable, accounts receivable and other accounts receivable (including related parties)	1,271,194	1,093,018
Refundable deposits	<u>3,291</u>	<u>4,846</u>
	<u>\$ 2,740,512</u>	<u>2,389,036</u>

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

2) Financial liabilities

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Short-term borrowings	\$ 980,224	768,297
Other long-term borrowings	329,910	639,230
Financial liabilities at fair value through profit or loss — current	3,582	2,910
Notes payable, accounts payable and other payables (including related parties)	1,044,885	1,289,280
Guarantee deposit received	482	2,423
Lease liability (current and non-current)	<u>517</u>	<u>40</u>
	<b><u>\$ 2,359,600</u></b>	<b><u>2,702,180</u></b>

(ii) Credit risk

Exposure to credit risk:

The carrying amount of financial assets represents the maximum amount exposed to credit risk. As of December 31, 2025 and 2024, the maximum amount exposed to credit risk amounted to \$2,740,512 thousand and \$2,389,036 thousand, respectively.

(iii) Liquidity risk

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

	<b>Book value</b>	<b>Contractual cash flows</b>	<b>Within six months</b>	<b>6-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over five years</b>
<b>December 31, 2025</b>							
Non-derivative financial liabilities							
Long-term and short-term borrowings	\$ 1,310,134	1,316,707	253,872	732,925	329,910	-	-
Accounts payable	420,678	420,678	420,678	-	-	-	-
Accounts payable to related parties	364,961	364,961	364,961	-	-	-	-
Other payables	259,246	259,246	259,246	-	-	-	-
Lease liability	517	527	243	243	41	-	-
Guarantee deposits received	482	482	482	-	-	-	-
Derivative financial liabilities							
Cross currency swaps	2,789	2,789	2,789	-	-	-	-
Forward foreign exchange contracts	<u>793</u>	<u>793</u>	<u>793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b><u>\$ 2,359,600</u></b>	<b><u>2,366,183</u></b>	<b><u>1,303,064</u></b>	<b><u>733,168</u></b>	<b><u>329,951</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

	Book value	Contractual cash flows	Within six months	6-12 months	1-2 years	2-5 years	Over five years
<b>December 31, 2024</b>							
Non-derivative financial liabilities							
Other long-term and short-term borrowings	\$ 1,407,527	1,574,700	165,580	769,890	-	639,230	-
Notes payable	575	575	575	-	-	-	-
Accounts payable	557,115	557,115	557,115	-	-	-	-
Accounts payable to related parties	441,841	441,841	441,841	-	-	-	-
Other payables	289,749	289,749	289,749	-	-	-	-
Lease liability	40	40	40	-	-	-	-
Guarantee deposits received	2,423	2,423	2,423	-	-	-	-
Derivative financial liabilities							
Cross currency swaps	2,910	2,910	2,910	-	-	-	-
	<u>\$ 2,702,180</u>	<u>2,869,353</u>	<u>1,460,233</u>	<u>769,890</u>	<u>-</u>	<u>639,230</u>	<u>-</u>

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

(iv) Currency risk

1) The Company's significant exposures to foreign currency risk were as follows:

	2025			2024		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets :						
Monetary items:						
EUR	\$ 10,674	36.91	393,960	14,313	33.95	485,984
USD	28,330	31.42	890,129	30,435	32.78	997,676
			<u>\$ 1,284,089</u>			<u>1,483,660</u>
Derivative financial instruments:						
USD	\$ 34	31.42	1,071	68	32.78	2,243
JPY	6,149	0.20	1,233	12,235	0.21	2,550
AUD	1	20.97	22	23	20.29	471
EUR	13	36.91	481	104	33.95	3,538
			<u>\$ 2,807</u>			<u>8,802</u>

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

	2025			2024		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Investment accounted for using equity method:						
USD	\$ 162,275	31.42	5,098,636	194,061	32.78	6,361,502
IDR	991,095	-	1,865	739,796	-	1,507
EUR	8,556	36.91	315,800	9,719	33.95	330,014
AUD	1,684	20.97	35,311	2,938	20.29	59,610
PEN	360	9.33	3,354	-	-	-
JPY	2,922,810	0.20	586,129	2,808,930	0.21	585,413
CLP	189,126	0.03	6,522	171,789	0.03	5,676
			<u>\$ 6,047,617</u>			<u>7,343,722</u>
Financial liabilities:						
Monetary items:						
USD	\$ 38,736	31.42	1,217,078	55,324	32.78	1,813,586
EUR	3	36.91	103	100	33.95	3,390
JPY	3,706,496	0.20	743,287	2,973,628	0.21	619,737
			<u>\$ 1,960,468</u>			<u>2,436,713</u>
Derivative financial instruments:						
USD	\$ 18	31.42	562	-	-	-
JPY	4,328	0.20	868	13,613	0.21	2,837
EUR	58	36.91	2,152	2	33.95	73
			<u>\$ 3,582</u>			<u>2,910</u>
Credit balance of equity investment:						
USD	\$ 20,440	31.42	642,179	20,442	32.78	670,114
EUR	1,241	36.91	45,788	-	-	-
BRL	34,450	5.71	196,718	37,810	5.29	200,158
			<u>\$ 884,685</u>			<u>870,272</u>

Because the Company has various functional currencies, information of the foreign currency exchange gains and losses of the monetary financial assets and liabilities is aggregately disclosed. The total foreign exchange gains and losses, including realized and unrealized, were gains \$16,762 thousand and \$18,349 thousand for the years ended December 31, 2025 and 2024, respectively.

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, account receivables, other receivables, loans, account payables, and other payables that are denominated in foreign currency. A 1.5% of appreciation (depreciation) of each consolidated components currency, other than the functional currency, against the functional currency as of December 31, 2025 and 2024 would have increased or decreased the net income after tax by \$53,829 thousand and \$66,316 thousand, respectively, assuming all other variables were held constant.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(v) Interest rate analysis

Please refer to the notes on liquidity risk management for the risk of interest rate exposure of the Company's financial assets and liabilities.

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

(vi) Assets and liabilities measured at fair value

1) The information of levels in the fair value hierarchy

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

Assets and liabilities	Total	December 31, 2025		
		Level 1	Level 2	Level 3
<b>Measured at fair value on recurring basis</b>				
<b>Non-derivative instruments</b>				
<b>Assets:</b>				
Financial assets mandatorily measured at fair value through profit or loss-current				
Beneficiary certificates	\$ 14,467	14,467	-	-
Domestic listed (OTC) stock	50,749	50,749	-	-
Financial assets mandatorily measured at fair value through profit or loss - non-current				
Domestic listed (OTC) stock	653,385	405,585	-	247,800
Financial assets at fair value through other comprehensive income - non-current				
Domestic listed (OTC) stock	42,000	-	-	42,000
<b>Derivative instruments</b>				
<b>Assets:</b>				
Financial assets mandatorily measured at fair value through profit or loss - current	2,807	-	2,807	-
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss - current	3,582	-	3,582	-

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

December 31, 2024				
Assets and liabilities	Total	Level 1	Level 2	Level 3
<b>Measured at fair value on recurring basis</b>				
<b>Non-derivative instruments</b>				
<b>Assets:</b>				
Financial assets mandatorily measured at fair value through profit or loss - non-current				
Domestic listed (OTC) stock	\$ 249,750	28,850	-	220,900
Financial assets at fair value through other comprehensive income - non-current				
Domestic listed (OTC) stock	56,595	-	-	56,595
<b>Derivative instruments</b>				
<b>Assets:</b>				
Financial assets mandatorily measured at fair value through profit or loss-current	8,802	-	8,802	-
<b>Liabilities:</b>				
Financial liabilities at fair value through profit or loss-current	2,910	-	2,910	-

2) Valuation techniques

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

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

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

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

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

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

3) Transfer between Level 1 and Level 2

As of December 31, 2025 and 2024, there were no transfers between level 1 and level 2 of the fair value hierarchy.

4) Reconciliation of level 3 fair values

	<b>Non derivative financial assets mandatorily measured at fair value through profit or loss</b>	<b>Financial assets at fair value through other comprehensive income</b>
Balance at January 1, 2025	\$ 220,900	56,595
Total gains and losses recognized:		
In profit or loss	26,900	-
In other comprehensive loss	-	(14,595)
Balance at December 31, 2025	<u>\$ 247,800</u>	<u>42,000</u>
Balance at January 1, 2024	\$ 127,050	-
Total gains and losses recognized:		
In profit or loss	93,850	-
In other comprehensive income	-	6,895
Acquisition	-	49,700
Balance at December 31, 2024	<u>\$ 220,900</u>	<u>56,595</u>

As of December 31, 2025 and 2024, the Company still held the following assets related to the total gains or losses described above, which were reported in “other gains and losses” and “unrealized gains and losses on financial assets at fair value through other comprehensive income” showed below:

	<b>2025</b>	<b>2024</b>
Total gains and losses recognized:		
In profit or loss, and reported in “other gains and losses” \$	26,900	93,850
In other comprehensive (loss) income, and reported in “unrealized gains and losses on financial assets at fair value through other comprehensive income”	(14,595)	6,895
Total	<u>\$ 12,305</u>	<u>100,745</u>

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

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

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

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

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets mandatorily measured at fair value through profit or loss - equity instruments investments	The fair value is determined by the market approach and considered the liquidity discount model (Finnerty model) on December 31, 2025 and December 31, 2024.	Lack of market liquidity discount (7.53% on December 31, 2025 and 18.18% on December 31, 2024)	The higher the market liquidity discount lacks, the lower the fair value is.
Financial assets at fair value through other comprehensive income - equity investments without an active market	The fair value is determined by the market approach and considered the liquidity discount model (Finnerty model) on December 31, 2025, and December 31, 2024.	Lack of market liquidity discount (14.62% on December 31, 2025 and 15.75% on December 31, 2024)	The higher the market liquidity discount lacks, the lower the fair value is.

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

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

	Inputs	Upward or downward movement	Changes in fair value through the current period's profit or loss/other comprehensive income	
			Favorable	Unfavorable
<b>December 31, 2025</b>				
Financial assets mandatorily measured at fair value through profit or loss	Lack of market liquidity discount	5%	\$ <u>13,400</u>	<u>(13,400)</u>

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

	Inputs	Upward or downward movement	Changes in fair value through the current period's profit or loss/other comprehensive income	
			Favorable	Unfavorable
Financial assets at fair value through other comprehensive income	Lack of market liquidity discount	5%	\$ <u>2,459</u>	<u>(2,459)</u>
<b>December 31, 2024</b>				
Financial assets mandatorily measured at fair value through profit or loss	Lack of market liquidity discount	5%	\$ <u>13,500</u>	<u>(13,500)</u>
Financial assets at fair value through other comprehensive income	Lack of market liquidity discount	5%	\$ <u>3,308</u>	<u>(3,308)</u>

(vii) Assets and liabilities not measured at fair value

1) Information of fair value

Except for those listed in the table below, the carrying amounts of the Company's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable/payable and other receivables/payables) approximate their fair values.

	December 31, 2025		December 31, 2024	
	Book value	Fair value	Book value	Fair value
Non-financial assets:				
Investment property	\$ <u>37,291</u>	<u>75,472</u>	<u>37,687</u>	<u>83,626</u>

Assets and liabilities	Total	December 31, 2025		
		Level 1	Level 2	Level 3
<b>Non-financial assets:</b>				
Investment property	\$ 75,472	-	-	75,472

Assets and liabilities	Total	December 31, 2024		
		Level 1	Level 2	Level 3
<b>Non-financial assets:</b>				
Investment property	\$ 83,626	-	-	83,626

2) Valuation techniques

The assumptions used by the Company to determine the fair value are as follows:

- a) The carrying amounts of cash and cash equivalents and other financial instruments are approximate their fair value due to their short maturities.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

- b) The fair value of investment property is based on the comparable deal information with similar location.

(x) Financial risk management

(i) Overview

the Company is exposed to the following risks rising from financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above-mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has given the department directors a task to establish and dominate regulations of risk management to effectively ensure operations of risk management. The personnel change in department directors should be reported to the Board of Directors.

The Company use internal control systems, risk management procedures, and regulations of risk management as the basis of various business risk management standards. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and to be adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors and Audit Committee oversee how management monitors compliance with the Company's risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks faced by the Company. The Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors and Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investment securities and hedge derivatives.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

1) Accounts receivable

The Company has completed in setting the credit risk management policies, and has established Institutional Credit Review Committee and Credit Risk Management Department, which are responsible for managing credit policies and client's credit risk. Based on the global risk management, credit rating and analysis are required to customers on credit in advance and granted credit limits. For customers who made their payments other than cash, regular reviews on credit limits are required to ensure the creditworthiness of customers.

Allowance for bad debt is set based on the lifetime expected credit loss of each customer. In order to mitigate the risk of default, the Company has purchased guarantees, with appropriate insured amount for customers in high-risk countries. High risks customers without insurance should make their payments in advance or provide sufficient credit guarantees. In addition, when the creditworthiness of customers worsens, they should be placed on a restricted customer list. The credit rating for these customers should be downgraded and the transactions on sales credit should be restricted.

The Company has set the allowance for bad debt account to reflect the possible losses on account and other receivables. The allowance for bad debt account consists of specific losses relating to individually significant exposure from customers with financial difficulties or operating conflicts. The allowance for bad debt account is based on expected credit loss and historical collection record of similar financial assets or the possibility of breaching the contracts.

2) Investment on securities and derivative financial instruments

The credit risk of bank deposits, fixed income investments and derivative financial instrument are measured and monitored by the Company's finance department. As the Company will select financial institutions with good credit ratings as its counterparties and diversify its investment in different financial institutions, and do not expect to have any default risks and significant concentration of credit risk.

3) Guarantees

Pursuant to the Company's Articles of Incorporation, it is only permissible to provide financial guarantees to subsidiaries. As of December 31, 2025 and 2024, the Company has not provided any guarantees to a third party.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company aims to maintain the level of its cash and short-term bank facilities at an amount in excess of expected cash flows on financial liabilities over the succeeding 60 days. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

The Company had unused credit facilities for \$2,366,646 thousand and \$2,858,134 thousand as of December 31, 2025 and 2024, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as changes in foreign exchange rates, interest rates or equity prices that affects the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters to minimize the influence on change in market price or control within expectable scope.

The Company buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines of risk management.

1) Currency risk

The Company is exposed to currency risk on sales, purchases and loans that are denominated in currencies other than its respective functional currencies. The functional currencies of the Company are primarily denominated in US Dollars (USD) and TWD, and include denominated in Euro (EUR), Chinese Yuan (CNY), Japanese Yen (JPY) and Brazilian Real (BRL) of other countries in which the subsidiaries registered. Purchases are mainly denominated in USD while sales are denominated in USD, EUR, CNY, TWD, British Pounds (GBP), Australian Dollar (AUD), Canadian Dollar (CAD), JPY, South Korean Won (KRW), Russian Ruble (RUB), Indian Rupee (INR), BRL, and so on.

At any point in time, the Company hedges its currency risk based on its actual and forecast sales over the following six months. the Company also uses nature hedges on assets and liabilities denominated in same foreign currencies and maintained the hedge ratio at 50% and above. the Company uses forward exchange contracts and foreign-exchange options, with a maturity of less than one year from the reporting date, to hedge its currency risks.

Generally, the currencies of loans in the Company are denominated in its functional currencies and are incorporated in net exposure on loan requirement denominated in foreign currencies as mentioned above to ensure the net exposure is maintained at acceptable level.

Transactions in derivative financial instruments adopt economic hedge to prevent currency risk from financial assets and liabilities denominated in foreign currencies. The gains and losses of hedged items are expected to offset gains or losses that arise from the fluctuations in exchange rates. The valuation gains and losses on financial assets consist of transactions that do not qualify as hedging accounting.

2) Interest rate risk

The Company's bank loans are at fixed rate. Therefore, the change in market interest rate will not affect the cash flow of the future interest payment of the Company, hence, there is no significant interest rate risk.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(y) Capital management

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

Debt-to-equity ratio:

	December 31, 2025	December 31, 2024
Total liabilities	\$ 3,504,194	3,816,037
Less: cash and cash equivalents	<u>(702,619)</u>	<u>(976,025)</u>
Net debt	<u>\$ 2,801,575</u>	<u>2,840,012</u>
Total equity	<u>\$ 8,295,618</u>	<u>8,970,548</u>
Debt-to-equity ratio	<u>33.77%</u>	<u>31.66%</u>

As of December 31, 2025, the methods of the Company's capital management remained unchanged.

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

Information of non-cash-traded investing and financing activities for the years ended December 31, 2025 and 2024 was as follows:

(i) Requirement of right-to-use assets through lease agreement, please refer to note 6(f).

(ii) Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Non-cash changes			December 31, 2025
			Exchange	Fair value changes	Others	
Short-term borrowings	\$ 768,297	211,927	-	-	-	980,224
Other long-term borrowings	639,230	(309,320)	-	-	-	329,910
Lease liabilities	40	(486)	-	-	963	517
Guarantee deposits received	<u>2,423</u>	<u>(1,941)</u>	-	-	-	<u>482</u>
Total liabilities from financing activities	<u>\$ 1,409,990</u>	<u>(99,820)</u>	<u>-</u>	<u>-</u>	<u>963</u>	<u>1,311,133</u>

  

	January 1, 2024	Cash flows	Non-cash changes			December 31, 2024
			Exchange	Fair value changes	Others	
Other short-term borrowings	\$ 392,306	212,086	-	-	163,905	768,297
Other long-term borrowings	753,008	50,127	-	-	(163,905)	639,230
Lease liabilities	2,988	(1,142)	-	-	(1,806)	40
Guarantee deposits received	<u>3,074</u>	<u>(651)</u>	-	-	-	<u>2,423</u>
Total liabilities from financing activities	<u>\$ 1,151,376</u>	<u>260,420</u>	<u>-</u>	<u>-</u>	<u>(1,806)</u>	<u>1,409,990</u>

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

**(7) Related-party transactions:**

(a) Names and relationship with related parties

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

Name of related party	Relationship with the Company
D-Link Holding Company Ltd. (D-Link Holding)	A subsidiary
D-Link Japan K.K. (D-Link Japan)	A subsidiary
D-Link Investment Pte. Ltd. (D-Link Investment)	A subsidiary
D-Link (Europe) Ltd. (D-Link Europe)	A subsidiary
D-Link Sudamerica SpA (D-Link Sudamerica)	A subsidiary
D-Link Brazil LTDA (D-Link Brazil)	A subsidiary
D-Link Latin America Company Ltd.(D-Link L.A.)	A subsidiary
D-Link Systems, Inc. (D-Link Systems)	A subsidiary
D-Link Canada Inc. (D-Link Canada)	A subsidiary
D-Link International Pte. Ltd. (D-Link International)	A subsidiary
D-Link Australia Pty Ltd. (D-Link Australia)	A subsidiary
D-Link Middle East FZE (D-Link ME)	A subsidiary
PT DLink System Indonesia (D-Link Indonesia)	A subsidiary
D-Link Korea Limited (D-Link Korea)	A subsidiary
D-Link Trade M S.R.L. (D-Link Moldova)	A subsidiary
D-Link Capital Investment Co., Ltd. (D-Link Capital Investment)	A subsidiary
D-Link Malaysia SDN. BHD (D-Link Malaysia)	A subsidiary
D-Link Service Lithuania, UAB (D-Link Lithuania)	A subsidiary
D-Link Service (Kazakhstan) (D-Link Kazakhstan)	A subsidiary
D-Link (Shanghai) Co., Ltd. (D-Link Shanghai)	A subsidiary
Netpro (Shanghai) Co., Ltd. (Netpro)	A subsidiary
D-Link Service (Ukraine) (D-Link Ukraine)	A subsidiary
D-Link Taiwan Investment Co., Ltd. (D-Link Taiwan Investment)	A subsidiary (Yeotai Investment Co., Ltd. was renamed to D-Link Taiwan Investment Co., Ltd. on May 3, 2024)
D-Link Shiang-Hai (Cayman) Inc. (D-Link Shiang-Hai (Cayman))	A subsidiary (In liquidation process)
D-Link Holding Mauritius Inc. (D-Link Mauritius)	A subsidiary
OOO D-Link Russia (D-Link Russia)	A subsidiary
OOO D-Link Trade (D-Link Trade)	A subsidiary
Success Stone Overseas Corp. (Success Stone)	A subsidiary
D-Link India Ltd. (D-Link India)	A subsidiary

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

<b>Name of related party</b>	<b>Relationship with the Company</b>
TeamF1 Networks Private Limited (TeamF1 India)	A subsidiary
D-Link (Holdings) Ltd. and its subsidiary D-Link (UK) Ltd. (D-Link UK)	A subsidiary(The liquidations were completed in November and October 2025, respectively.)
D-Link France SARL (D-Link France)	A subsidiary
D-Link AB	A subsidiary
D-Link Iberia SL (D-Link Iberia)	A subsidiary
D-Link Mediterraneo SRL (D-Link Mediterraneo)	A subsidiary
D-Link (Netherlands) BV (D-Link Netherlands)	A subsidiary
D-Link (Deutschland) GmbH (D-Link Deutschland)	A subsidiary
D-Link Polska Sp. Z.o.o. (D-Link Polska)	A subsidiary
D-Link (Magyarország) kft (D-Link Magyarország)	A subsidiary
D-Link s.r.o	A subsidiary
D-Link Adria d.o.o	A subsidiary (The company completed its liquidation in December 2024.)
D-Link Peru S.A. (D-Link Peru)	A subsidiary
D-Link de Colombia S.A.S	A subsidiary
D-Link Guatemala S.A.	A subsidiary (In liquidation process)
Cameo Communication, Inc. (Cameo)	A subsidiary
Qianjin Investment Co., Ltd.(Qianjin Investment)	A subsidiary
Huge Castle Ltd (Huge Castle)	A subsidiary
Perfect Choice Co., Ltd. (PC)	A subsidiary (The company completed its liquidation in May 2025.)
Luis Jo'se Investment Inc. (Luis Jo'se)	A subsidiary (The company completed its liquidation in August 2025.)
Suzhou Soarnex Technology Co., Ltd. (Suzhou Soarnex)	A subsidiary
Amigo Technology Inc.(Amigo)	Other related party (Amigo changed its Chinese company name on January 16, 2026.
Amit Wireless Inc.(Amit)	Other related party
Sapido Technology Inc.(Sapido)	Other related party
TSG Hawks Baseball Co., Ltd.	Other related party
TSG Sports Marketing Co., Ltd.	Other related party
GMTC	Other related party
NewSoft Technology Corporation	Other related party
Jia Jie Biomedical Co., Ltd.	Other related party
TSG TRANSPORT CORP.	Other related party

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

Name of related party	Relationship with the Company	
HOME-CHAIN FOODS, LTD.	Other related party	
TSG Star Travel Corp.	Other related party	
TSG Royalty Eagle Social Welfare Charitable Foundation	Other related party	
United Fiber Optic Communication Inc. (UFOC)	Other related party	
Advanced Communication Technology & Solutions Corporation	Other related party (Dissolved after merging with the parent company, UFOC, on December 1, 2024.)	
Kuei Tien Cultural & Creative Entertainment Co., Ltd.	Other related party	
YangMingShan Tian Lai Resort & Spa Co., Ltd.	Other related party	
Yung-Fu Co., Ltd.	Other related party	
Kuei Tien Creative Co., Ltd.	Other related party	
KUEI TIEN International Entertainment Co., Ltd.	Other related party	
Taiwan Steel Insurance Broker Co., Ltd.	Other related party	
King House	Other related party	
S-Tech	Other related party	
TSG Development	Other related party	
 (b) Significant related party transactions		
(i) Operating revenue		
1) Sales Revenue		
	<b>2025</b>	<b>2024</b>
Subsidiaries-D-Link ME	\$ 1,227,720	971,203
Subsidiaries-D-Link Europe	900,639	1,079,712
Subsidiaries-D-Link India	846,775	608,253
Subsidiaries-D-Link Systems	509,874	242,570
Subsidiaries-D-Link Japan	428,954	564,266
Subsidiaries-D-Link International	263,457	173,993
Subsidiaries-Others	93,210	102,771
Other related parties	<u>330</u>	<u>987</u>
	<b><u>\$ 4,270,959</u></b>	<b><u>3,743,755</u></b>

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

2) Service Revenue

	<b>2025</b>	<b>2024</b>
Subsidiaries	\$ <u><b>126,061</b></u>	<u><b>105,189</b></u>

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

(ii) Purchases

	<b>2025</b>	<b>2024</b>
Subsidiaries-Cameo	\$ 1,125,877	640,279
Subsidiaries-others	2,572	6,190
Other related parties-Amigo	500,053	606,362
Other related parties-others	<u>93,967</u>	<u>22,120</u>
	<u><b>\$ 1,722,469</b></u>	<u><b>1,274,951</b></u>

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

(iii) Accounts receivable due from related parties

		<b>December 31, 2025</b>	<b>December 31, 2024</b>
Accounts receivable	Subsidiaries – D-Link ME	\$ 348,411	138,914
Accounts receivable	Subsidiaries – D-Link Europe	342,385	456,829
Accounts receivable	Subsidiaries – D-Link Systems	201,913	69,123
Accounts receivable	Subsidiaries – D-Link India	124,535	126,456
Accounts receivable	Subsidiaries – D-Link Japan	71,832	54,995
Accounts receivable	Subsidiaries – Others	61,946	40,251
Accounts receivable	Other related parties	27	20
Other receivables	Subsidiaries – D-Link Systems	13,128	3,148
Other receivables	Subsidiaries – D-Link Europe	9,233	4,471
Other receivables	Subsidiaries – D-Link ME	-	98,350
Other receivables	Subsidiaries – Others	3,003	2,140
Other receivables	Other related parties	<u>314</u>	<u>483</u>
		<u><b>\$ 1,176,727</b></u>	<u><b>995,180</b></u>

Other receivables from the Company's subsidiary – D-Link ME are mainly cash dividends receivable.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

## (iv) Other current assets

<b>Account</b>	<b>Related party categories</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Advance payment	Other related parties – Amigo	\$ -	9,147
Prepaid expenses	Other related parties	<u>2,143</u>	<u>2,160</u>
		<b><u>\$ 2,143</u></b>	<b><u>11,307</u></b>

## (v) Accounts payable to related parties

<b>Account</b>	<b>Related party categories</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Accounts payable	Subsidiaries – Cameo	\$ 234,292	261,730
Accounts payable	Subsidiaries – Others	260	300
Accounts payable	Other related parties – Amigo	111,630	159,299
Accounts payable	Other related parties – Others	18,779	20,512
Other payables	Subsidiaries	14,453	20,996
Other payables	Other related parties	<u>11,041</u>	<u>16,318</u>
		<b><u>\$ 390,455</u></b>	<b><u>479,155</u></b>

Other payables mainly consist of payments for services and interest to subsidiaries, payments to related parties for after-sales maintenance of products and various services due to business transactions; other payables to related parties include payables for equipments and others.

## (vi) Contract liabilities

<b>Account</b>	<b>Related party categories</b>	<b>2025</b>	<b>2024</b>
Contract liabilities	Subsidiaries-D-Link Japan	<b><u>\$ 11,560</u></b>	<b><u>13,986</u></b>

## (vii) Services purchased from related parties

	<b>2025</b>	<b>2024</b>
Subsidiaries	\$ 34,825	40,383
Other related parties	<u>45,402</u>	<u>47,265</u>
	<b><u>\$ 80,227</u></b>	<b><u>87,648</u></b>

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

## (viii) Property transaction

	2025	2024
Subsidiaries:		
Cameo	\$ 3,017	6,245
Other related parties:		
Amigo	11,140	2,430
Others	<u>9,174</u>	<u>45</u>
	<u>\$ 23,331</u>	<u>8,720</u>

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

## (ix) Other gains and losses

Account	Related party categories	2025	2024
Other gains and losses	Subsidiaries – D-Link Systems	\$ (4,284)	(12,504)
Other gains and losses	Subsidiaries – Others	184	(2,829)
Other gains and losses	Other related parties	<u>1,483</u>	<u>153</u>
		<u>\$ (2,617)</u>	<u>(15,180)</u>

Other gains and losses mainly consist of claims on material preparation from subsidiaries.

## (x) Lease

Account	Related party categories	2025	2024
Rent Income	Subsidiaries – Cameo	\$ 5,234	-
Rent Income	Subsidiaries – Other	23	139
Rent Income	Other related parties – UFOC	2,722	4,359
Rent Income	Other related parties – Amigo	2,978	3,862
Rent Income	Other related parties – Others	<u>-</u>	<u>23</u>
		<u>\$ 10,957</u>	<u>8,383</u>
Operating Costs – Rental	Subsidiaries	<u>\$ 2,371</u>	<u>2,371</u>

The Company's rental contracts as the lessee or lessor with the related parties are entered into the reference to the market conditions of office rentals in the vicinity, and the rent is collected or paid on a monthly or quarterly basis.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(xi) Borrowing from Related Parties

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Subsidiaries – D-Link Capital Investment	\$ 329,910	803,135
Subsidiaries – D-Link Japan	360,965	375,140
Subsidiaries – D-Link International	<u>368,987</u>	<u>229,252</u>
	<b><u>\$ 1,059,862</u></b>	<b><u>1,407,527</u></b>

The interest paid to the related parties amounted to \$4,316 thousand and \$2,651 thousand for the years ended 2025 and 2024, respectively. The amounts were calculated based on the interest rate agreed between each related party and the Company. Additionally, all borrowings were unsecured.

(xii) Guarantee

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Subsidiaries:		
D-Link Europe	\$ 137,524	126,514
D-Link Shanghai	<u>157,100</u>	<u>163,905</u>
	<b><u>\$ 294,624</u></b>	<b><u>290,419</u></b>

As of December 31, 2025 and 2024, the Company had used its endorsement guarantees amounting to \$28,831 thousand and \$48,867 thousand, respectively.

(xiii) Financial Instruments

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

(c) Key management personnel compensation

Key management personnel compensation comprised:

	<b>2025</b>	<b>2024</b>
Short-term employee benefits	\$ 27,604	32,884
Post-employee benefits	531	664
Share-based payments	<u>3,091</u>	<u>5,258</u>
	<b><u>\$ 31,226</u></b>	<b><u>38,806</u></b>

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

**(8) Pledged assets:None.**

**(9) Commitments and contingencies:**

- (a) The Company's subsidiary, D-Link Brazil, had disputes regarding prior year's invoices attached to sales return with the local tax authorities, and had filed litigation. D-Link Brazil had accrued possible tax, interest and penalty. D-Link Brazil continues to cooperate with the court proceedings to clarify the disputes and respond to the claims made by local tax authorities, and will await the court's findings and judgment.
- (b) The Company's subsidiary, D-Link India, had disputes regarding prior years' declaration tax on customs with the local tax authorities. The Company has appointed attorneys to conduct a defense. Based on its evaluation, the Company believes the above litigation will not have any significant impact on its current operations.
- (c) Integral Wireless Technologies LLC filed a lawsuit against the Company in 2025, alleging that some of D-Link's products have infringed its patents. The Company has appointed attorneys to conduct a defense. Based on its evaluation, The Company believes the above litigation will not have any significant impact on its current operations.
- (d) Estelgia, LLC filed a lawsuit against the Company and requested an investigation from the ITC in 2025, alleging that some of D-Link's products infringed its patents. The Company has appointed attorneys to conduct a defense. Based on its evaluation, The Company believes the above litigation will not have any significant impact on its current operations.
- (e) IoT Innovations, LLC filed a lawsuit against the Company in 2025, alleging that some of D-Link's products have infringed its patents. The Company has appointed attorneys to conduct a defense. Based on its evaluation, The Company believes the above litigation will not have any significant impact on its current operations.
- (f) In addition to the abovementioned lawsuits, the Company is currently under negotiations with a number of companies regarding the royalty on patents and the amount of liabilities is not significant or unclear. The Company has accrued the possible expense.

**(10) Losses Due to Major Disasters: None.**

**(11) Subsequent Events:**

On January 20, 2026, the Company's subsidiary, D-Link India, received a tax reassessment ruling from the Office of the Customs Commissioner in India. The ruling asserts that royalties paid by D-Link India to the Company should be included in the custom assessable value of goods imported from third-party suppliers. Prior to the ruling, D-Link India had voluntarily prepaid NTD3,475 thousand (INR10,000 thousand), which has been permitted for offsetting by the competent authority in its ruling.

D-Link India is evaluating the legal basis of the ruling and its potential implications, and has appointed attorneys to conduct a defense. Based on its evaluation, D-Link India believes the above litigation will not have any significant impact on its current operations. D-Link India plans to file an appeal with the Office of the Commissioner of Customs by the end of March 2026.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

**(12) Other:**

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

By item	By function	For the years ended December 31					
		2025			2024		
		Cost of Goods Sold	Operating Expense	Total	Cost of Goods Sold	Operating Expense	Total
Employee benefits							
Salaries		1,912	491,962	493,874	2,775	576,307	579,082
Labor and health insurance		188	43,856	44,044	296	48,256	48,552
Pension		82	23,692	23,774	137	26,334	26,471
Remuneration of directors		-	3,942	3,942	-	4,142	4,142
Others		78	17,354	17,432	129	18,807	18,936
Depreciation		12	44,170	44,182	12	48,133	48,145
Amortization		8	45,935	45,943	8	34,239	34,247

For the years ended December 31, 2025 and 2024, additional information for the number of employees and employee benefits was as follows:

	2025	2024
Number of employees	<u>419</u>	<u>477</u>
Number of directors who were not employees	<u>8</u>	<u>8</u>
The average employee benefit	<u>\$ 1,409</u>	<u>1,435</u>
The average salaries and wages	<u>\$ 1,202</u>	<u>1,235</u>
The adjustment rate of average employee salaries	<u>(2.67)%</u>	<u>1.40 %</u>
Supervisor's remuneration	<u>\$ -</u>	<u>-</u>

The Company's salary and remuneration policy (including directors, managers and employees) are as follows:

**Directors:** The remuneration to directors is determined by reference to their attributes, positions, as well as their industry levels, which shall be regularly revised by the "Directors and Functional Committee Members Remuneration Management Measure" in accordance with the Company's Articles of Incorporation. The above conditions are reviewed by the Remuneration Committee and approved by the Board of Directors thereafter.

**Managers:** For remuneration to new managers and managers whose annual salary have changed in the current year, the human resource department determined their remuneration by reference to the industry levels. The above conditions are reviewed by the Remuneration Committee and approved by the Board of Directors thereafter.

**Employee:** For employee remuneration, which is based on the reference to the annual external salary survey, employee salary level within the peer industry, taking into consideration the Company's operating status and budget planning, the Company determined their annual salary adjustments, annual bonus, promotion scheme, distribution of employee remuneration based on principles, long-term compensation scheme, etc., taking into account each employee's performance appraisal results, the Company's overall operating performance, as well as the need for sustainable development.

(Continued)

## D-LINK CORPORATION

### Notes to the Financial Statements

#### (13) Other disclosures:

##### (a) Information on significant transactions:

The following was the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company for the year ended December 31, 2025:

##### (i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period (%)	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note)	Maximum limit of fund financing (Note)
													Item	Value		
0	D-Link Corporation	D-Link Europe	Accounts receivable-related parties	Yes	32,774	-	-	4.25	2	-	Convert from Account receivables to loan receivable	-	-	-	3,318,247	3,318,247
0	D-Link Corporation	D-Link Europe	Accounts receivable-related parties	Yes	108,901	-	-	3.50	2	-	Convert from Account receivables to loan receivable	-	-	-	3,318,247	3,318,247
1	D-Link International	D-Link Shanghai	Accounts receivable-related parties	Yes	140,811	-	-	3.55	2	-	Operating Capital	-	-	-	1,487,128	1,487,128
1	D-Link International	D-Link Shanghai	Accounts receivable-related parties	Yes	268,211	134,105	134,105	3.20	2	-	Operating Capital	-	-	-	1,487,128	1,487,128
1	D-Link International	D-Link Shanghai	Accounts receivable-related parties	Yes	368,712	368,712	368,712	-	2	-	Convert from Account receivables to loan receivable	-	-	-	1,487,128	1,487,128
1	D-Link International	D-Link Corporation	Accounts receivable-related parties	Yes	368,987	368,987	368,987	0.77	2	-	Operating Capital	-	-	-	1,487,128	1,487,128
2	D-Link Capital Investment	D-Link Corporation	Accounts receivable-related parties	Yes	769,790	329,910	329,910	-	2	-	Operating Capital	-	-	-	346,531	346,531
3	D-Link Japan	D-Link Corporation	Accounts receivable-related parties	Yes	360,965	360,965	360,965	0.86	2	-	Operating Capital	-	-	-	569,831	569,831
4	D-Link Deutschland	D-Link Europe	Accounts receivable-related parties	Yes	114,418	55,364	55,364	3.50	2	-	Operating Capital	-	-	-	136,033	136,033

Note 1: Purpose of fund financing for the borrower:

1. For those companies with business transaction with the Company, please fill in 1.

2. For those companies with short-term financing needs, please fill in 2.

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

Note 3: Total amount of loans from D-Link International to the Company and the Company's 100% directly or indirectly owned overseas subsidiaries shall not exceed 100% of the net worth of D-Link International.

Note 4: Total amount of loans from D-Link Capital Investment to the Company shall not exceed 100% of the net worth of D-Link Capital Investment.

Note 5: Total amount of loans from D-Link Japan to the Company shall not exceed 100% of the net worth of D-Link Japan.

Note 6: Total amount of loans from D-Link Deutschland to the Company's 100% directly or indirectly owned overseas subsidiaries shall not exceed 100% of the net worth of D-Link Deutschland.

Note 7: Only disclose funding loan limits that are still valid until end the year of 2025.

(Continued)

## D-LINK CORPORATION

### Notes to the Financial Statements

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/guarantees to third parties on behalf of parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	D-Link Corporation	D-Link Europe	2	2,007,475	137,524	137,524	6,192	-	1.66 %	6,022,424	Y	N	N
0	D-Link Corporation	D-Link Shanghai	2	2,007,475	157,100	157,100	22,639	-	1.89 %	6,022,424	Y	N	Y

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

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

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

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

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

(iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account name	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
D-Link Corporation	King House	Other related party	Financial assets at fair value through profit or loss-non-current	5,000,000	247,800	2.96 %	247,800	
D-Link Corporation	S-Tech	Other related party	Financial assets at fair value through profit or loss-non-current	1,687,000	39,138	0.73 %	39,138	
D-Link Corporation	IBF	None	Financial assets at fair value through profit or loss-non-current	21,149,043	350,017	0.58 %	350,017	
D-Link Corporation	GMTC	Other related party	Financial assets at fair value through profit or loss-current	1,414,000	45,389	0.23 %	45,389	
D-Link Corporation	TSG Development	Other related party	Financial assets at fair value through other comprehensive income-non-current	3,500,000	42,000	2.40 %	42,000	
D-Link India	ICICI MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	502,856	70,631	- %	70,631	
D-Link India	ADITYA BIRLA MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	461,442	70,736	- %	70,736	
D-Link India	NIPPON INDIA MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	30,329	70,459	- %	70,459	
D-Link India	TATA MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	47,516	70,305	- %	70,305	
D-Link India	DSP MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	26,146	35,067	- %	35,067	
D-Link India	HDFC MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	37,811	70,470	- %	70,470	
D-Link India	UTI MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	45,082	70,139	- %	70,139	
D-Link India	AXIS MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	84,401	88,293	- %	88,293	
D-Link India	HSBC LIQUID FUND	None	Financial assets at fair value through profit or loss-current	75,590	70,789	- %	70,789	
Cameo	King House	Other related party	Financial assets at fair value through profit or loss-non-current	5,000,000	247,800	2.96 %	247,800	
Cameo	IBF	None	Financial assets at fair value through profit or loss-non-current	16,261,689	269,131	0.45 %	269,131	
Cameo	Domestic bank green bonds-P13 Taipei Fubon Bank 3	None	Financial assets at fair value through other comprehensive income-non-current	-	102,176	- %	102,176	Each bond has a denomination of \$10,000 thousand, with 10 bonds in total.
Qianjin Investment	D-Link Corporation	Parent company	Treasury shares	5,434,069	81,783	0.90 %	81,783	

(Continued)

## D-LINK CORPORATION

### Notes to the Financial Statements

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NTD100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
D-Link Corporation	D-Link International	Subsidiary	(Sales and service revenue)	(268,557)	(5) %	60 Days	—	—	29,134	2%	
D-Link Corporation	D-Link Systems	Subsidiary	(Sales and service revenue)	(512,127)	(10) %	60 Days	—	—	201,913	16%	
D-Link Corporation	D-Link Europe	Subsidiary	(Sales and service revenue)	(906,382)	(18) %	60 Days	—	—	342,385	28%	
D-Link Corporation	D-Link ME	Subsidiary	(Sales and service revenue)	(1,230,472)	(25) %	60 Days	—	—	348,411	28%	
D-Link Corporation	D-Link Japan	Subsidiary	(Sales and service revenue)	(430,434)	(9) %	60 Days	—	—	71,832	6%	
D-Link Corporation	D-Link India	Subsidiary	(Sales and service revenue)	(922,450)	(19) %	45 Days	—	—	124,535	10%	
D-Link Corporation	Cameo	Subsidiary	Purchase	1,125,877	27 %	90 Days	—	—	(234,292)	(30)%	
D-Link Corporation	Amigo	Other related party	Purchase	500,053	12 %	90 Days	—	—	(111,630)	(14)%	
D-Link International	D-Link Corporation	Parent company	Purchase	263,263	60 %	60 Days	—	—	(29,134)	(3)%	
D-Link Systems	D-Link Corporation	Parent company	Purchase	509,260	94 %	60 Days	—	—	(201,913)	(52)%	
D-Link Europe	D-Link Corporation	Parent company	Purchase	894,254	97 %	60 Days	—	—	(342,385)	(67)%	
D-Link ME	D-Link Corporation	Parent company	Purchase	1,227,205	64 %	60 Days	—	—	(348,411)	(67)%	
D-Link Japan	D-Link Corporation	Parent company	Purchase	369,305	81 %	60 Days	—	—	(71,832)	(96)%	
D-Link India	D-Link Corporation	Parent company	Purchase	845,039	16 %	45 Days	—	—	(124,535)	(18)%	
Cameo	D-Link Corporation	Parent company	(Sales)	(1,138,690)	(63) %	120 Days	—	—	236,055	61%	
D-Link Shanghai	D-Link Trade	The ultimate parent company is D-Link Corporation	(Sales)	(671,347)	(96) %	120 Days	—	—	337,813	98%	
D-Link Trade	D-Link Shanghai	The ultimate parent company is D-Link Corporation	Purchase	671,347	96 %	120 Days	—	—	(337,813)	(86)%	
Cameo	D-Link Shanghai	The ultimate parent company is D-Link Corporation	(Sales)	(183,152)	(10) %	90 Days	—	—	39,718	11%	
D-Link Shanghai	Cameo	The ultimate parent company is D-Link Corporation	Purchase	183,635	26 %	90 Days	—	—	(40,254)	(12)%	
D-Link Shanghai	Amigo	Other related party	Purchase	162,170	23 %	90 Days	—	—	(33,028)	(10)%	
D-Link Canada	D-Link Systems	The ultimate parent company is D-Link Corporation	(Sales and service revenue)	(132,118)	(88) %	90 Days	—	—	84,306	98%	

(Continued)

## D-LINK CORPORATION

### Notes to the Financial Statements

(v) Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue (Note1)		Amounts received in subsequent period (Note2)	Allowance for bad debts
					Amount	Action taken		
D-Link Corporation	D-Link Systems	Subsidiary	201,913	3.76	-	-	76,035	-
D-Link Corporation	D-Link Europe	Subsidiary	342,385	2.24	84	-	59,225	-
D-Link Corporation	D-Link ME	Subsidiary	348,411	5.04	-	-	219,934	-
D-Link Corporation	D-Link India	Subsidiary	124,535	6.73	7,415	-	92,685	-
D-Link International	D-Link L.A.	The ultimate parent company is D-Link Corporation	653,583	-	653,583	-	-	-
D-Link International	D-Link Brazil	The ultimate parent company is D-Link Corporation	152,878	-	152,878	-	-	-
D-Link Shanghai	D-Link Trade	The ultimate parent company is D-Link Corporation	337,813	2.46	-	-	23,001	-
Cameo	D-Link Corporation	Parent company	236,055	4.51	-	-	147,144	-

Note 1: Over three months during the normal credit period.

Note 2: The amount represents collections subsequent to December 31, 2025 up to February 25, 2026.

(b) Information on investees:

The following was the information on investees for the year ended December 31, 2025 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Net income (losses) of investee	Share of profits/losses of investee (Note 1)	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
D-Link Corporation	D-Link Systems	USA	Sales and after-sales service in USA	1,672,702	1,672,702	48,045,007	100.00 %	1,230,457	14,358	14,358	
D-Link Corporation	D-Link International	Singapore	Sales and after-sales service in Southeast Asia	868,036	1,941,986	31,500,000	100.00 %	1,400,314	(229,205)	(190,145)	Investment loss included the amounts of transactions between affiliated companies. (Note 3)
D-Link Corporation	D-Link L.A.	Cayman Island	Sales and after-sales service in Latin America	326,600	326,600	41,000	100.00 %	(642,179)	-	-	
D-Link Corporation	D-Link Sudamerica	Chile	Sales and after-sales service in Chile	6,512	6,512	199,999	100.00 %	6,522	356	356	100% shares owned by D-Link Corporation and D-Link Holding.
D-Link Corporation	D-Link Peru	Peru	Sales and after-sales service in Peru	3,318	-	3,499	99.97 %	3,354	(231)	(201)	D-Link Corporation and D-Link International acquired 99.97% and 0.03% of equity interests in D-Link Peru from D-Link Sudamerica and D-Link L.A., respectively, in April 2025.
D-Link Corporation	D-Link Brazil	Brazil	Sales and after-sales service in Brazil	932,197	932,197	2,964,836,727	100.00 %	(196,718)	18,752	18,752	100% shares owned by D-Link Corporation and D-Link Holding.
D-Link Corporation	D-Link ME	UAE	Sales and after-sales service in Middle East and Africa	103,930	103,930	6	100.00 %	849,754	6,682	6,682	
D-Link Corporation	D-Link Australia	Australia	Sales and after-sales service in Australia and New Zealand	16,764	16,764	1,000,000	100.00 %	35,311	(27,925)	(27,925)	
D-Link Corporation	D-Link Holding	BVI	Investment company	891,177	891,177	27,044,212	100.00 %	1,281,769	180,117	180,117	
D-Link Corporation	D-Link Deutschland	Germany	Sales and after-sales service in Germany	211,435	120,047	(Note 2)	100.00 %	256,077	(90,744)	34,260	The Company acquired 99.9957% of the equity interests in D-Link Deutschland from D-Link Europe in December 2025. Following a cash injection to the capital surplus, the Company now solely holds 100% of the equity interests in D-Link Deutschland.

(Continued)

## D-LINK CORPORATION

### Notes to the Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Net income (losses) of investee	Share of profits/losses of investee (Note 1)	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
D-Link Corporation	D-Link MED	Italy	Sales and after-sales service in Italy	17,748	-	(Note 2)	100.00 %	59,723	648	43,418	D-Link MED, originally 100% owned by D-Link Europe, reduced capital to offset losses. After D-link Europe waived its subscriptions rights, D-Link Corporation acquired 100% equity interests via cash injection and completed the registration change on September 26, 2025.
D-Link Corporation	D-Link Indonesia	Indonesia	Sales and after-sales service in Indonesia	5,046	5,046	24,750	99.00 %	1,865	482	482	100% shares owned by D-Link Corporation and D-Link International.
D-Link Corporation	D-Link Japan	Japan	Sales and after-sales service in Japan	595,310	595,310	9,500	100.00 %	586,130	19,469	19,469	
D-Link Corporation	D-Link Investment	Singapore	Investment company	67,191	67,191	2,200,000	100.00 %	336,340	85,340	85,340	
D-Link Corporation	D-Link Europe	UK.	Sales and after-sales service in Europe	1,556,518	1,260,451	10,483,632	100.00 %	(45,788)	(626,386)	(626,386)	(Note 4)
D-Link Corporation	D-Link Taiwan Investment	Taiwan	Investment company	146,000	146,000	14,600,000	100.00 %	60,101	1,683	1,683	
D-Link Corporation	Cameo	Taiwan	Manufacturing and sell computer networks system equipment and its components and related technology research and development	1,102,479	1,102,479	137,532,993	41.58 %	1,438,081	(84,457)	(44,756)	Investment loss included the amounts of transactions between affiliated companies.
D-Link Systems	D-Link Canada	Canada	Sales and after-sales service in Canada	159,585	159,585	5,736,000	100.00 %	94,013	75,693	75,693	
D-Link Investment	D-Link Trade	Russia	Sales and after-sales service in Russia	66,538	66,538	(Note 2)	100.00 %	336,490	85,340	85,340	
D-Link Trade	T-COM	Russia	Sales and after-sales service in Russia	12,485	12,485	(Note 2)	40.00 %	(19,318)	(40,095)	(15,924)	Investment loss included the amounts of transactions between affiliated companies.
D-Link International	D-Link Korea	Korea	Sales and after-sales service in Korea	44,300	44,300	330,901	100.00 %	800	66,355	66,355	In liquidation process.
D-Link International	D-Link Trade M	Republic of Moldova	Sales and after-sales service in Moldova	13	13	(Note 2)	100.00 %	45	(36)	(36)	In liquidation process.
D-Link International	D-Link Capital Investment	BVI	Investment company	352,731	789,757	11,000,000	100.00 %	346,531	(154,800)	(154,800)	(Note 5)
D-Link International	D-Link Malaysia	Malaysia	Sales and after-sales service in Malaysia	6,130	6,130	800,000	100.00 %	9,505	(199)	(199)	
D-Link International	D-Link Lithuania	Lithuania	Sales and after-sales service	3,574	3,574	1,000	100.00 %	7,043	1,440	1,440	
D-Link International	D-Link Kazakhstan	Kazakhstan	Sales and after-sales service in Kazakhstan	171	171	(Note 2)	100.00 %	(28)	(973)	(973)	
D-Link International	D-Link Indonesia	Indonesia	Sales and after-sales service in Indonesia	52	52	250	1.00 %	51	482	-	D-Link Indonesia's investment income was recognized in D-Link Corporation.
D-Link International	D-Link Peru	Peru	Sales and after-sales service in Peru	1	-	1	0.03 %	1	(231)	-	D-Link Corporation and D-Link International acquired 99.97% and 0.03% of equity interests in D-Link Peru from D-Link Sudamerica and D-Link L.A., respectively, in April 2025. D-Link Peru's investment loss was recognized in D-Link Corporation.
D-Link Lithuania	D-Link Ukraine	Ukraine	Sales and after-sales service in Ukraine	4,883	4,883	(Note 2)	100.00 %	(1,004)	(1,162)	(1,162)	
D-Link Holding	OOO D-Link Russia	Russia	After-sales service in Russia	11,309	11,309	(Note 2)	100.00 %	6,025	114	114	
D-Link Holding	D-Link Mauritius	Mauritius	Investment company	186,789	186,789	200,000	100.00 %	1,228,596	183,039	183,039	
D-Link Holding	D-Link Shiang-Hai (Cayman)	Cayman Island	Investment company	-	654,974	-	- %	-	-	-	Liquidation completed in March 2025.
D-Link Holding	Success Stone	BVI	Investment company	297,027	297,027	9,822	100.00 %	164,996	(3,195)	(3,195)	

(Continued)

## D-LINK CORPORATION

### Notes to the Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Net income (losses) of investee	Share of profits/losses of investee (Note 1)	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
D-Link Holding	MiiCasa Holding	Cayman Island	Investment company	61,087	61,087	21,000,000	28.98 %	-	-	-	
D-Link Holding	D-Link Brazil	Brazil	Sales and after-sales service in Brazil	-	-	100	- %	-	18,752	-	D-Link Brazil's investment income was recognized in D-Link Corporation.
D-Link Holding	D-Link Sudamerica	Chile	Sales and after-sales service in Chile	-	-	1	- %	-	356	-	D-Link Sudamerica's investment income was recognized in D-Link Corporation.
D-Link Mauritius	D-Link India	India	Sales and after-sales service in India	340,319	340,319	18,114,663	51.02 %	1,217,934	373,944	190,786	
D-Link Mauritius	TeamF1 India	India	Technical services for software and hardware system integration	8	8	1	0.01 %	16	4,173	-	100% shares owned by D-Link Mauritius and D-Link India.
D-Link India	TeamF1 India	India	Technical services for software and hardware system integration	84,114	84,114	10,499	99.99 %	133,820	4,173	4,173	100% shares owned by D-Link Mauritius and D-Link India.
D-Link L.A.	D-Link Peru	Peru	Sales and after-sales service in Peru	-	-	-	- %	-	(231)	-	D-Link Corporation and D-Link International acquired 99.97% and 0.03% of equity interests in D-Link Peru from D-Link Sudamerica and D-Link L.A., respectively, in April 2025.
D-Link Sudamerica	D-Link de Colombia SAS.	Colombia	Sales and after-sales service in Colombia	22,213	22,213	1,443,605	100.00 %	7,108	390	390	
D-Link Sudamerica	D-Link Guatemala S.A.	Guatemala	Sales and after-sales service in Guatemala	410	410	99,000	99.00 %	610	-	-	In liquidation process.
D-Link Sudamerica	D-Link Peru	Peru	Sales and after-sales service in Peru	-	38	-	- %	-	(231)	(30)	D-Link Corporation and D-Link International acquired 99.97% and 0.03% of equity interests in D-Link Peru from D-Link Sudamerica and D-Link L.A., respectively, in April 2025.
D-Link Europe	D-Link Deutschland	Germany	Sales and after-sales service in Germany	-	131,769	(Note 2)	- %	-	(90,774)	(125,004)	The Company acquired 99.9957% of the equity interests in D-Link Deutschland from D-Link Europe in December 2025. Following a cash injection to the capital surplus, the Company now solely holds 100% of the equity interests in D-Link Deutschland.
D-Link Europe	D-Link AB	Sweden	Sales and after-sales service in Sweden	9,022	9,022	15,500	100.00 %	13,064	1,227	1,227	
D-Link Europe	D-Link Iberia	Spain	Sales and after-sales service in Spain	1,976	1,976	50,000	100.00 %	82,588	2,358	2,358	
D-Link Europe	D-Link MED	Italy	Sales and after-sales service in Italy	-	2,177	(Note 2)	- %	-	648	(42,770)	D-Link MED, originally 100% owned by D-Link Europe, reduced capital to offset losses. After D-link Europe waived its subscriptions rights, D-Link Corporation acquired 100% equity interests via cash injection and completed the registration change on September 26, 2025.
D-Link Europe	D-Link (Holdings) Ltd.	UK	Investment company	-	-	-	- %	-	-	-	Liquidation completed in November 2025.
D-Link Europe	D-Link France	France	Sales and after-sales service in France	5,287	5,287	114,560	100.00 %	46,244	(207)	(207)	
D-Link Europe	D-Link Netherlands	Netherlands	Sales and after-sales service in Netherlands	2,132	2,132	50,000	100.00 %	5,613	175	175	
D-Link Europe	D-Link Polska	Poland	Sales and after-sales service in Poland	1,210	1,210	100	100.00 %	17,785	(14,919)	(14,919)	
D-Link Europe	D-Link Magyarország	Hungary	Sales and after-sales service in Hungary	523	523	300	100.00 %	4,066	(285)	(285)	
D-Link Europe	D-Link s.r.o	Czech	Sales and after-sales service in Czech	329	329	100	100.00 %	3,737	174	174	

(Continued)

## D-LINK CORPORATION

### Notes to the Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Net income (losses) of investee	Share of profits/losses of investee (Note 1)	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
D-Link (Holdings) Ltd	D-Link UK	UK	Sales and after-sales service in UK	-	-	-	-	-	-	-	Liquidation completed in October 2025.
Cameo	Huge Castle	Samoa	Investment company	195,403	295,006	6,179,718	100.00 %	129,859	(42,562)	(42,562)	(Note 6)
Cameo	Qianjin Investment	Taiwan	Investment company	270,000	270,000	27,000,000	100.00 %	131,696	4,813	4,813	
Huge Castle	PC	Mauritius	Investment and trading	-	-	-	-	-	-	-	Liquidation completed in May 2025.
Huge Castle	Luis Jo'se	BVI	Investment company	-	43,673	-	-	-	(4,886)	(4,886)	Liquidation completed in August 2025.

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

Note 2: Limited Company

Note 3: On February 25 and June 27, 2025, D-Link International reduced its capital in cash by 15,000,000 shares and 20,000,000 shares, respectively, and refunded the capital reduction payment amounting to NTD490,650 thousand and NTD583,300 thousand, respectively.

Note 4: On December 18, 2025, D-Link Europe reduced its capital by 22,013,823 shares to offset accumulated losses.

Note 5: On January 16 and May 16, 2025, D-Link Capital Investment reduced its capital in cash by 5,000,000 shares and 9,000,000 shares, respectively, and refunded the capital reduction payment amounting to USD5,000 thousand and USD 9,000 thousand, respectively.

Note 6: Huge Castle conducted a capital reduction to return the shares amounting to USD3,150 thousand, at the percentage rate of 33.76%, based on a resolution approved during its board meeting held in August 2025, with the effective date of capital reduction on August 31, 2025. Moreover, the amount of USD3,150 thousand had been remitted by Huge Castle to Cameo on September 19, 2025.

#### (c) Information on investment in mainland China:

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

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value Note 2	Accumulated remittance of earnings in current period	Note
					Outflow	Inflow							
D-Link Shanghai	Buy and sell of networking equipment and wireless system	612,690	(2)	612,690	-	-	612,690	12,755	100.00%	12,755	(164,695)	-	
Netpro	Research, development and trading business	21,994	(2)	20,501	-	-	20,501	(1,468)	100.00%	(1,468)	14,012	-	
YouXiang	Technical Service and Import/Export trading business	63,477	(3)	-	-	-	-	(3,239)	9.86%	-	2,711	-	
Cameo Technology Development (Shenzhen) Co., Ltd.	R&D for communications technology and products	-	(2)	10,149	-	-	10,149	N/A	-%	N/A	-	-	Note 3 : Liquidation completed in March 2012.
Wide View Technology Inc.	R&D, production, and sale of electronic components	-	(2)	20,831	-	(20,831)	-	N/A	-%	N/A	-	2,402	Note 4 : Liquidation completed in September 2018.
Suzhou Soarnex	Software development and software services for computer information systems	22,064	(2)	-	-	-	-	677	100.00%	677	27,781	-	Note 5

Note 1: Method of Investment:

Type 1: Direct investments in Mainland China

Type 2: Indirect investments in Mainland China

Type 3: Other

Note 2: The amounts in New Taiwan Dollars were translated at the exchange rates of USD 31.42 and CNY 4.47 as of December 31, 2025.

Note 3: Cameo Technology Development (Shenzhen) Co., Ltd. completed its liquidation process in March 2012, wherein it refunded the shares amounting to USD177 thousand to Huge Castle on November 28, 2013, with the approval of the Investment Commission, Ministry of Economic Affairs (MOEAIC).

Note 4: Wide View Technology Inc. completed its liquidation process in September 2018, wherein it refunded the shares amounting to USD663 thousand to Luis Jo'se on September 4, 2018, with the approval of the MOEAIC. Subsequently, the share proceeds had been remitted back to Taiwan in September 2025, with the approval of the MOEAIC on October 9, 2025.

Note 5: Huge Castle acquired 100% equity interests in Suzhou Soarnex from Luis Jo'se in April 2025.

(Continued)

**D-LINK CORPORATION**  
**Notes to the Financial Statements**

(ii) Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEAIC	Upper Limit on Investment (Note 1)
D-Link Corporation	633,191	633,191	6,451,974
Cameo	10,149	13,982	1,735,399

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

(iii) Significant transactions:None

**(14) Segment information:**

Please refer to Consolidated Financial Statements for the year ended December 31, 2025.

**D-LINK CORPORATION**  
**Statement of cash and cash equivalents**  
**December 31, 2025**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Cash	Petty cash and foreign currency deposits	\$ <u>556</u>
	Subtotal	<u>556</u>
Bank deposits	Checking and saving accounts	
	NTD	448,765
	USD : 4,490 (in thousands)	141,090
	EUR : 1,467 (in thousands)	54,160
	Other foreign currency deposits	<u>58,048</u>
	Subtotal	<u>702,063</u>

Note 1: The exchange rate of USD to NTD as of December 31, 2025 is 31.42.

Note 2: The exchange rate of EUR to NTD as of December 31, 2025 is 36.91.

**D-LINK CORPORATION**

**Statement of financial assets measured at fair value through profit or loss - current**

**December 31, 2025**

**(Expressed in thousands of New Taiwan Dollars / thousands of shares)**

<u>Name of financial instrument</u>	<u>Shares of units</u>	<u>Acquisition cost</u>	<u>Fair value</u>		<u>Guarantee or pledge</u>
			<u>Unit price(dollar)</u>	<u>Total amount</u>	
Beneficiary certificates :					
Yuanta US 20+ Year AAA-A Corporate Bond ETF	450	13,679	32.15 \$	14,467	None
Stock in OTC companies :					
Gloria Material Technology Corp.	1,414	49,724	32.10	45,389	None
King House Co., Ltd.	100	5,310	53.60	5,360	None
Derivative financial assets :					
Cross currency swaps	-	-	-	2,750	None
Forward foreign exchange contracts	-	-	-	<u>57</u>	None
				<u>\$ <b>68,023</b></u>	

**D-LINK CORPORATION**

**Statement of financial liabilities measured at fair value through profit or loss -  
current**

**December 31, 2025**

**(Expressed in thousands of New Taiwan Dollars / thousands of shares)**

<u>Name of financial instrument</u>	<u>Shares of units</u>	<u>Acquisition cost</u>	<u>Fair value</u>		<u>Guarantee or pledge</u>
			<u>Unit price(dollar)</u>	<u>Total amount</u>	
Derivative financial liabilities :					
Cross currency swaps	-	-	-	\$ 2,789	None
Forward foreign exchange contracts	-	-	-	<u>793</u>	None
				<u>\$ 3,582</u>	

**D-LINK CORPORATION**  
**Statement of notes receivable**  
**December 31, 2025**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Amount</u>
Company A	\$ 312
Company B	269
Company C	254
Company D	79
Company E	74
Company F	63
Others (The amount of individual client included within“Others”does not exceed 5% of this account balance.)	<u>62</u>
	<u><u>\$ 1,113</u></u>

Note: Notes receivable are all generated by business activities.

**Statement of accounts receivable**

<u>Item</u>	<u>Amount</u>
Company G	\$ 30,871
Company H	17,573
Company I	11,809
Others (The amount of individual client included within“Others”does not exceed 5% of this account balance.)	<u>30,878</u>
	91,131
Less: Loss Provision	<u>(883)</u>
	<u><u>\$ 90,248</u></u>

Note: The accounts receivable from related parties are not included in the above payment. For details, please refer to Note 7 to the financial statements.

**D-LINK CORPORATION**  
**Statement of other receivables**  
**December 31, 2025**  
**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>
Receivable amounts from advance payment of subsidiaries		\$ 25,364
Others (The amount of individual item included within "Others" does not exceed 5% of this account balance.)		3,420
		<b>\$ 28,784</b>

**Statement of inventories**

<b>Item</b>	<b>Amount</b>		<b>Note</b>
	<b>Cost</b>	<b>Net realizable value</b>	
Finished goods	\$ 365,696	<b>509,419</b>	Market price is measured at net realizable value
Less: Allowance for inventory write downs and obsolescence	(38,101)		
	<b>\$ 327,595</b>		

**D-LINK CORPORATION**  
**Statement of other current assets**  
**December 31, 2025**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Amount</u>
Prepaid other expenses	\$ 16,416
Input tax	8,923
Sales tax receivable	5,116
Temporary payment	4,754
Prepaid warranty expenses	3,160
Prepaid software fees	2,124
Others (The amount of individual vendor included within "Others" does not exceed 5% of this account balance.)	261
	<u>\$ 40,754</u>

## D-LINK CORPORATION

Statement of financial assets measured at fair value through profit or loss - non-current

December 31, 2025

(Expressed in thousands of New Taiwan Dollars / thousands of shares)

Name	Opening Balance		Increase		Decrease		Valuation gains and losses on financial assets		Ending Balance		Accumulated impairment loss	Guarantee or pledge
	Shares of units	Fair value	Shares of units	Amount	Shares of units	Amount	Shares of units	Amount	Shares of units	Fair value		
Stock in OTC companies												
King House Co., Ltd.	5,000	\$ 220,900	-	-	-	-	-	26,900	5,000	247,800	-	None
S-Tech Corp.	1,000	28,850	687	16,756	-	-	-	(6,468)	1,687	39,138	-	None
Jia Jie Biomedical	-	-	1,060	19,080	-	-	-	(2,650)	1,060	16,430	-	None
IBF Financial Holdings Co., Ltd.	-	-	21,149	299,886	-	-	-	50,131	21,149	350,017	-	None
Financial assets mandatorily measured at fair value through profit or loss- non-current		<u>\$ 249,750</u>		<u>335,722</u>		<u>-</u>		<u>67,913</u>		<u>653,385</u>	<u>-</u>	

Statement of financial assets measured at fair value through other comprehensive income - non-current

December 31, 2025

(Expressed in thousands of New Taiwan Dollars / thousands of shares)

Name	Opening Balance		Increase		Decrease		Valuation gains and losses on financial assets		Ending Balance		Accumulated impairment loss	Guarantee or pledge
	Shares of units	Fair value	Shares of units	Fair value	Shares of units	Fair value	Shares of units	Fair value	Shares of units	Fair value		
Stock in OTC companies												
TSG Development Co., Ltd	3,500	\$ <u>56,595</u>	-	<u>-</u>	-	<u>-</u>	-	<u>(14,595)</u>	3,500	<u>42,000</u>	<u>-</u>	None

## D-LINK CORPORATION

## Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars / thousands of shares)

Name of investee	Beginning Balance		Increase (decrease) (Note1)		Investment profit (loss)	Unrealized gross profit on downstream transactions	Exchange differences on translation of foreign financial statements	Unrealized gains(losses) on financial assets measured at fair value through other comprehensive income (Note 2)	Other changes (Note3)	Ending Balance			Market Value or Net Asset Value (Note4)	Guarantee or pledge
	Shares	Amount	Shares	Amount						Shares	Amount	Percentage of ownership		
Investments accounted for using equity method :														
D-Link Systems	48,045	\$ 1,274,687	-	-	14,358	(7,138)	(51,450)	-	-	48,045	1,230,457	100.00 %	1,256,105	None
D-Link International	66,500	2,652,432	(35,000)	(1,073,950)	(190,145)	3,504	8,737	(264)	-	31,500	1,400,314	100.00 %	1,487,128	None
D-Link Sudamerica	200	5,676	-	-	356	-	490	-	-	200	6,522	100.00 %	5,150	None
D-Link Peru	-	-	3	3,318	(201)	-	237	-	-	3	3,354	99.97 %	3,355	None
D-Link ME	-	884,231	-	-	6,682	(3,941)	(37,218)	-	-	-	849,754	100.00 %	867,039	None
D-Link Australia	1,000	59,610	-	-	(27,925)	2,373	1,253	-	-	1,000	35,311	100.00 %	46,531	None
D-Link Holding	27,044	1,353,864	-	(163,145)	180,117	(21,602)	(66,918)	-	(547)	27,044	1,281,769	100.00 %	1,375,195	None
D-Link Deutschland	-	120,047	-	91,387	34,260	-	2,638	-	7,745	-	256,077	100.00 %	136,033	None
D-Link Japan	10	585,413	-	-	19,469	3,637	(22,389)	-	-	10	586,130	100.00 %	569,831	None
Cameo	137,533	1,520,800	-	-	(44,756)	-	(2,870)	897	(35,990)	137,533	1,438,081	41.58 %	1,251,407	None
D-Link MED	-	-	-	17,748	43,418	-	2,670	-	(4,113)	-	59,723	100.00 %	59,723	None
D-Link Taiwan Investment	14,600	52,280	-	-	1,683	-	-	16,059	(9,921)	14,600	60,101	100.00 %	60,101	None
D-Link Europe	32,497	209,967	(32,497)	(209,967)	-	-	-	-	-	-	-	- %	-	None
D-Link Indonesia	25	1,507	-	-	482	-	(124)	-	-	25	1,865	99.00 %	1,917	None
D-Link Investment	2,200	196,288	-	-	85,340	-	54,712	-	-	2,200	336,340	100.00 %	336,340	None
		<u>8,916,802</u>		<u>(1,334,609)</u>	<u>123,138</u>	<u>(23,167)</u>	<u>(110,232)</u>	<u>16,692</u>	<u>(42,826)</u>		<u>7,545,798</u>			
Credit balance of equity investment :														
D-Link L.A.	41	(670,114)	-	-	-	-	27,935	-	-	41	(642,179)	100.00 %	(644,904)	None
D-Link Brazil	2,964,837	(200,158)	-	-	18,752	-	(15,312)	-	-	2,964,837	(196,718)	100.00 %	(196,682)	None
D-Link Europe	-	-	10,484	550,732	(626,386)	27,495	6,001	-	(3,630)	10,484	(45,788)	100.00 %	86,770	None
		<u>(870,272)</u>		<u>550,732</u>	<u>(607,634)</u>	<u>27,495</u>	<u>18,624</u>	<u>-</u>	<u>(3,630)</u>		<u>(884,685)</u>			
		<u>\$ 8,046,530</u>		<u>(783,877)</u>	<u>(484,496)</u>	<u>4,328</u>	<u>(91,608)</u>	<u>16,692</u>	<u>(46,456)</u>		<u>6,661,113</u>			

Note 1: This amount included cash dividends received from the investee.

Note 2: This amount represented the recognition of the investee's valuation of financial assets measured at fair value through other comprehensive income.

Note 3: This amount included impairment losses recognized under the equity method, adjustments to retained earnings arising from the disposal of financial assets measured at fair value through other comprehensive income, and adjustments to capital surplus and retained earnings resulting from corporate restructuring.

Note 4: Total net asset value is calculated by multiplying the equity interest percentage by the investee's net asset value as audited by the independent accountants.

**D-LINK CORPORATION**  
**Statement of changes in property, plant and  
equipment**  
**For the year ended December 31, 2025**  
**(Expressed in thousands of New Taiwan Dollars)**

Please refer to Note 6(g) of the financial statements for further details.

**Statement of changes in right-of-use assets**

Please refer to Note 6(f) of the financial statements for further details.

**Statement of changes in investment property**

Please refer to Note 6(h) of the financial statements for further details.

**Statement of changes in intangible assets**

Please refer to Note 6(i) of the financial statements for further details.

**D-LINK CORPORATION**  
**Statement of other non-current assets**  
**December 31, 2025**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Amount</u>
Net defined benefit asset	\$ 21,599
Refundable deposits	3,291
Others (The amount of individual item included within "Others" does not exceed 5% of this account balance.)	<u>708</u>
Total	<u><u>\$ 25,598</u></u>

**D-LINK CORPORATION**  
**Statement of short-term borrowings**  
**December 31, 2025**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Type of loans</u>	<u>Ending Balance</u>	<u>Term of contract</u>	<u>Interest rate(%)</u>	<u>Financing limit</u>	<u>Mortgages or guarantees</u>
Bank borrowings	\$ 250,272	2026	1.975~4.76	-	None
Borrowings from related parties	<u>729,952</u>	2026	0.77~0.86	-	None
	<u>\$ 980,224</u>				

**Statement of long-term borrowings**

<u>Type of loans</u>	<u>Ending Balance</u>	<u>Term of contract</u>	<u>Interest rate(%)</u>	<u>Financing limit</u>	<u>Mortgages or guarantees</u>
Borrowings from related parties	<u>\$ 329,910</u>	2027	-	-	None

**D-LINK CORPORATION**  
**Statement of accounts payable**  
**December 31, 2025**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Suppliers name</u>	<u>Amount</u>
Company a	\$ 91,673
Company b	70,984
Company c	36,217
Company d	36,094
Company e	20,743
Company f	19,236
Others (The amount of individual vendor included within“Others”does not exceed 5% of this account balance.)	<u>145,731</u>
	<u><b>\$ 420,678</b></u>

Note 1: Account payables are all generated from operating activities.

Note 2: Payables to related parties are not included in the payments above, please refer to Note 7 for further information.

**Statement of other payables**

<u>Item</u>	<u>Amount</u>
Payables on salaries, bonuses, labor health insurances and pensions	\$ 117,228
Payables on equipment	25,339
Payables on research fees	14,125
Others (The amount of individual item included within“Others”does not exceed 5% of this account balance)	<u>102,554</u>
	<u><b>\$ 259,246</b></u>

**D-LINK CORPORATION**  
**Statement of provisions - current**  
**December 31, 2025**  
**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Amount</b>
Warranties	\$ 52,675
Litigations and royalties	84,520
	<b>\$ 137,195</b>

**Statement of other current liabilities**

<b>Item</b>	<b>Amount</b>
Payables in lieu of untaken annual leave	\$ 22,137
Temporary receipts	6,140
Withholding payment	3,030
	<b>\$ 31,307</b>

**D-LINK CORPORATION**  
**Statement of lease liabilities-current**  
**December 31, 2025**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Description</u>	<u>Lease term</u>	<u>Discount rate%</u>	<u>Ending Balance</u>
Buildings	For office use	2 years	2.80	<u>\$ 517</u>

**Statement of other non-current liabilities**

<u>Item</u>	<u>Amount</u>
Investments accounted for using equity method-credit balance	\$ 884,685
Guarantee deposit received	<u>482</u>
	<u>\$ 885,167</u>

**D-LINK CORPORATION**  
**Statement of operating revenue**  
**For the year ended December 31, 2025**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Quantities (per piece)</u>	<u>Amount</u>
Sales Revenue:		
Switch and Security products	4,501,775	\$ 2,590,003
Mobile and Broadband products	1,110,511	1,322,859
Wireless and IoT products	2,599,996	989,143
Others	193,547	<u>203,149</u>
		<b><u>\$ 5,105,154</u></b>

**Statement of operating costs**

<u>Item</u>	<u>Amount</u>
Beginning Inventories	\$ 307,759
Add : Purchases	4,181,176
Less: Ending Inventories	365,696
Transferring to expenses and others	<u>1,564</u>
Cost of goods sold	4,121,675
Add: Royalty costs	109,939
Cost of network services	36,235
Warranty Costs	11,689
Losses related to inventories	2,941
Others	<u>16,576</u>
	<b><u>\$ 4,299,055</u></b>

**D-LINK CORPORATION**  
**Statement of selling expenses**  
**For the year ended December 31, 2025**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Personnel expenses		\$ 264,066	
Depreciation and amortization		64,478	
Others (The amount of individual item within "Others" does not exceed 5% of this account balance.)		<u>69,071</u>	
		<u><b>\$ 397,615</b></u>	

**Statement of administrative expenses**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Personnel expenses		\$ 130,299	
Service expenses		87,546	
Maintenance of software		13,230	
Depreciation and amortization		12,743	
Others (The amount of individual item within "Others" does not exceed 5% of this account balance.)		<u>26,811</u>	
		<u><b>\$ 270,629</b></u>	

**D-LINK CORPORATION**  
**Statement of research and development expenses**  
**For the year ended December 31, 2025**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Personnel expenses		\$ 182,499	
Outsourcing research expenses		36,450	
Others (The amount of individual item within "Others" does not exceed 5% of this account balance.)		<u>53,701</u>	
		<u><u>\$ 272,650</u></u>	

**Statement of finance costs**

Please refer to Note 6(u) of the financial statements for further details.

**Statement of other income and other gains and losses**

Please refer to Note 6(u) of the financial statements for further details.