

**D-LINK CORPORATION  
AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Three Months Ended March 31, 2025 and 2024**

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

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## Independent Auditors' Review Report

To the Board of Directors  
D-LINK CORPORATION:

### Introduction

We have reviewed the accompanying consolidated balance sheets of D-LINK CORPORATION and its subsidiaries as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$4,383,821 thousand and \$4,695,382 thousand, respectively, constituting 26% and 28%, respectively, of consolidated total assets as of March 31, 2025 and 2024, total liabilities amounting to \$996,149 thousand and \$1,051,886 thousand, respectively, both constituting 20% of consolidated total liabilities as of March 31, 2025 and 2024, and total comprehensive income amounting to \$195,482 thousand and \$177,612 thousand, respectively, constituting 159% and 143%, respectively, of consolidated total comprehensive income for the three months ended March 31, 2025 and 2024.

### **Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review reports of other auditors (please refer to Other Matter paragraph), nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of D-LINK CORPORATION and its subsidiaries as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Other Matter**

We did not review the financial statements of D-Link (Europe) Ltd. and D-Link Middle East FZE, subsidiaries of D-Link Corporation as of and for the three months ended March 31, 2025 and 2024. Those financial statements were reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to the amounts included for D-Link (Europe) Ltd. and D-Link Middle East FZE, is based solely on the review reports of other auditors. The financial statements of D-Link (Europe) Ltd. and D-Link Middle East FZE reflect total assets amounting to \$2,722,325 thousand and \$2,945,151 thousand, constituting 16% and 18% of total consolidated total assets; as well as the total operating revenues amounting to \$863,371 thousand and \$961,646 thousand, constituting 26% and 27% of the total consolidated operating revenues for three months ended March 31, 2025 and 2024, respectively.

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

KPMG

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

### **Notes to Readers**

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

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

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

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

Assets		March 31, 2025		December 31, 2024		March 31, 2024		Liabilities and Equity		March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (notes 6(a) and (aa))	\$ 4,560,007	28	4,416,806	27	4,095,100	25	2120	Financial liabilities at fair value through profit or loss — current (notes 6(b) and (aa))	\$ 9,137	-	4,402	-	4,811	-
1110	Financial assets at fair value through profit or loss — current (notes 6(b) and (aa))	663,603	4	767,446	5	623,440	4	2130	Current contract liabilities (notes 6(w) and 7)	168,638	1	141,379	1	113,258	1
1150	Notes receivable, net (notes 6(c) and (aa))	5,761	-	11,748	-	2,705	-	2150	Notes payable (note 6(aa))	1,169	-	575	-	217	-
1170	Accounts receivable, net (notes 6(c) and (aa))	2,970,916	18	2,880,372	17	3,169,704	19	2170	Accounts payable (note 6(aa))	1,914,512	12	1,833,852	11	1,583,782	9
1180	Accounts receivable due from related parties, net (notes 6(c), (aa) and 7)	156	-	431	-	1,077	-	2180	Accounts payable to related parties (notes 6(aa) and 7)	207,994	1	183,654	1	159,421	1
1197	Finance lease payment receivable (notes 6(d) and (aa))	42,207	-	41,045	-	38,179	-	2200	Other payables (notes 6(n), (aa) and 7)	974,762	6	994,929	6	1,281,372	8
1200	Other receivables (notes 6(c), (aa) and 7)	34,878	-	44,425	-	38,024	-	2230	Current tax liabilities	6,094	-	19,979	-	3,590	-
1220	Current tax assets	66,187	-	29,587	-	37,020	-	2250	Current provisions (note 6(p))	113,968	1	134,803	1	134,226	1
130X	Inventories (note 6(e))	2,765,731	17	2,543,978	16	2,997,341	18	2280	Current lease liabilities (notes 6(o) and (aa))	150,900	1	166,040	1	183,378	1
1421	Prepayment for purchase (note 7)	59,250	-	57,813	-	76,901	1	2320	Current portion of long-term liabilities (notes 6(m) and (aa))	68,495	1	87,032	-	122,151	1
1470	Other current assets (notes 6(aa), 7 and 8)	501,261	3	761,732	5	844,671	5	2365	Current refund liability (note 6(q))	405,258	2	418,961	3	449,544	2
		<u>11,669,957</u>	<u>70</u>	<u>11,555,383</u>	<u>70</u>	<u>11,924,162</u>	<u>72</u>	2399	Other current liabilities (note 6(aa))	81,464	-	87,071	1	96,899	1
										<u>4,102,391</u>	<u>25</u>	<u>4,072,677</u>	<u>25</u>	<u>4,132,649</u>	<u>25</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 (aa))	564,794	3	532,685	3	254,100	2	2540	Long-term borrowings (notes 6(m) and (aa))	429,849	2	441,849	3	498,344	3
1517	Financial assets at fair value through other comprehensive income — non-current (notes 6(b) and (aa))	161,382	1	179,057	1	17,624	-	2570	Deferred tax liabilities (note 6(t))	111,901	1	92,656	1	158,570	1
1550	Investments accounted for using equity method (note 6(f))	-	-	-	-	12,507	-	2580	Non-current lease liabilities (notes 6(o) and (aa))	172,389	1	177,553	1	243,916	2
1600	Property, plant and equipment (notes 6(h), 7 and 8)	2,329,429	14	2,310,350	14	2,379,820	14	2600	Other non-current liabilities (notes 6(f) and (s))	220,539	1	205,675	1	241,272	1
1755	Right-of-use assets (note 6(i))	242,717	2	254,382	2	310,341	2			<u>934,678</u>	<u>5</u>	<u>917,733</u>	<u>6</u>	<u>1,142,102</u>	<u>7</u>
1760	Investment property, net (notes 6(j) and (aa))	37,588	-	37,687	-	37,984	-		<b>Total liabilities</b>	<u>5,037,069</u>	<u>30</u>	<u>4,990,410</u>	<u>31</u>	<u>5,274,751</u>	<u>32</u>
1780	Intangible assets (notes 6(k) and 7)	825,640	5	816,944	5	794,051	5	<b>Equity attributable to owners of parent: (note 6(u))</b>							
1840	Deferred tax assets (note 6(t))	450,395	3	487,252	3	572,115	3	3110	Ordinary shares	6,023,681	36	6,024,275	37	6,026,555	36
1990	Other non-current assets (notes 6(s) and 8)	291,997	2	276,849	2	308,337	2	3200	Capital surplus	1,347,846	8	1,364,834	8	1,363,056	8
194D	Long-term lease payment receivable, net (notes 6(d) and (aa))	29,761	-	39,976	-	69,382	-		Retained earnings:						
		<u>4,933,703</u>	<u>30</u>	<u>4,935,182</u>	<u>30</u>	<u>4,756,261</u>	<u>28</u>	3310	Legal reserve	2,198,957	13	2,198,957	13	2,144,259	13
								3320	Special reserve	864,207	5	864,207	5	693,165	4
								3350	(Accumulated deficit) unappropriated retained earnings	(160,402)	(1)	47,728	1	172,832	1
										<u>2,902,762</u>	<u>17</u>	<u>3,110,892</u>	<u>19</u>	<u>3,010,256</u>	<u>18</u>
								3400	Other equity interest	(1,208,291)	(7)	(1,446,630)	(9)	(1,468,242)	(9)
								3500	Treasury shares	(82,823)	-	(82,823)	(1)	(82,823)	-
									Total equity attributable to owners of parent	<u>8,983,175</u>	<u>54</u>	<u>8,970,548</u>	<u>54</u>	<u>8,848,802</u>	<u>53</u>
								36XX	<b>Non-controlling interests</b> (notes 6(g) and (u))	<u>2,583,416</u>	<u>16</u>	<u>2,529,607</u>	<u>15</u>	<u>2,556,870</u>	<u>15</u>
									<b>Total equity</b>	<u>11,566,591</u>	<u>70</u>	<u>11,500,155</u>	<u>69</u>	<u>11,405,672</u>	<u>68</u>
<b>Total assets</b>		<u>\$ 16,603,660</u>	<u>100</u>	<u>16,490,565</u>	<u>100</u>	<u>16,680,423</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 16,603,660</u>	<u>100</u>	<u>16,490,565</u>	<u>100</u>	<u>16,680,423</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

**D-LINK CORPORATION AND SUBSIDIARIES****Consolidated Statements of Comprehensive Income****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollar, Except for Earnings Per Common Share)**

		For the three months ended March 31			
		2025		2024	
		Amount	%	Amount	%
4000	<b>Net operating revenues (notes 6(w) and 7)</b>	\$ 3,336,581	100	3,563,378	100
5000	<b>Operating costs (notes 6(e), (s) and 7)</b>	<u>2,531,723</u>	<u>76</u>	<u>2,678,878</u>	<u>75</u>
	<b>Gross profit from operations</b>	<u>804,858</u>	<u>24</u>	<u>884,500</u>	<u>25</u>
	<b>Operating expenses: (notes 6(c), (h), (i), (j), (k), (o), (r), (s), (x) and 7)</b>				
6100	Selling expenses	499,446	15	561,379	16
6200	Administrative expenses	195,982	6	224,359	6
6300	Research and development expenses	154,618	5	174,882	5
6450	Expected credit losses (note 6(c))	<u>12,295</u>	<u>-</u>	<u>2,267</u>	<u>-</u>
		<u>862,341</u>	<u>26</u>	<u>962,887</u>	<u>27</u>
	<b>Net operating loss</b>	<u>(57,483)</u>	<u>(2)</u>	<u>(78,387)</u>	<u>(2)</u>
	<b>Non-operating income and expenses:</b>				
7100	Interest income (note 6(y))	33,932	1	24,978	1
7010	Other income (notes 6(y) and 7)	1,773	-	1,759	-
7020	Other gains and losses (notes 6(y), (aa) and 7)	(54,541)	(2)	59,049	1
7050	Finance costs (notes 6(o) and (y))	(6,259)	-	(7,572)	-
7060	Share of loss of associates accounted for using equity method (note 6(f))	<u>(3,350)</u>	<u>-</u>	<u>(3,891)</u>	<u>-</u>
		<u>(28,445)</u>	<u>(1)</u>	<u>74,323</u>	<u>2</u>
	<b>Loss before tax</b>	<u>(85,928)</u>	<u>(3)</u>	<u>(4,064)</u>	<u>-</u>
7950	<b>Less: Income tax expenses (note 6(t))</b>	<u>39,284</u>	<u>1</u>	<u>40,952</u>	<u>1</u>
	<b>Net loss</b>	<u>(125,212)</u>	<u>(4)</u>	<u>(45,016)</u>	<u>(1)</u>
8300	<b>Other comprehensive (loss) income:</b>				
8310	<b>Components of other comprehensive loss that will not be reclassified to profit or loss (note 6(u))</b>				
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(17,583)	-	(2,505)	-
8349	Less: 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>(17,583)</u>	<u>-</u>	<u>(2,505)</u>	<u>-</u>
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss (notes 6(u) and (z))</b>				
8361	Exchange differences on translation of foreign financial statements	323,628	10	234,962	7
8367	Unrealized losses from investments in debt instruments measured at fair value through other comprehensive income	(110)	-	-	-
8370	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(828)	-	147	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(t))	<u>(56,696)</u>	<u>(2)</u>	<u>(63,552)</u>	<u>(2)</u>
		<u>265,994</u>	<u>8</u>	<u>171,557</u>	<u>5</u>
8300	<b>Other comprehensive income, net</b>	<u>248,411</u>	<u>8</u>	<u>169,052</u>	<u>5</u>
	<b>Total comprehensive income</b>	<u>\$ 123,199</u>	<u>4</u>	<u>124,036</u>	<u>4</u>
	<b>Net (loss) profit attributable to:</b>				
8610	Owners of parent	\$ (165,175)	(5)	(52,908)	(1)
8620	Non-controlling interests	<u>39,963</u>	<u>1</u>	<u>7,892</u>	<u>-</u>
		<u>\$ (125,212)</u>	<u>(4)</u>	<u>(45,016)</u>	<u>(1)</u>
	<b>Comprehensive income attributable to:</b>				
8710	Owners of parent	\$ 70,143	2	83,221	3
8720	Non-controlling interests	<u>53,056</u>	<u>2</u>	<u>40,815</u>	<u>1</u>
		<u>\$ 123,199</u>	<u>4</u>	<u>124,036</u>	<u>4</u>
	<b>Basic loss per share (New Taiwan dollars) (note 6(v))</b>	<u>\$ (0.28)</u>		<u>(0.09)</u>	
	<b>Diluted loss per share (New Taiwan dollars) (note 6(v))</b>	<u>\$ (0.28)</u>		<u>(0.09)</u>	

See accompanying notes to consolidated financial statements.

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

**D-LINK CORPORATION AND SUBSIDIARIES****Consolidated Statements of Changes in Equity****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollar)**

	Equity attributable to owners of parent											
	Retained earnings				Total other equity interest							
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unearned Stock-Based Employee Compensation	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
<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	2,516,055	11,595,723
Net (loss) profit for the three months ended March 31, 2024	-	-	-	-	(52,908)	-	-	-	-	(52,908)	7,892	(45,016)
Other comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	138,634	(2,505)	-	-	136,129	32,923	169,052
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	(52,908)	138,634	(2,505)	-	-	83,221	40,815	124,036
Appropriation and distribution of retained earnings:												
Cash dividends of ordinary shares	-	-	-	-	(321,236)	-	-	-	-	(321,236)	-	(321,236)
Retirement of expired employee restricted shares	(1,810)	1,810	-	-	-	-	-	-	-	-	-	-
Compensation cost of employee restricted shares	-	(3,089)	-	-	-	-	-	10,238	-	7,149	-	7,149
<b>Balance at March 31, 2024</b>	<b>\$ 6,026,555</b>	<b>1,363,056</b>	<b>2,144,259</b>	<b>693,165</b>	<b>172,832</b>	<b>(1,418,861)</b>	<b>(19,509)</b>	<b>(29,872)</b>	<b>(82,823)</b>	<b>8,848,802</b>	<b>2,556,870</b>	<b>11,405,672</b>
<b>Balance at January 1, 2025</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	2,529,607	11,500,155
Net (loss) profit for the three months ended March 31, 2025	-	-	-	-	(165,175)	-	-	-	-	(165,175)	39,963	(125,212)
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	252,947	(17,629)	-	-	235,318	13,093	248,411
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	(165,175)	252,947	(17,629)	-	-	70,143	53,056	123,199
Appropriation and distribution of retained earnings:												
Cash dividends of ordinary shares	-	-	-	-	(42,955)	-	-	-	-	(42,955)	-	(42,955)
Other changes in capital surplus:												
Cash dividends from capital surplus	-	(17,132)	-	-	-	-	-	-	-	(17,132)	-	(17,132)
Changes in equities of the Company's ownership interests in its subsidiaries	-	536	-	-	-	-	-	-	-	536	753	1,289
Retirement of expired employee restricted shares	(594)	594	-	-	-	-	-	-	-	-	-	-
Compensation cost of employee restricted shares	-	(986)	-	-	-	-	-	3,021	-	2,035	-	2,035
<b>Balance at March 31, 2025</b>	<b>\$ 6,023,681</b>	<b>1,347,846</b>	<b>2,198,957</b>	<b>864,207</b>	<b>(160,402)</b>	<b>(1,172,839)</b>	<b>(27,016)</b>	<b>(8,436)</b>	<b>(82,823)</b>	<b>8,983,175</b>	<b>2,583,416</b>	<b>11,566,591</b>

See accompanying notes to consolidated financial statements.

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

**D-LINK CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the three months ended March 31, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollar)**

	For the three months ended March 31	
	2025	2024
<b>Cash flows from operating activities:</b>		
Loss before tax	\$ (85,928)	(4,064)
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	71,461	79,552
Amortization expense	13,553	10,625
Expected credit loss	12,295	2,267
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6,791	(32,197)
Interest expense	6,259	7,572
Interest income	(33,932)	(24,978)
Compensation cost of share-based payment transaction	2,035	7,149
Share of loss of associates accounted for using equity method	3,350	3,891
Gain on disposal of investments	(11,958)	(10,852)
Write-down loss (reversal gain) of inventories to net realizable value	1,980	(92,891)
Other	42,874	2,586
<b>Total adjustments to reconcile loss (profit)</b>	<u>114,708</u>	<u>(47,276)</u>
<b>Changes in operating assets and liabilities:</b>		
Decrease (increase) in financial assets at fair value through profit or loss	104,012	(169,477)
Decrease (increase) in notes receivable	5,987	(677)
Increase in accounts receivable	(105,993)	(79,518)
Decrease in accounts receivable due from related parties	286	1,604
Decrease (increase) in other receivables	9,547	(8,526)
Decrease in lease payment receivable	9,948	8,917
(Increase) decrease in inventories	(286,117)	378,850
Increase in prepayment for purchase	(1,437)	(31,848)
Decrease (increase) in other current assets	263,236	(137,348)
Increase in other non-current assets	(13,833)	(2,256)
<b>Total changes in operating assets</b>	<u>(14,364)</u>	<u>(40,279)</u>
Increase (decrease) in current contract liabilities	27,259	(31,905)
Increase in notes payable	594	141
Increase in accounts payable	80,660	118,169
Increase in accounts payable to related parties	24,340	39,062
Decrease in other payable	(80,254)	(115,714)
Decrease in current provisions	(25,490)	(4,841)
Decrease in current refund liabilities	(13,703)	(14,095)
Decrease in other current liabilities	(5,606)	(2,915)
Increase (decrease) in other non-current liabilities	14,115	(226)
<b>Total changes in operating liabilities</b>	<u>21,915</u>	<u>(12,324)</u>
<b>Total changes in operating assets and liabilities</b>	<u>7,551</u>	<u>(52,603)</u>
<b>Total adjustments</b>	<u>122,259</u>	<u>(99,879)</u>
Cash flows from (used in) operations	36,331	(103,943)
Interest received	33,932	24,978
Interest paid	(6,259)	(7,572)
Income taxes paid	(70,160)	(60,782)
<b>Net cash flows used in operating activities</b>	<u>(6,156)</u>	<u>(147,319)</u>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through profit or loss	(22,376)	-
Acquisition of property, plant and equipment	(30,476)	(19,009)
Proceeds from disposal of property, plant and equipment	11	213
Increase in refundable deposits	(1,316)	(1,457)
Acquisition of intangible assets	(16,654)	(4,820)
Other investing activities	(2,765)	(228)
<b>Net cash flows used in investing activities</b>	<u>(73,576)</u>	<u>(25,301)</u>
<b>Cash flows from financing activities:</b>		
(Decrease) increase in guarantee deposits received	(3,429)	9,563
Payment of lease liabilities	(66,729)	(43,964)
Decrease in long-term borrowings	(30,537)	(30,537)
<b>Net cash flows used in financing activities</b>	<u>(100,695)</u>	<u>(64,938)</u>
Effect of exchange rate changes on cash and cash equivalents	323,628	234,962
Net increase (decrease) in cash and cash equivalents	143,201	(2,596)
Cash and cash equivalents at the beginning of period	4,416,806	4,097,696
Cash and cash equivalents at the end of period	<u>\$ 4,560,007</u>	<u>4,095,100</u>

See accompanying notes to consolidated financial statements.



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

**D-LINK CORPORATION AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**March 31, 2025 and 2024**

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

**(1) Company history**

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

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

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

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

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

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

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS issued by the FSC but not yet effective

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

- 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

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

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

(Continued)

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

<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: based on current standards, companies use different formats to present their business results, making it difficult for investors to compare their financial performance across different companies. The new standard adopts a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be classified into three new distinct categories based on a company’s major business activities.</li> <li>● Management performance measures (MPM): 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

(Continued)

## **D-LINK CORPORATION AND SUBSIDIARIES**

### **Notes to the Consolidated Financial Statements**

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- 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”

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

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

##### **(a) Statement of Compliance**

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

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

##### **(b) Basis of consolidation**

###### **(i) Principle of preparation of the consolidated financial statements**

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

(Continued)

## D-LINK CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

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

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

#### (ii) List of subsidiaries in the consolidated financial statements

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

(Continued)

## D-LINK CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

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

(Continued)

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

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

(c) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

(iii) Short-term employee benefits

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

(d) Income Taxes

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

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

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

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

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

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

(Continued)

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

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

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

(a) Cash and Cash Equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 5,289	2,632	11,541
Checking and saving accounts	2,919,391	2,976,578	2,052,563
Time deposit	1,528,963	1,348,432	1,967,663
Bills and bonds under reverse repurchase agreements	<u>106,364</u>	<u>89,164</u>	<u>63,333</u>
Cash and Cash Equivalents	<u>\$ 4,560,007</u>	<u>4,416,806</u>	<u>4,095,100</u>

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

A time deposit is qualified as a cash equivalent 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. Otherwise, it is classified as other current assets.

(b) Financial Assets and Liabilities

(i) Details were as follows

	March 31, 2025	December 31, 2024	March 31, 2024
<b>Financial assets mandatorily measured at fair value through profit or loss - current</b>			
Beneficiary certificates – mutual funds	\$ 653,262	745,328	604,922
Cross currency swaps	9,534	15,868	16,086
Forward foreign exchange contracts	<u>807</u>	<u>6,250</u>	<u>2,432</u>
	<u>\$ 663,603</u>	<u>767,446</u>	<u>623,440</u>
<b>Financial liabilities at fair value through profit or loss - current</b>			
Cross currency swaps	\$ 5,819	3,223	4,781
Forward foreign exchange contracts	<u>3,318</u>	<u>1,179</u>	<u>30</u>
	<u>\$ 9,137</u>	<u>4,402</u>	<u>4,811</u>

(Continued)

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

	March 31, 2025	December 31, 2024	March 31, 2024
<b>Financial assets mandatorily measured at fair value through profit or loss - non-current</b>			
Domestic listed (OTC) stock	\$ <u>564,794</u>	<u>532,685</u>	<u>254,100</u>
<b>Financial assets at fair value through other comprehensive income - non-current</b>			
<b>Equity instruments :</b>			
Domestic listed (OTC) stock	\$ 54,142	72,558	13,996
Unlisted stock	7,331	6,481	3,628
<b>Debt instruments :</b>			
Fixed rate corporate bond	<u>99,909</u>	<u>100,018</u>	<u>-</u>
	<u>\$ 161,382</u>	<u>179,057</u>	<u>17,624</u>

- 1) On December 4, 2023, the Consolidated Company participated in 10,000 thousand shares of common stock of domestic listed (OTC) company - King House Co., Ltd. (King House) (formerly known as Ensure Global Corp. Ltd.) through a private placement, at an investment cost of \$72,000 thousand (\$7.2 per share). According to the Securities and Exchange Act, from the deliver date of January 19, 2024 to the maturity date of January 18, 2027, the common stock of this private placement shall not be sold within three years unless the circumstances of transferring in accordance with Article 43-8.
- 2) In the first quarter 2025 and fourth quarter 2024, the Consolidated Company purchased 24 thousand and 903 thousand common shares of domestic listed (OTC) company from TMP Steel Corporation (TMP), in the open market for \$651 thousand and \$24,415 thousand, respectively.
- 3) In February 2025, the Consolidated Company purchased 1,060 thousand shares of common stock of domestic listed (OTC) company - Jia Jie Biomedical Co., Ltd. (Jia Jie Biomedical) in the open market, at an investment cost of \$19,080 thousand.
- 4) In the first quarter 2025 and fourth quarter 2024, the Consolidated Company purchased 100 thousand and 2,302 thousand common shares of domestic listed (OTC) company from S-Tech Corp. (S-Tech), in the open market for \$2,645 thousand and \$72,477 thousand, respectively.
- 5) The Consolidated Company did not participate in cash capital increase plan of an unlisted company - Xtramus Technology Corporation (Xtramus) in April 2024, which resulted in its shareholding ratio to decrease from 41.18% to 12.66%, and reclassified from investments accounted for using equity method to financial assets at fair value through other comprehensive income, and recognized a loss on disposal of investment of \$314 thousand.

(Continued)



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

- 6) The Consolidated Company acquired fixed rate corporate bond - 10-year domestic bank green bonds, P13 Taipei Fubon Bank 3, at amount of \$100,000 thousand for a total of 10 bonds, with each bond having a denomination of \$10,000 thousand and a coupon rate of 2.02%, on September 16, 2024.
- 7) On December 10, 2024, the Consolidated Company participated in 3,500 thousand shares of common stock of domestic listed (OTC) company - DataVan International Corp. (DataVan) through a private placement, at an investment cost of \$49,700 thousand (\$14.2 per share). According to the Securities and Exchange Act, from the deliver date of February 10, 2025 to the maturity date of February 9, 2028, the common stock of this private placement shall not be sold within three years unless the circumstances of transferring in accordance with Article 43-8.
- 8) For disclosures on credit, currency and interest rate risks in financial instruments, please refer to note 6(aa).
- 9) As of March 31, 2025, December 31, 2024, and March 31, 2024, no financial assets are pledged as collateral.
- (ii) Sensitivity analysis – equity market price risk:

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

Security price at reporting date	For the three months ended March 31,			
	2025	2025	2024	2024
	After-tax other comprehensive income (loss)	After-tax profit (loss)	After-tax other comprehensive income (loss)	After-tax profit (loss)
Increase 3%	\$ <u>4,819</u>	<u>31,609</u>	<u>503</u>	<u>21,203</u>
Decrease 3%	\$ <u>(4,819)</u>	<u>(31,609)</u>	<u>(503)</u>	<u>(21,203)</u>

- (iii) Non-hedging-derivative financial instruments

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

(Continued)

## D-LINK CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### 1) Derivative financial assets

	March 31, 2025			December 31, 2024			March 31, 2024		
	Contract amount (thousand)	Currency	Maturity date	Contract amount (thousand)	Currency	Maturity date	Contract amount (thousand)	Currency	Maturity date
Cross currency swaps:									
USD	\$ 14,500	USD	2025.05	18,500	USD	2025.01	18,500	USD	2024.04 ~2024.05
JPY	4,000,000	JPY	2025.04	2,200,000	JPY	2025.01	150,000	JPY	2024.04
CNY	35,000	CNY	2025.04	75,500	CNY	2025.02	115,790	CNY	2024.05
AUD	-	-	-	-	-	-	650	AUD	2024.04
EUR	1,500	EUR	2025.05	4,700	EUR	2025.01	7,800	EUR	2024.04 ~2024.05
CAD	-	-	-	-	-	-	500	CAD	2024.04
Forward foreign exchange contracts:									
CNY (buy)	-	-	-	35,000	CNY	2025.02	-	-	-
CNY (sell)	14,437	CNY	2025.04	-	-	-	-	-	-
AUD (sell)	-	-	-	500	AUD	2025.02	-	-	-
BRL (sell)	-	-	-	12,772	BRL	2025.01	-	-	-
KRW (sell)	-	-	-	3,303,950	KRW	2025.01	3,386,655	KRW	2024.04
JPY (sell)	-	-	-	150,000	JPY	2025.02	270,000	JPY	2024.04
EUR (sell)	1,500	EUR	2025.05	4,200	EUR	2025.01	950	EUR	2024.05
INR (sell)	-	-	-	149,541	INR	2025.01	-	-	-
IDR (sell)	-	-	-	-	-	-	5,539,100	IDR	2024.05

#### 2) Derivative financial liabilities

	March 31, 2025			December 31, 2024			March 31, 2024		
	Contract amount (thousand)	Currency	Maturity date	Contract amount (thousand)	Currency	Maturity date	Contract amount (thousand)	Currency	Maturity date
Cross currency swaps:									
USD	\$ -	-	-	-	-	-	2,000	USD	2024.05
CNY	118,506	CNY	2025.04 ~2025.05	-	-	-	46,760	CNY	2024.04
EUR	6,600	EUR	2025.04 ~2025.05	1,500	EUR	2025.02	-	-	-
JPY	-	-	-	1,800,000	JPY	2025.01	1,800,000	JPY	2024.04
CAD	857	CAD	2025.04	847	CAD	2025.02	1,400	CAD	2024.04
BRL	-	-	-	-	-	-	15,590	BRL	2024.04
Forward foreign exchange contracts:									
EUR (sell)	1,200	EUR	2025.04	-	-	-	-	-	-
BRL (sell)	21,018	BRL	2025.04	9,460	BRL	2025.01	-	-	-
INR (sell)	189,992	INR	2025.04	-	-	-	208,661	INR	2024.04
CAD (sell)	-	-	-	-	-	-	500	CAD	2024.04
CNY (buy)	-	-	-	14,590	CNY	2025.02	-	-	-

(Continued)

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

(c) Notes and accounts receivable and other receivables

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Notes receivable for operating activities	\$ 5,761	11,748	2,705
Accounts receivable - measured at amortized cost	3,072,368	2,972,768	3,256,422
Account receivable - related parties	158	443	1,095
Other receivables	<u>48,431</u>	<u>57,978</u>	<u>51,577</u>
	3,126,718	3,042,937	3,311,799
Less: Loss Provision	<u>(115,007)</u>	<u>(105,961)</u>	<u>(100,289)</u>
	<u><b>\$ 3,011,711</b></u>	<u><b>2,936,976</b></u>	<u><b>3,211,510</b></u>

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

	<b>March 31, 2025</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss provision</b>
Current	\$ 2,420,152	0.24%	5,811
90 days or less past due	527,288	0.31%	1,651
91 to 180 days past due	57,842	11.52%	6,666
181 to 270 days past due	7,493	53.96%	4,043
271 to 360 days past due	13,751	68.19%	9,377
More than 360 days past due	<u>100,192</u>	87.29%	<u>87,459</u>
	<u><b>\$ 3,126,718</b></u>		<u><b>115,007</b></u>

(Continued)

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

**December 31, 2024**

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

**March 31, 2024**

	Gross carrying amount	Weighted- average loss rate	Loss provision
Current	\$ 2,751,294	0.43%	11,824
90 days or less past due	443,024	0.44%	1,930
91 to 180 days past due	16,550	7.33%	1,213
181 to 270 days past due	4,483	64.70%	2,901
271 to 360 days past due	247	74.82%	185
More than 360 days past due	<u>96,201</u>	85.48%	<u>82,236</u>
	<u>\$ 3,311,799</u>		<u>100,289</u>

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

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1, 2025 and 2024	\$ 105,961	95,735
Expected credit loss	12,295	2,267
Amounts written off	(6,392)	-
Others	<u>3,143</u>	<u>2,287</u>
Balance at March 31, 2025 and 2024	<u>\$ 115,007</u>	<u>100,289</u>

(Continued)

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

(d) Finance lease payment receivable

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

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

	March 31, 2025	December 31, 2024	March 31, 2024
Less than one year	\$ 47,300	42,900	40,914
One to two years	30,036	40,506	42,183
Two to three years	<u>-</u>	<u>-</u>	<u>28,956</u>
Total lease payments receivable	77,336	83,406	112,053
Unearned finance income	<u>(5,368)</u>	<u>(2,385)</u>	<u>(4,492)</u>
Total lease payments receivable (Present value of lease payments receivable)	<u><u>\$ 71,968</u></u>	<u><u>81,021</u></u>	<u><u>107,561</u></u>

(e) Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$ 609,804	541,800	514,047
Work in process and semi-finished products	112,915	90,154	68,113
Merchandise and finished goods	<u>2,043,012</u>	<u>1,912,024</u>	<u>2,415,181</u>
	<u><u>\$ 2,765,731</u></u>	<u><u>2,543,978</u></u>	<u><u>2,997,341</u></u>

The operating cost comprises of cost of goods sold, write-down loss (reversal of write-down loss) of inventories to net realizable value, warranty costs and other (gain) loss. For the three months ended March 31, 2025 and 2024, the cost of goods sold were \$2,491,101 thousand and \$2,724,849 thousand, respectively. The loss on product warranty, obsolescence and order cancellation amounted to \$38,642 thousand and \$46,920 thousand, respectively. For the three months ended March 31, 2025, the Consolidated Company recognized write-down loss of inventories to net realizable value of 1,980 thousand according to the inventory valuation policies by net realized value and aging. For the three months ended March 31, 2024, due to active sales of inventories resulted in reversal of write-down loss of inventories to net realizable value to reduce cost of goods sold by \$92,891 thousand.

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

(Continued)

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

(f) Investments accounted for using equity methods

Investments accounted for using equity methods were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Associates	\$ -	-	12,507
Less: credit balance of investment under the equity method (recorded under other non-current liabilities)	<u>(5,942)</u>	<u>(1,764)</u>	<u>-</u>
	<u>\$ (5,942)</u>	<u>(1,764)</u>	<u>12,507</u>

(i) Associates

1) The financial information of insignificant associates

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

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amounts of insignificant associates	<u>\$ (5,942)</u>	<u>(1,764)</u>	<u>12,507</u>
		<b>For the three months ended March 31,</b>	
		<b>2025</b>	<b>2024</b>
Attributable to the Consolidated Company			
Loss from continuing operations		\$ (3,350)	(3,891)
Other comprehensive (loss) income		<u>(828)</u>	<u>147</u>
Total comprehensive loss		<u>\$ (4,178)</u>	<u>(3,744)</u>

(ii) Pledges

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

(Continued)

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

(g) Subsidiaries have material non-controlling interests

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

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

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

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

	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 2,672,417	2,385,374	2,424,956
Non-current assets	627,890	624,981	626,319
Current liabilities	1,054,039	901,853	990,083
Non-current liabilities	19,710	13,310	21,296
Net assets	<u>\$ 2,226,558</u>	<u>2,095,192</u>	<u>2,039,896</u>
Net assets attributable to non-controlling interests	<u>\$ 900,075</u>	<u>838,035</u>	<u>815,491</u>
	<b>For the three months ended March 31,</b>		
		<b>2025</b>	<b>2024</b>
Operating revenues		<u>\$ 1,398,369</u>	<u>1,257,173</u>
Net profit		\$ 100,592	97,707
Other comprehensive income		26,073	59,082
Total comprehensive income		<u>\$ 126,665</u>	<u>156,789</u>
Net profit attributable to non-controlling interests		<u>\$ 49,270</u>	<u>47,857</u>
Total comprehensive income attributable to non-controlling interests		<u>\$ 62,040</u>	<u>76,795</u>

(Continued)

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

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Cash flows from operating activities	\$ 4,285	193,605
Cash flows from (used in) investing activities	92,001	(181,024)
Cash flows from (used in) financing activities	<u>18</u>	<u>(86)</u>
Net increase in cash and cash equivalents	<u><b>\$ 96,304</b></u>	<u><b>12,495</b></u>

The financial information of Cameo was summarized as follows:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Current assets	\$ 2,247,246	2,205,902	2,414,090
Non-current assets	1,916,208	1,946,787	1,709,367
Current liabilities	704,851	639,727	482,545
Non-current liabilities	<u>479,688</u>	<u>479,202</u>	<u>559,123</u>
Net assets	<u><b>\$ 2,978,915</b></u>	<u><b>3,033,760</b></u>	<u><b>3,081,789</b></u>
Net assets attributable to non-controlling interests	<u><b>\$ 1,683,341</b></u>	<u><b>1,691,572</b></u>	<u><b>1,741,379</b></u>

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Operating revenues	<u><b>\$ 418,586</b></u>	<u><b>234,767</b></u>
Net loss	\$ (15,930)	(68,407)
Other comprehensive loss	<u>(40,204)</u>	<u>(518)</u>
Total comprehensive loss	<u><b>\$ (56,134)</b></u>	<u><b>(68,925)</b></u>
Net loss attributable to non-controlling interests	<u><b>\$ (9,307)</b></u>	<u><b>(39,965)</b></u>
Total comprehensive loss attributable to non-controlling interests	<u><b>\$ (8,984)</b></u>	<u><b>(35,980)</b></u>
Cash flows used in operating activities	\$ (9,218)	(33,322)
Cash flows from (used in) investing activities	271,910	(72,922)
Cash flows used in financing activities	(35,948)	(35,580)
Impact of the changes in exchange rates on cash and cash equivalents	<u>662</u>	<u>6,815</u>
Net increase (decrease) in cash and cash equivalents	<u><b>\$ 227,406</b></u>	<u><b>(135,009)</b></u>

(Continued)



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

(h) Property, plant and equipment

	For the three months ended March 31, 2025				Balance at March 31, 2025
	Balance at January 1, 2025	Increase	Decrease	Others	
Cost:					
Land	\$ 930,844	-	-	2,523	933,367
Buildings	2,042,305	392	(1,688)	28,181	2,069,190
Machinery equipment	536,999	4,732	(8,598)	1,223	534,356
Others	<u>1,074,255</u>	<u>25,352</u>	<u>(32,493)</u>	<u>11,988</u>	<u>1,079,102</u>
	<u>4,584,403</u>	<u>30,476</u>	<u>(42,779)</u>	<u>43,915</u>	<u>4,616,015</u>
Accumulated depreciation:					
Buildings	\$ 816,765	12,508	(1,688)	9,707	837,292
Machinery equipment	487,604	7,597	(8,596)	1,093	487,698
Others	<u>969,684</u>	<u>13,774</u>	<u>(32,474)</u>	<u>10,612</u>	<u>961,596</u>
	<u>2,274,053</u>	<u>33,879</u>	<u>(42,758)</u>	<u>21,412</u>	<u>2,286,586</u>
	<u>\$ 2,310,350</u>	<u>(3,403)</u>	<u>(21)</u>	<u>22,503</u>	<u>2,329,429</u>
For the three months ended March 31, 2024					
	Balance at January 1, 2024	Increase	Decrease	Others	Balance at March 31, 2024
Cost:					
Land	\$ 931,535	-	-	124	931,659
Buildings	2,036,279	547	(2,283)	7,721	2,042,264
Machinery equipment	575,384	7,227	(1,868)	3,066	583,809
Others	<u>1,167,371</u>	<u>11,235</u>	<u>(53,615)</u>	<u>58,827</u>	<u>1,183,818</u>
	<u>4,710,569</u>	<u>19,009</u>	<u>(57,766)</u>	<u>69,738</u>	<u>4,741,550</u>
Accumulated depreciation:					
Buildings	765,239	12,858	(1,696)	3,058	779,459
Machinery equipment	509,319	9,190	(1,868)	3,002	519,643
Others	<u>1,041,930</u>	<u>15,292</u>	<u>(53,539)</u>	<u>58,945</u>	<u>1,062,628</u>
	<u>2,316,488</u>	<u>37,340</u>	<u>(57,103)</u>	<u>65,005</u>	<u>2,361,730</u>
	<u>\$ 2,394,081</u>	<u>(18,331)</u>	<u>(663)</u>	<u>4,733</u>	<u>2,379,820</u>

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

(Continued)

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

(i) Right-of-use assets

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

	<b>Buildings</b>	<b>Office equipment</b>	<b>Transportation equipment</b>	<b>Total</b>
Cost:				
Balance at January 1, 2025	\$ 507,580	9,087	45,352	562,019
Increase	43,218	88	3,119	46,425
Decrease	(136,764)	(537)	(4,669)	(141,970)
Others	<u>10,730</u>	<u>375</u>	<u>2,732</u>	<u>13,837</u>
Balance at March 31, 2025	<u><b>\$ 424,764</b></u>	<u><b>9,013</b></u>	<u><b>46,534</b></u>	<u><b>480,311</b></u>
Balance at January 1, 2024	\$ 567,136	9,625	51,081	627,842
Increase	14,799	-	1,651	16,450
Decrease	(22,385)	(100)	(347)	(22,832)
Others	<u>4,002</u>	<u>230</u>	<u>769</u>	<u>5,001</u>
Balance at March 31, 2024	<u><b>\$ 563,552</b></u>	<u><b>9,755</b></u>	<u><b>53,154</b></u>	<u><b>626,461</b></u>
Accumulated depreciation:				
Balance at January 1, 2025	\$ 280,277	7,234	20,126	307,637
Increase	32,866	652	3,965	37,483
Decrease	(108,848)	(537)	(3,863)	(113,248)
Others	<u>4,147</u>	<u>308</u>	<u>1,267</u>	<u>5,722</u>
Balance at March 31, 2025	<u><b>\$ 208,442</b></u>	<u><b>7,657</b></u>	<u><b>21,495</b></u>	<u><b>237,594</b></u>
Balance at January 1, 2024	\$ 271,850	5,097	16,847	293,794
Increase	37,000	699	4,414	42,113
Decrease	(19,092)	(99)	(311)	(19,502)
Others	<u>(681)</u>	<u>137</u>	<u>259</u>	<u>(285)</u>
Balance at March 31, 2024	<u><b>\$ 289,077</b></u>	<u><b>5,834</b></u>	<u><b>21,209</b></u>	<u><b>316,120</b></u>
Carrying amount:				
Balance at January 1, 2025	<u><b>\$ 227,303</b></u>	<u><b>1,853</b></u>	<u><b>25,226</b></u>	<u><b>254,382</b></u>
Balance at March 31, 2025	<u><b>\$ 216,322</b></u>	<u><b>1,356</b></u>	<u><b>25,039</b></u>	<u><b>242,717</b></u>
Balance at March 31, 2024	<u><b>\$ 274,475</b></u>	<u><b>3,921</b></u>	<u><b>31,945</b></u>	<u><b>310,341</b></u>

The Consolidated Company leased offices and warehouses under an operating lease for the three months ended March 31, 2025 and 2024, please refer to note 6(r).

(Continued)

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

(j) Investment property

<b>For the three months ended March 31, 2025</b>				
	<b>Balance at January 1, 2025</b>	<b>Increase</b>	<b>Decrease</b>	<b>Balance at March 31, 2025</b>
<b>Cost:</b>				
Land	\$ 30,000	-	-	30,000
Buildings	<u>22,196</u>	<u>-</u>	<u>-</u>	<u>22,196</u>
	<u>52,196</u>	<u>-</u>	<u>-</u>	<u>52,196</u>
<b>Accumulated depreciation:</b>				
Buildings	<u>13,509</u>	<u>99</u>	<u>-</u>	<u>13,608</u>
<b>Accumulated impairment:</b>				
Buildings	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
	<u>\$ 37,687</u>	<u>(99)</u>	<u>-</u>	<u>37,588</u>
<b>For the three months ended March 31, 2024</b>				
	<b>Balance at January 1, 2024</b>	<b>Increase</b>	<b>Decrease</b>	<b>Balance at March 31, 2024</b>
<b>Cost:</b>				
Land	\$ 30,000	-	-	30,000
Buildings	<u>22,196</u>	<u>-</u>	<u>-</u>	<u>22,196</u>
	<u>52,196</u>	<u>-</u>	<u>-</u>	<u>52,196</u>
<b>Accumulated depreciation:</b>				
Buildings	<u>\$ 13,113</u>	<u>99</u>	<u>-</u>	<u>13,212</u>
<b>Accumulated impairment:</b>				
Buildings	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
	<u>\$ 38,083</u>	<u>(99)</u>	<u>-</u>	<u>37,984</u>
	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>	
Carrying amount	<u>\$ 37,588</u>	<u>37,687</u>	<u>37,984</u>	
Fair value	<u>\$ 86,761</u>	<u>83,626</u>	<u>68,062</u>	

Investment properties are commercial real estate that are leased to third parties. The lease contract includes an initial non-cancellable period of 3 years. Subsequent renewals are negotiated with the lessee and no contingent rents are charged. For further information of rental income, please refer to note 6(y). Besides, direct operating expenses related to investment property were both \$0 thousand for the three months ended March 31, 2025 and 2024.

(Continued)

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

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

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

(k) Intangible assets

For the three months ended March 31, 2025						
	Balance at January 1, 2025	Increase	Decrease	Amortization	Others	Balance at March 31, 2025
Goodwill	\$ 540,258	-	-	-	3,370	543,628
Trademark	157,114	-	-	(5)	1,922	159,031
Patents	36,885	-	-	(2,543)	79	34,421
Computer software costs	25,900	144	-	(1,389)	-	24,655
Other intangible assets	56,787	16,510	-	(9,616)	224	63,905
	<u>\$ 816,944</u>	<u>16,654</u>	<u>-</u>	<u>(13,553)</u>	<u>5,595</u>	<u>825,640</u>
For the three months ended March 31, 2024						
	Balance at January 1, 2024	Increase	Decrease	Amortization	Others	Balance at March 31, 2024
Goodwill	\$ 526,327	-	-	-	9,153	535,480
Trademark	147,331	-	-	(5)	6,013	153,339
Patents	46,643	152	-	(2,540)	-	44,255
Computer software costs	13,069	-	-	(1,254)	-	11,815
Other intangible assets	51,245	4,668	-	(6,826)	75	49,162
	<u>\$ 784,615</u>	<u>4,820</u>	<u>-</u>	<u>(10,625)</u>	<u>15,241</u>	<u>794,051</u>

(l) Share-based payment

(i) Restricted share plan for employees

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

(In Thousands of shares)

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

(Continued)

**D-LINK CORPORATION AND SUBSIDIARIES**  
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To qualify for the employee restricted shares, an employee should meet the following employment years and performance conditions over the vesting period:

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

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

- 1) Except for inheritance, those restricted shares should not be sold, pledged, transferred, donated, settled or disposed in any other way before the vesting conditions are met.
- 2) Before the vesting conditions are met, the attendance, proposal rights, speech rights, voting rights and electing rights, etc. shall be the same as common shares and shall be handled in accordance with the trust custody contract.
- 3) Employees do not have earnings distribution rights before the vesting conditions are met. The distributing rights include but are not limited to: dividends, stock dividends, legal reserve and capital reserve, etc. All related operational matters shall be executed in accordance with the trust custody contract.
- 4) Beginning from the Company's book-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 AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

Information on restricted share plan for employees was as follows:

(In Thousands of shares)

	<b>For the three months ended March 31, 2025</b>	<b>For the three months ended March 31, 2024</b>
Balance at January 1, 2025	1,555	3,000
Forfeited in the current period (Note)	<u>(60)</u>	<u>(181)</u>
Balance at March 31, 2025	<u><b>1,495</b></u>	<u><b>2,819</b></u>

Note: For the three months ended March 31, 2025 and 2024, the recovered restricted employee stock options were 60 thousand shares and 181 thousand shares, respectively, and the registration have been completed.

For the three months ended March 31, 2025 and 2024, the compensation costs recognized amounted to \$2,035 thousand and \$7,149 thousand, respectively.

(m) Short-term and long-term borrowings

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

(i) Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Unused credit line	<u>\$ 3,849,376</u>	<u>3,612,216</u>	<u>3,824,867</u>

(ii) Long-term borrowings

	Currency	Interest rate (%)	Maturity year	March 31, 2025	December 31, 2024	March 31, 2024
Secured bank borrowings	TWD	1.475 ~2.235	2025~2035	\$ 498,344	528,881	620,495
Less : current portion				<u>(68,495)</u>	<u>(87,032)</u>	<u>(122,151)</u>
Total				<u>\$ 429,849</u>	<u>441,849</u>	<u>498,344</u>
Unused credit line				<u>\$ 497,000</u>	<u>497,000</u>	<u>497,000</u>

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

(Continued)

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

## (n) Other Payables

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Salary payable	\$ 250,293	332,249	292,072
Dividend payable	61,212	1,005	321,964
Other payables-other	<u>663,257</u>	<u>661,675</u>	<u>667,336</u>
	<u><u>\$ 974,762</u></u>	<u><u>994,929</u></u>	<u><u>1,281,372</u></u>

## (o) Lease liabilities

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

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Current	<u>\$ 150,900</u>	<u>166,040</u>	<u>183,378</u>
Non-current	<u>\$ 172,389</u>	<u>177,553</u>	<u>243,916</u>

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Interests on lease liabilities	<u>\$ 2,990</u>	<u>4,031</u>
Expenses relating to short-term leases	<u>\$ 10,459</u>	<u>12,269</u>
Expenses relating to leases of low-value assets	<u>\$ 91</u>	<u>65</u>

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

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Total cash outflow for leases	<u>\$ 80,269</u>	<u>60,329</u>

## (i) Real estate leases

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

(Continued)

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

(ii) Other leases

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

(p) Current provisions

<b>For the three months ended March 31, 2025</b>						
	<b>Balance at January 1, 2025</b>	<b>Increased</b>	<b>Used</b>	<b>Reversed</b>	<b>Effect of exchange</b>	<b>Balance at March 31, 2025</b>
Warranties	\$ 92,188	3,114	(6,457)	-	1,896	90,741
Legal proceedings and royalties	<u>42,615</u>	<u>9,955</u>	<u>(19,033)</u>	<u>(9,495)</u>	<u>(815)</u>	<u>23,227</u>
	<u><b>\$ 134,803</b></u>	<u><b>13,069</b></u>	<u><b>(25,490)</b></u>	<u><b>(9,495)</b></u>	<u><b>1,081</b></u>	<u><b>113,968</b></u>
<b>For the three months ended March 31, 2024</b>						
	<b>Balance at January 1, 2024</b>	<b>Increased</b>	<b>Used</b>	<b>Reversed</b>	<b>Effect of exchange</b>	<b>Balance at March 31, 2024</b>
Warranties	\$ 96,748	2,959	(4,841)	-	(2,227)	92,639
Legal proceedings and royalties	<u>30,735</u>	<u>9,597</u>	<u>-</u>	<u>-</u>	<u>1,255</u>	<u>41,587</u>
	<u><b>\$ 127,483</b></u>	<u><b>12,556</b></u>	<u><b>(4,841)</b></u>	<u><b>-</b></u>	<u><b>(972)</b></u>	<u><b>134,226</b></u>

(q) Refund liabilities

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Refund liabilities	<u><b>\$ 405,258</b></u>	<u><b>418,961</b></u>	<u><b>449,544</b></u>

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

(r) Operating leases

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

(Continued)



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

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

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Within one year	\$ 6,112	7,130	6,130
One to two years	4,139	4,139	4,222
Two to five years	<u>7,726</u>	<u>8,761</u>	<u>11,741</u>
Total undiscounted lease payments	<u>\$ 17,977</u>	<u>20,030</u>	<u>22,093</u>

(s) Employee benefits

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

(i) Defined benefit pension plans

The recognized expenses were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Operating expenses	\$ <u>37</u>	<u>27</u>

(ii) Defined contribution plans

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

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

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

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Operating costs	\$ <u>3,198</u>	<u>3,050</u>
Operating expenses	<u>\$ 28,632</u>	<u>28,190</u>

(Continued)

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

(t) Income Taxes

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

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

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Current income tax expense	\$ 38,690	48,122
Deferred tax expense (benefit)		
Origination and reversal of temporary differences	<u>594</u>	<u>(7,170)</u>
Income tax expenses	<u><u>\$ 39,284</u></u>	<u><u>40,952</u></u>

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

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	<u><u>\$ 56,696</u></u>	<u><u>63,552</u></u>

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

(u) Capital and other equity

(i) Common stock

As of March 31, 2025, December 31, 2024, and March 31, 2024, the authorized capital amounted to \$8,800,000 thousand (including \$750,000 thousand authorized for the issuance of the employee shares options). As of March 31, 2025, December 31, 2024, and March 31, 2024, all the paid-in capital consisted 602,368 thousand shares, 602,428 thousand shares and 602,656 thousand shares, respectively, with a par value of \$10 per share, amounting to \$6,023,681 thousand, \$6,024,275 thousand and \$6,026,555 thousand, respectively.

(Continued)

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

(ii) Capital surplus

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

	March 31, 2025	December 31, 2024	March 31, 2024
Common stock in excess of par value	\$ 1,030,208	1,047,340	1,037,080
Treasury shares transactions	41,027	41,027	39,817
Expiry of share-based payment transactions	129,459	129,459	129,459
Expiry of redeemed options of convertible corporate bonds	81,454	81,454	81,454
Changes in equities of the Company's ownership interests in subsidiaries	55,856	55,320	55,320
Issue employee restricted shares	<u>9,842</u>	<u>10,234</u>	<u>19,926</u>
Total	<u>\$ 1,347,846</u>	<u>1,364,834</u>	<u>1,363,056</u>

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

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

(iii) Retained earnings

1) Legal reserve

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

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

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

(Continued)

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

2) Special reserve

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

3) Earning distribution

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

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

The Company's Board of Directors resolved to distribute the cash dividends of \$0.0715 per share, amounting to \$42,955 thousand on February 26, 2025.

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

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

4) Dividend policy

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

(Continued)

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

(iv) Treasury shares

As of March 31, 2025, Qianjin Investment, a subsidiary of the Consolidated Company, held \$5,434 thousand shares of the Company with a total value of \$82,823 thousand attributed to the repurchase cost by the Company, was recognized under treasury shares.

(v) Other equity

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

	<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 Consolidated Company	253,775	(17,629)
Associates	<u>(828)</u>	<u>-</u>
Balance at March 31, 2025	<u><b>\$ (1,172,839)</b></u>	<u><b>(27,016)</b></u>
Balance at January 1, 2024	\$ (1,557,495)	(17,004)
The Consolidated Company	138,487	(2,505)
Associates	<u>147</u>	<u>-</u>
Balance at March 31, 2024	<u><b>\$ (1,418,861)</b></u>	<u><b>(19,509)</b></u>

- 2) Unearned compensation

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1, 2025 and 2024	\$ (11,457)	(40,110)
Compensation cost of employee restricted shares	<u>3,021</u>	<u>10,238</u>
Balance at March 31, 2025 and 2024	<u><b>\$ (8,436)</b></u>	<u><b>(29,872)</b></u>

(Continued)

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

(vi) Non-controlling interests

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Balance at the beginning of the period	\$ 2,529,607	2,516,055
Attributable to non-controlling interests:		
Net income	39,963	7,892
Exchange differences on translation of foreign financial statements	13,157	32,923
Unrealized losses from investments in debt instruments measured at fair value through other comprehensive income	(64)	-
Dividends that have been distributed were returned and reclassified as capital surplus	<u>753</u>	<u>-</u>
Balance at the end of the period	<u><u>\$ 2,583,416</u></u>	<u><u>2,556,870</u></u>

(v) Earnings (loss) per share

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

(i) Basic loss per share

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Net loss of the parent company for the year	\$ <u>(165,175)</u>	<u>(52,908)</u>
Outstanding ordinary shares	<u>598,613</u>	<u>597,577</u>
Basic loss per share (in New Taiwan dollars)	<u><u>\$ (0.28)</u></u>	<u><u>(0.09)</u></u>

(ii) Diluted loss per share

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Net loss of the parent company for the year	\$ <u>(165,175)</u>	<u>(52,908)</u>

(Continued)

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

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Weighted average number of outstanding ordinary shares (basic)	598,613	597,577
Unvested employee restricted shares	-	-
Employees' compensation has not been resolved by the Board of Directors	-	-
Weighted average number of outstanding ordinary shares (diluted)	<u>598,613</u>	<u>597,577</u>
Diluted loss per share (in New Taiwan dollars)	<u>\$ (0.28)</u>	<u>(0.09)</u>

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

(w) Revenue from contracts with customers

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

<b>Major product / service lines</b>	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Switch and Security products	\$ 1,333,070	1,572,308
Wireless and IoT products	391,535	369,107
Mobile and Broadband products	338,062	405,821
Others	<u>1,273,914</u>	<u>1,216,142</u>
	<u>\$ 3,336,581</u>	<u>3,563,378</u>

  

<b>Primary geographical markets</b>	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
American	\$ 261,567	191,115
European	646,734	665,183
Asian and others	<u>2,428,280</u>	<u>2,707,080</u>
	<u>\$ 3,336,581</u>	<u>3,563,378</u>

(Continued)

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

(ii) Contract liabilities

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

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Current contract liabilities (sales)	\$ <u><b>168,638</b></u>	<u><b>141,379</b></u>	<u><b>113,258</b></u>

- 2) The beginning contract liabilities were recognized as income, amounting to \$11,753 thousand and \$53,817 thousand for the three months ended March 31, 2025 and 2024, respectively.

(x) Remunerations to employees and directors

In accordance with the Articles of Association, if the Company incurs profit for the year, the profit shall first be used to offset against any deficit; then, a minimum of 1% to a maximum of 15% of the remainder shall be appropriated as employee remuneration, and less than 1% as directors' remuneration. The profit shall be considered as the annual income before tax, excluding the remunerations to employees and directors, which shall be decided by two-third of the voting rights exercised by the majority of the directors present at the board meeting, and reported to shareholders' meeting thereafter. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain specific conditions.

No remunerations to employees and directors were accrued for the three months ended March 31, 2025 and 2024, due to the loss before tax incurred by the Company.

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

(y) Other income and losses

(i) Interest income

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Interest income from bank deposits	\$ 33,346	24,125
Other interest income	<u>586</u>	<u>853</u>
Total	<u><b>\$ 33,932</b></u>	<u><b>24,978</b></u>

(Continued)



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

## (ii) Other income

**For the three months ended  
March 31,**

	<b>2025</b>	<b>2024</b>
Rent income	\$ <u>1,773</u>	<u>1,759</u>

## (iii) Other gains and losses

**For the three months ended  
March 31,**

	<b>2025</b>	<b>2024</b>
Gain on disposals of investments	\$ 11,958	10,852
Foreign exchange (losses) gains	(67,243)	6,212
Valuation (losses) gains from financial assets and liabilities	(6,791)	32,197
Others	<u>7,535</u>	<u>9,788</u>
Total	<u>\$ (54,541)</u>	<u>59,049</u>

## (iv) Finance costs

**For the three months ended  
March 31,**

	<b>2025</b>	<b>2024</b>
Interest expense	\$ (3,269)	(3,541)
Lease liability interests	<u>(2,990)</u>	<u>(4,031)</u>
Total	<u>\$ (6,259)</u>	<u>(7,572)</u>

## (z) Reclassification adjustments of components of other comprehensive income

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

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Exchange differences on translation of foreign financial statements:		
Change in exchange from the Consolidated Company	\$ 310,471	202,039
Change in exchange from non-controlling interests	<u>13,157</u>	<u>32,923</u>
Change in exchange differences on translation of foreign financial statements recognized in other comprehensive income	<u>\$ 323,628</u>	<u>234,962</u>

(Continued)

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

	For the three months ended March 31,	
	2025	2024
Unrealized losses from investments in debt instruments measured at fair value through other comprehensive income		
Change in fair value from the Consolidated Company	\$ (46)	-
Change in fair value from non-controlling interests	(64)	-
Change in fair value recognized in other comprehensive loss	<u>\$ (110)</u>	<u>-</u>
Share of other comprehensive income of associates accounted for using equity method:		
Change in foreign currency exchange from associates	\$ (828)	147
Share of other comprehensive (loss) income	<u>\$ (828)</u>	<u>147</u>

(aa) Financial instruments

(i) Category of financial instruments

1) Financial Assets

	March 31, 2025	December 31, 2024	March 31, 2024
Cash and cash equivalents	\$ 4,560,007	4,416,806	4,095,100
Financial assets at fair value through profit or loss (current and non-current)	1,228,397	1,300,131	877,540
Notes receivable, accounts receivable and other receivables (including related parties)	3,011,711	2,936,976	3,211,510
Finance lease payment receivable (current and non-current)	71,968	81,021	107,561
Financial assets at fair value through other comprehensive income - non-current	161,382	179,057	17,624
Refundable deposits and other current assets	<u>356,499</u>	<u>602,015</u>	<u>666,314</u>
	<u>\$ 9,389,964</u>	<u>9,516,006</u>	<u>8,975,649</u>

(Continued)

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

2) Financial liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Financial liabilities at fair value through profit or loss - current	\$ 9,137	4,402	4,811
Notes payable, accounts payable and other payables (including related parties)	3,098,437	3,013,010	3,024,792
Long-term borrowings (including borrowings due within one year)	498,344	528,881	620,495
Lease liability (current and non-current)	323,289	343,593	427,294
Guarantee deposits received	66,001	69,430	77,900
	<u>\$ 3,995,208</u>	<u>3,959,316</u>	<u>4,155,292</u>

(ii) Credit risk

Exposure to credit risk:

The carrying amount of financial assets represents the maximum amount exposed to credit risk. As of March 31, 2025, December 31, 2024, and March 31, 2024, the maximum exposure to credit risk has amounted to \$9,389,964 thousand, \$9,516,006 thousand and \$8,975,649 thousand, respectively.

(iii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within six months	6-12 months	1-2 years	2-5 years	Over five years
<b>March 31, 2025</b>							
Non-derivative financial liabilities							
Notes payable	\$ 1,169	1,169	1,169	-	-	-	-
Accounts payable	1,914,512	1,914,512	1,914,512	-	-	-	-
Accounts payable to related parties	207,994	207,994	207,994	-	-	-	-
Other payables	974,762	974,762	974,762	-	-	-	-
Lease liability	323,289	368,604	87,333	78,230	91,431	94,526	17,084
Guarantee deposits received	66,001	66,001	66,001	-	-	-	-
Long-term borrowings (including borrowings due within one year)	498,344	546,171	49,778	28,960	57,115	186,763	223,555

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

	Carrying amount	Contractual cash flows	Within six months	6-12 months	1-2 years	2-5 years	Over five years
<b>Derivative financial liabilities</b>							
Cross currency swaps							
Outflow	\$ 5,819	798,750	798,750	-	-	-	-
Inflow	-	794,181	794,181	-	-	-	-
Forward foreign exchange contracts							
Outflow	3,318	238,280	238,280	-	-	-	-
Inflow	-	234,408	234,408	-	-	-	-
	<u>\$ 3,995,208</u>	<u>6,144,832</u>	<u>5,367,168</u>	<u>107,190</u>	<u>148,546</u>	<u>281,289</u>	<u>240,639</u>
<b>December 31, 2024</b>							
<b>Non-derivative financial liabilities</b>							
Notes payable	\$ 575	575	575	-	-	-	-
Accounts payable	1,833,852	1,833,852	1,833,852	-	-	-	-
Accounts payable to related parties	183,654	183,654	183,654	-	-	-	-
Other payables	994,929	994,929	994,929	-	-	-	-
Lease liability	343,593	363,776	92,128	83,722	109,109	60,989	17,828
Guarantee deposits received	69,430	69,430	69,430	-	-	-	-
Long-term borrowings (including borrowings due within one year)	528,881	579,545	66,611	31,053	57,384	182,572	241,925
<b>Derivative financial liabilities</b>							
Cross currency swaps							
Outflow	\$ 3,223	451,284	451,284	-	-	-	-
Inflow	-	445,682	445,682	-	-	-	-
Forward foreign exchange contracts							
Outflow	1,179	115,644	115,644	-	-	-	-
Inflow	-	115,704	115,704	-	-	-	-
	<u>\$ 3,959,316</u>	<u>5,154,075</u>	<u>4,369,493</u>	<u>114,775</u>	<u>166,493</u>	<u>243,561</u>	<u>259,753</u>
<b>March 31, 2024</b>							
<b>Non-derivative financial liabilities</b>							
Notes payable	\$ 217	217	217	-	-	-	-
Accounts payable	1,583,782	1,583,782	1,583,782	-	-	-	-
Accounts payable to related parties	159,421	159,421	159,421	-	-	-	-
Other payables	1,281,372	1,281,372	1,281,372	-	-	-	-
Lease liability	427,294	450,442	103,594	92,640	149,967	101,081	3,160
Guarantee deposits received	77,900	77,900	77,900	-	-	-	-
Long-term borrowings (including borrowings due within one year)	620,495	680,478	67,424	66,883	78,738	169,828	297,605

(Continued)

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

	Carrying amount	Contractual cash flows	Within six months	6-12 months	1-2 years	2-5 years	Over five years
Derivative financial liabilities							
Cross currency swaps							
Outflow	\$ 4,781	785,399	785,399	-	-	-	-
Inflow	-	339,393	339,393	-	-	-	-
Forward foreign exchange contracts							
Outflow	30	394,716	394,716	-	-	-	-
Inflow	-	154,648	154,648	-	-	-	-
	<u>\$ 4,155,292</u>	<u>5,907,768</u>	<u>4,947,866</u>	<u>159,523</u>	<u>228,705</u>	<u>270,909</u>	<u>300,765</u>

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

(iv) Currency risk

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

	March 31, 2025			December 31, 2024			March 31, 2024		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets (note):									
Monetary items:									
CLP	\$ 137,759	0.04	4,831	150,579	0.03	4,975	149,222	0.03	4,859
JPY	829,240	0.22	183,537	947,810	0.21	197,534	1,137,860	0.21	240,582
EUR	27,383	35.89	982,848	32,310	33.95	1,097,053	15,086	34.52	520,715
USD	173,776	33.18	5,766,240	174,071	32.78	5,706,210	161,547	31.99	5,167,881
BRL	5,564	5.78	32,155	5,564	5.29	29,455	5,561	6.40	35,605
AUD	3,240	20.73	67,170	2,818	20.29	57,164	5,364	20.83	111,734
IDR	149,088	0.0020	299	752,323	0.0020	1,533	-	-	-
			<u>\$ 7,037,080</u>			<u>7,093,924</u>			<u>6,081,376</u>
Non-monetary items:									
USD	\$ 19,776	33.18	<u>656,218</u>	22,831	32.78	<u>748,429</u>	19,023	31.99	<u>608,550</u>
Derivative instruments:									
AUD	-	-	-	23	20.29	471	4	20.83	90
USD	50	33.18	1,664	68	32.78	2,243	241	31.99	7,696
BRL	-	-	-	214	5.29	1,131	-	-	-
JPY	34,645	0.22	7,668	48,745	0.21	10,159	3,651	0.21	772
CNY	76	4.57	348	550	4.56	2,509	1,007	4.43	4,460
CAD	-	-	-	-	-	-	2	23.63	41
KRW	-	-	-	67,732	0.03	1,822	44,238	0.03	1,190
IDR	-	-	-	-	-	-	16,846	0.0020	34
EUR	18	35.89	661	104	33.95	3,538	123	34.52	4,235
INR	-	-	-	640	0.38	245	-	-	-
			<u>\$ 10,341</u>			<u>22,118</u>			<u>18,518</u>

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

	March 31, 2025			December 31, 2024			March 31, 2024		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial liabilities (note):									
Monetary items:									
JPY	\$ 3,108,561	0.22	688,022	3,130,208	0.21	652,370	2,032,150	0.21	429,666
EUR	9,650	35.89	346,373	11,998	33.95	407,388	10,899	34.52	376,212
BRL	20,662	5.78	119,397	20,663	5.29	109,387	21,779	6.40	139,450
USD	94,436	33.18	3,133,592	96,979	32.78	3,179,079	93,674	31.99	2,996,647
CLP	125,327	0.04	4,396	129,173	0.03	4,268	134,100	0.03	4,367
AUD	1,422	20.73	29,473	1,472	20.29	29,863	2,103	20.83	43,800
IDR	24,360	0.0020	49	66	0.0020	-	-	-	-
			<u>\$ 4,321,302</u>			<u>4,382,355</u>			<u>3,990,142</u>
Derivative instruments:									
EUR	\$ 159	35.89	5,698	2	33.95	73	-	-	-
CAD	3	23.07	72	14	22.80	313	1	23.93	34
JPY	-	-	-	13,613	0.21	2,837	10,698	0.21	2,262
BRL	251	5.78	1,453	185	5.29	981	9	6.40	58
USD	-	-	-	-	-	-	21	31.99	682
INR	1,690	0.39	656	-	-	-	42	0.38	16
CNY	275	4.57	1,258	43	4.56	198	397	4.43	1,759
			<u>\$ 9,137</u>			<u>4,402</u>			<u>4,811</u>

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

Since the Consolidated Company has various functional currencies, the information on foreign currency exchange gains and losses on monetary items is presented on a consolidated basis. The total foreign currency gains and losses, including those realized and unrealized, were a loss of \$67,243 thousand, and a gain of \$6,212 thousand for the three months ended March 31, 2025 and 2024, respectively.

The Consolidated Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, borrowings, accounts payable and other payables that are denominated in foreign currency. A 1.5% of appreciation (depreciation) of each consolidated components currency, other than the functional currency, against the functional currency for the three months ended March 31, 2025 and 2024 would have increased or decreased the net income after tax by \$40,443 thousand and \$32,518 thousand, respectively, and increased or decreased the equity by \$44 thousand and \$54 thousand, respectively, assuming all other variables were held constant.

(v) Interest rate analysis

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

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of outstanding

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

liabilities at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when the Consolidated Company reports to management internally, which also represents the Consolidated Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 0.5%, the Consolidated Company's net income after tax would have increased or decreased by \$1,748 thousand and \$783 thousand for the three months ended March 31, 2025 and 2024, respectively, assuming all other variables were held constant.

(vi) Assets and liabilities measured at fair value

1) The information of levels in the fair value hierarchy

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

Assets and liabilities	Total	March 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				
Fund	\$ 653,262	653,262	-	-
Financial assets mandatorily measured at fair value through profit or loss - non-current				
Domestic listed (OTC) stock	564,794	112,294	-	452,500
Financial assets at fair value through other comprehensive income - non-current				
Equity instruments:				
Domestic listed (OTC) stock	54,142	13,302	-	40,840
Unlisted stock	7,331	537	-	6,794
Debt instruments:				
Fixed-rate corporate bonds	99,909	-	99,909	-
<b>Derivative instruments</b>				
<b>Assets:</b>				
Financial assets mandatorily measured at fair value through profit or loss - current	10,341	-	10,341	-
<b>Liabilities:</b>				
Financial liabilities at fair value through profit or loss - current	9,137	-	9,137	-

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

					<b>December 31, 2024</b>			
<b>Assets and liabilities</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>				
<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								
Fund	\$ 745,328	745,328	-	-				
Financial assets mandatorily measured at fair value through profit or loss - non-current								
Domestic listed (OTC) stock	532,685	90,885	-	441,800				
Financial assets at fair value through other comprehensive income - non-current								
Equity instruments:								
Domestic listed (OTC) stock	72,558	15,963	-	56,595				
Unlisted stock	6,481	803	-	5,678				
Debt instruments:								
Fixed-rate corporate bonds	100,018	-	100,018	-				
<b>Derivative instruments</b>								
<b>Assets:</b>								
Financial assets mandatorily measured at fair value through profit or loss - current								
	22,118	-	22,118	-				
<b>Liabilities:</b>								
Financial liabilities at fair value through profit or loss - current	4,402	-	4,402	-				
					<b>March 31, 2024</b>			
<b>Assets and liabilities</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>				
<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								
Fund	\$ 604,922	604,922	-	-				
Financial assets mandatorily measured at fair value through profit or loss - non-current								
Domestic listed (OTC) stock	254,100	-	-	254,100				

(Continued)



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

March 31, 2024				
Assets and liabilities	Total	Level 1	Level 2	Level 3
Financial assets at fair value through other comprehensive income - non-current				
Domestic listed (OTC) stock	13,996	13,996	-	-
Unlisted stock	3,628	-	-	3,628
<b>Derivative instruments</b>				
<b>Assets:</b>				
Financial assets mandatorily measured at fair value through profit or loss - current	18,518	-	18,518	-
<b>Liabilities:</b>				
Financial liabilities at fair value through profit or loss - current	4,811	-	4,811	-

2) Valuation techniques for financial instruments measured at fair value

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

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

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

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

- Unquoted equity instruments : The fair value is estimated using the option pricing model (Black-Scholes model) and 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.

(Continued)

**D-LINK CORPORATION AND SUBSIDIARIES**  
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3) Transfer between Level 1 and Level 2

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

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	\$ 441,800	62,273
Total gains or losses recognized		
Recognized in profit or loss	10,700	-
Recognized in other comprehensive loss	-	(14,639)
Balance at March 31, 2025	<u>\$ 452,500</u>	<u>47,634</u>
Balance at January 1, 2024	\$ 254,100	3,679
Total gains or losses recognized		
Recognized in other comprehensive loss	-	(51)
Balance at March 31, 2024	<u>\$ 254,100</u>	<u>3,628</u>

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

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Total gains or losses recognized:		
In profit or loss, and reported in “other gains and losses”	\$ 10,700	-
In other comprehensive income (loss), and reported in “ unrealized gains and losses on financial assets at fair value through other comprehensive income”	(14,639)	(51)

(Continued)

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

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

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

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

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 lose - equity instrument investments	·The fair value is determined by the market approach and considering the liquidity discount model (Finnerty model) on March 31, 2025, and December 31, 2024.	·Lack of market liquidity discount (15.89% on March 31, 2025, 18.18% on December 31, 2024 and 24.82% on March 31, 2024.)	·The higher the market liquidity discount lacks, the lower the fair value is.
	·The fair value is determined by the option pricing model (Black-Scholes model) and the liquidity discount model (Finnerty model) on December 31, 2024.		

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

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

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

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

	Inputs	Upward or downward movement	Changes in fair value through the current period's profit or loss	
			Favorable	Unfavorable
<b>March 31, 2025</b>				
Financial assets mandatorily measured at fair value through profit or loss	Lack of market liquidity discount	5%	\$ <u>26,900</u>	<u>(26,900)</u>
Financial assets at fair value through other comprehensive income	Lack of market liquidity discount	5%	\$ <u>2,424</u>	<u>(2,424)</u>
<b>December 31, 2024</b>				
Financial assets mandatorily measured at fair value through profit or loss	Lack of market liquidity discount	5%	\$ <u>27,000</u>	<u>(27,000)</u>
Financial assets at fair value through other comprehensive income	Lack of market liquidity discount	5%	\$ <u>3,308</u>	<u>(3,308)</u>
<b>March 31, 2024</b>				
Financial assets mandatorily measured at fair value through profit or loss	Lack of market liquidity discount	10%	\$ <u>33,800</u>	<u>(33,800)</u>

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

(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 Consolidated Company's financial instruments not measured at fair value, including cash and cash equivalents, notes receivable, accounts receivable/payable and other receivables/payables, approximate their fair values. Moreover, lease liabilities are not measured at fair value.

	March 31, 2025		December 31, 2024		March 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Non-financial assets:						
Investment property	\$ <u>37,588</u>	<u>86,761</u>	<u>37,687</u>	<u>83,626</u>	<u>37,984</u>	<u>68,062</u>

**March 31, 2025**

<b>Assets and liabilities</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Non-financial assets:</b>				
Investment property	\$ 86,761	-	-	86,761

**December 31, 2024**

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

**March 31, 2024**

<b>Assets and liabilities</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Non-financial assets:</b>				
Investment property	\$ 68,062	-	-	68,062

2) Valuation techniques

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

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

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

(ab) Financial risk management

(i) Overview

The Consolidated Company was exposed to the following risks arising from financial instruments:

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

The following likewise discusses the Consolidated 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 consolidated 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 Consolidated Company use internal control systems, risk management procedures, and regulations of risk management as the basis of various business risk management standards. The Consolidated Company's risk management policies are established to identify and analyze the risks faced by the Consolidated Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Consolidated Company's activities. The Consolidated 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 Consolidated Company's risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks faced by the Consolidated Company. The Board of Directors and Audit Committee are assisted in their 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 Consolidated Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Consolidated Company's receivables from customers, investment in securities and hedge derivatives.

(Continued)

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

1) Accounts receivable

The credit risk exposure of the Consolidated Company arises from the operations and financial conditions of each customer and the political and economic stability of the Consolidated Company's customer base, including the default risk of the industry and country in which customers operate in. However, the Consolidated Company operates worldwide, and thus, risk is diversified. As of March 31, 2025, December 31, 2024, and March 31, 2024, revenue from each customer does not exceed 10% of the Consolidated Company's revenue, therefore, there is no concentration of credit risk.

The Consolidated 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 Consolidated 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 Consolidated Company has set the allowance for bad debt account to reflect the possible losses on accounts 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 in securities and derivative financial instruments

The credit risk exposure in the bank deposits, fixed income investments and derivative financial instrument are measured and monitored by the Consolidated Company's finance department. As the Consolidated 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 Articles of Association, it is only permissible to provide financial guarantees to subsidiaries. As of March 31, 2025, December 31 2024, and March 31, 2024, the Consolidated Company has not provided any guarantees to a third party.

(Continued)

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

(iv) Liquidity risk

Liquidity risk is the risk that the Consolidated Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Consolidated 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 Consolidated Company's reputation. The Consolidated 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. The Consolidated Company had unused credit facilities for \$4,346,376 thousand, 4,109,216 thousand and \$4,321,867 thousand as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates or equity prices that affects the Consolidated 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 Consolidated 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 Consolidated Company is exposed to currency risk on sales, purchases and borrowings that are denominated in currencies other than its respective functional currencies. The functional currencies of the Consolidated 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), Indonesian Rupiah (IDR), BRL, and so on.

At any point in time, the Consolidated Company hedges its currency risk based on its actual and forecast sales over the following six months. The Consolidated Company also uses nature hedges on the net risk position after offsetting assets and liabilities denominated in the same foreign currencies and maintained the hedge ratio at 50% and above. The Consolidated 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.

(Continued)



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

Generally, the currencies of borrowings in the Consolidated Company are denominated in its functional currencies and are incorporated in net exposure on borrowing 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

For the bank borrowings at floating rate, the changes in market interest rate will cause fluctuation on borrowing effective interest rate and have an impact on the future cash flow. For the bank borrowings at fixed rate, the change in market interest rate will not affect the future cash flow, hence, there will not be any significant interest rate risk.

3) Other price risks

The Consolidated Company holds both monetary funds and bond funds, where their prices are affected by changes in mutual funds. The abovementioned mutual funds are widely used as fixed income investments, with large market scale, stable market prices, and high liquidity. The Consolidated Company is held for the purpose of short-term capital allocation with a period of approximately three months. The finance department will monitor the changes in market and dispose of the investments, if necessary.

(ac) Capital management

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

Debt-to-equity ratio:

	March 31, 2025	December 31, 2024	March 31, 2024
Total liabilities	\$ 5,037,069	4,990,410	5,274,751
Less: cash and cash equivalents	<u>(4,560,007)</u>	<u>(4,416,806)</u>	<u>(4,095,100)</u>
Net debt	<u>\$ 477,062</u>	<u>573,604</u>	<u>1,179,651</u>
Total equity	<u>\$ 11,566,591</u>	<u>11,500,155</u>	<u>11,405,672</u>
Debt-to-equity ratio	<u>4.12%</u>	<u>4.99%</u>	<u>10.34%</u>

(Continued)

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

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

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

Information of non-cash-traded investing and financing activities for the three months ended March 31, 2025 and 2024, were as follows:

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

	January 1, 2025	Cash flows	Non-cash changes			March 31, 2025
			Exchange	Fair value changes	Others	
Long-term borrowings (including borrowings due within one year)	\$ 528,881	(30,537)	-	-	-	498,344
Lease liabilities	343,593	(66,729)	-	-	46,425	323,289
Others	69,430	(3,429)	-	-	-	66,001
Total liabilities from financing activities	<u>\$ 941,904</u>	<u>(100,695)</u>	<u>-</u>	<u>-</u>	<u>46,425</u>	<u>887,634</u>

  

	January 1, 2024	Cash flows	Non-cash changes			March 31, 2024
			Exchange	Fair value changes	Others	
Long-term borrowings (including borrowings due within one year)	\$ 651,032	(30,537)	-	-	-	620,495
Lease liabilities	454,808	(43,964)	-	-	16,450	427,294
Others	68,337	9,563	-	-	-	77,900
Total liabilities from financing activities	<u>\$ 1,174,177</u>	<u>(64,938)</u>	<u>-</u>	<u>-</u>	<u>16,450</u>	<u>1,125,689</u>

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

(a) Names and relationship with related parties

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

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

(Continued)

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

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

(b) Significant related party transactions

(i) Sales and service revenue

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Associates	\$ 51	3,906
Other related parties	<u>143</u>	<u>204</u>
	<b><u>\$ 194</u></b>	<b><u>4,110</u></b>

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

(Continued)

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

## (ii) Purchases

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Other related parties:		
Amigo	\$ 189,727	144,522
Others	<u>17,593</u>	<u>780</u>
	<u><b>\$ 207,320</b></u>	<u><b>145,302</b></u>

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

## (iii) Receivables from related parties

<b>Account</b>	<b>Relationship</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Accounts receivable	Associates	\$ 23	381	374
Accounts receivable	Other related parties	133	50	703
Other receivables	Other related parties	<u>296</u>	<u>483</u>	<u>622</u>
		<u><b>\$ 452</b></u>	<u><b>914</b></u>	<u><b>1,699</b></u>

## (iv) Other current assets

<b>Account</b>	<b>Relationship</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Prepayment for purchase	Other related parties	\$ 188	9,147	96
Other current assets	Other related parties	<u>1,143</u>	<u>2,160</u>	<u>-</u>
		<u><b>\$ 1,331</b></u>	<u><b>11,307</b></u>	<u><b>96</b></u>

## (v) Payables to related parties

<b>Account</b>	<b>Relationship</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Accounts payable	Other related parties – Amigo	\$ 189,215	163,142	158,634
Accounts payable	Other related parties – Others	18,779	20,512	787
Other payables	Other related parties	<u>12,662</u>	<u>16,937</u>	<u>4,440</u>
		<u><b>\$ 220,656</b></u>	<u><b>200,591</b></u>	<u><b>163,861</b></u>

(Continued)

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

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

(vi) Property transaction

		<b>For the three months ended March 31,</b>	
		<b>2025</b>	<b>2024</b>
Other related parties:			
Amigo		\$ 3,958	-
Other		<u>30</u>	<u>-</u>
		<u><b>\$ 3,988</b></u>	<u><b>-</b></u>

The Consolidated Company's acquisition of mold equipment and intangible assets from the related parties.

(vii) Services purchased from related parties and expenses

		<b>For the three months ended March 31,</b>	
		<b>2025</b>	<b>2024</b>
Other related parties		<u>\$ 12,190</u>	<u>4,664</u>

(viii) Other income and expenses

		<b>For the three months ended March 31,</b>	
<b>Account</b>	<b>Relationship</b>	<b>2025</b>	<b>2024</b>
Other gains and losses	Other related parties	<u>\$ 100</u>	<u>430</u>

(ix) Lease

		<b>For the three months ended March 31,</b>	
<b>Account</b>	<b>Relationship</b>	<b>2025</b>	<b>2024</b>
Rent Income	Other related parties – Amigo	\$ 744	960
Rent Income	Other related parties – UFOC	680	528
Rent Income	Other related parties – Others	<u>-</u>	<u>6</u>
		<u><b>\$ 1,424</b></u>	<u><b>1,494</b></u>

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

(Continued)

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

As of March 31, 2025 and 2024, except for \$296 thousand and \$277 thousand of UFOC had been accounted for other receivables, the aforementioned other receivables had been fully collected.

(x) Collection and payment on behalf of related party

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
E-Sheng	\$ 188,662	-
E-Top	<u>107,520</u>	<u>-</u>
	<u><b>\$ 296,182</b></u>	<u><b>-</b></u>

The balance of collection and payment on behalf of related party was zero as of March 31, 2025.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Short-term employee benefits	\$ 7,352	7,355
Post-employee benefits	158	153
Share-based payments	<u>947</u>	<u>1,426</u>
	<u><b>\$ 8,457</b></u>	<u><b>8,934</b></u>

**(8) Pledged assets:**

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

<b>Pledged assets</b>	<b>Object</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Other current assets and other non-current assets	Rental deposits, performance bond and time deposits	\$ 115,322	111,241	120,653
Property, plant, and equipment-land	Long-term bank borrowings	346,639	346,639	346,639
Property, plant, and equipment-buildings	Long-term bank borrowings	<u>890,455</u>	<u>898,198</u>	<u>921,428</u>
		<u><b>\$ 1,352,416</b></u>	<u><b>1,356,078</b></u>	<u><b>1,388,720</b></u>

(Continued)

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

**(9) Significant contingent liabilities and unrecognized commitments:**

- (a) The Consolidated Company's subsidiary, D-Link Brazil, had disputes regarding prior year's insufficient invoices attached to sales return with the local tax authorities, and had filed litigation. D-Link Brazil had accrued possible tax, interest and penalty.
- (b) The Consolidated Company's subsidiary, D-Link India, had disputes regarding prior year's declaration tax on customs with the local tax authorities. Based on its evaluation, the Consolidated Company believes the above litigation will not have any significant impact on its current operations.
- (c) Bell Northern Research, LLC filed a lawsuit against D-Link Systems in 2023, alleging that some of D-Link Systems' products have infringed its patents. Hence, D-Link Systems has appointed attorneys to conduct defense. Based on its evaluation, the Consolidated Company believes the above litigation will not have any significant impact on its current operations.
- (d) Skyworks Solutions, Inc. filed a lawsuit against the Company and requested an investigation from the ITC in 2024, alleging that some of D-Link's products infringed its patents. The Company has appointed attorneys to conduct defense. Based on its evaluation, the Consolidated Company believes the above litigation will not have any significant impact on its current operations.
- (e) As of March 31, 2025, Cameo's unfulfilled purchase commitment was \$508,726 thousand and was deemed as an irrevocable purchase agreement.
- (f) The Consolidated Company is currently under negotiations with a number of companies regarding the royalty on patents. In addition to the abovementioned lawsuits, there are other disputes in the negotiation process and therefore the amount of liabilities is unclear. The Consolidated Company has accrued the possible expense.

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

**(11) Subsequent Events: None.**

**(12) Other:**

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

By item	By function	For the three months ended March 31,					
		2025			2024		
		Cost of Goods Sold	Operating Expense	Total	Cost of Goods Sold	Operating Expense	Total
Employee benefits							
Salaries		51,113	437,008	488,121	49,137	501,810	550,947
Labor and health insurance		4,309	27,599	31,908	4,158	28,663	32,821
Pension		3,198	28,669	31,867	3,050	28,217	31,267
Others		5,896	55,362	61,258	5,651	56,149	61,800
Depreciation		18,757	52,704	71,461	20,669	58,883	79,552
Amortization		19	13,534	13,553	12	10,613	10,625

- (b) Seasonality of operations

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

(Continued)

## D-LINK CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### (13) Other disclosures:

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

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

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

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period (%)	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note)	Maximum limit of fund financing (Note)
													Item	Value		
1	D-Link International	D-Link Shanghai	Accounts receivable-related parties	Yes	144,047	-	-	3.55	2	-	Operating Capital	-	-	-	2,303,276	2,303,276
1	D-Link International	D-Link Shanghai	Accounts receivable-related parties	Yes	274,375	274,375	274,375	3.20	2	-	Operating Capital	-	-	-	2,303,276	2,303,276
1	D-Link International	D-Link Shanghai	Accounts receivable-related parties	Yes	389,389	389,389	389,389	-	2	-	Convert from Account receivables to loan receivable	-	-	-	2,303,276	2,303,276
1	D-Link International	D-Link Corporation	Accounts receivable-related parties	Yes	243,465	243,465	243,465	0.55	2	-	Operating Capital	-	-	-	2,303,276	2,303,276
2	D-Link Capital Investment	D-Link Corporation	Accounts receivable-related parties	Yes	812,959	647,049	647,049	-	2	-	Operating Capital	-	-	-	664,129	664,129
3	D-Link Japan	D-Link Corporation	Accounts receivable-related parties	Yes	177,065	177,065	177,065	0.55	2	-	Operating Capital	-	-	-	630,012	630,012
3	D-Link Japan	D-Link Corporation	Accounts receivable-related parties	Yes	221,331	221,331	221,331	0.55	2	-	Operating Capital	-	-	-	630,012	630,012
4	D-Link Deutschland	D-Link Europe	Accounts receivable-related parties	Yes	111,268	111,268	111,268	4.25	2	-	Operating Capital	-	-	-	168,374	168,374

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

Note 3: Total amount of loans from D-Link Capital Investment to the Company shall not exceed 100% of the net worth of D-Link Capital Investment. The ending amount and funding loan limits are calculated by the unaudited balance.

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

Note 5: Total amount of loans from D-Link Deutschland to the Company's 100% directly or indirectly owned overseas subsidiaries shall not exceed 100% of the net worth of D-Link Deutschland. The ending amount and funding loan limits are calculated by the unaudited balance.

Note 6: The transactions of the subsidiaries had been eliminated in the consolidated financial statements.

(Continued)



## D-LINK CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements amount	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/guarantees to third parties on behalf of parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	D-Link Corporation	D-Link Europe	2	2,007,894	133,737	133,737	41,951	-	1.49 %	6,023,681	Y	N	N
0	D-Link Corporation	D-Link Shanghai	2	2,007,894	165,910	165,910	4,075	-	1.85 %	6,023,681	Y	N	Y

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

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

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

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

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

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

(In Thousands of New Taiwan Dollars/shares)

Name of holder	Category and name of security	Relationship with company	Account name	Ending balance				Note
				Shares/Units	carrying amount	Percentage of ownership (%)	Fair value	
D-Link Corporation	King House	Other related party	Financial assets at fair value through profit or loss-non-current	5,000,000	226,250	2.96 %	226,250	
D-Link Corporation	DataVan	Other related party	Financial assets at fair value through other comprehensive income-non-current	3,500,000	40,840	2.73 %	40,840	
D-Link India	MIRAE MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	36,874	39,213	- %	39,213	
D-Link India	ICICI MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	342,041	50,943	- %	50,943	
D-Link India	ADITYA BIRLA MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	462,993	75,257	- %	75,257	
D-Link India	TATA MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	37,546	58,959	- %	58,959	
D-Link India	SBI MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	24,903	39,208	- %	39,208	
D-Link India	DSP MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	27,769	39,531	- %	39,531	
D-Link India	HDFC MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	27,842	55,039	- %	55,039	
D-Link India	UTI MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	35,736	58,973	- %	58,973	
D-Link India	AXIS MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	53,031	58,874	- %	58,874	
D-Link India	HSBC LIQUID FUND	None	Financial assets at fair value through profit or loss-current	51,819	51,517	- %	51,517	
D-Link India	KOTAK MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	23,046	46,872	- %	46,872	
D-Link India	CANARA ROBECO MUTUAL FUND	None	Financial assets at fair value through profit or loss-current	32,690	39,441	- %	39,441	
Cameo	King House	Other related party	Financial assets at fair value through profit or loss-non-current	5,000,000	226,250	2.96 %	226,250	
Cameo	S-Tech	Other related party	Financial assets at fair value through profit or loss-non-current	1,232,000	34,496	0.53 %	34,496	

(Continued)

## D-LINK CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with company	Account name	Ending balance			Note	
				Shares/Units	carrying amount	Percentage of ownership (%)		Fair value
Cameo	Domestic bank green bonds-P13 Taipei Fubon Bank 3	None	Financial assets at fair value through other comprehensive income-non-current	-	99,909	-	99,909	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	97,542	0.90 %	97,542	

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

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ (Sales)	Amount	Percentage of total Purchases/ (Sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
D-Link Corporation	D-Link Systems	Subsidiary	(Sales and service revenue)	(120,496)	(11) %	60 Days	-	-	58,491	6%	
D-Link Corporation	D-Link Europe	Subsidiary	(Sales and service revenue)	(198,224)	(19) %	60 Days	-	-	455,111	44%	
D-Link Corporation	D-Link ME	Subsidiary	(Sales and service revenue)	(201,650)	(19) %	60 Days	-	-	158,342	15%	
D-Link Corporation	D-Link India	Subsidiary	(Sales and service revenue)	(219,862)	(21) %	45 Days	-	-	159,088	15%	
D-Link Corporation	Cameo	Subsidiary	Purchase	261,180	27 %	90 Days	-	-	(307,155)	(32)%	
D-Link Corporation	Amigo	Other related party	Purchase	135,897	14 %	90 Days	-	-	(134,747)	(14)%	
D-Link Systems	D-Link Corporation	Parent company	Purchase	119,714	95 %	60 Days	-	-	(58,491)	(39)%	
D-Link Europe	D-Link Corporation	Parent company	Purchase	196,197	99 %	60 Days	-	-	(455,111)	(84)%	
D-Link ME	D-Link Corporation	Parent company	Purchase	200,884	50 %	60 Days	-	-	(158,342)	(52)%	
D-Link India	D-Link Corporation	Parent company	Purchase	199,642	15 %	45 Days	-	-	(159,088)	(20)%	
Cameo	D-Link Corporation	Parent company	(Sales)	(261,596)	(62) %	90 Days	-	-	307,596	67%	
D-Link Shanghai	D-Link Trade	The ultimate parent company is D-Link Corporation	(Sales)	(165,681)	(94) %	120 Days	-	-	177,224	93%	
D-Link Trade	D-Link Shanghai	The ultimate parent company is D-Link Corporation	Purchase	165,681	103 %	120 Days	-	-	(177,224)	(39)%	

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

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

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue (Note 1)		Amounts received in subsequent period (Note 2)	Allowance for bad debts
					Amount	Action taken		
D-Link Corporation	D-Link Europe	Subsidiary	455,111	1.72	31,872	-	70,248	-
D-Link Corporation	D-Link ME	Subsidiary	158,342	5.41	-	-	87,159	-
D-Link Corporation	D-Link India	Subsidiary	159,088	5.59	-	-	84,966	-
D-Link International	D-Link L.A.	The ultimate parent company is D-Link Corporation	690,235	-	690,235	-	-	-
D-Link International	D-Link Brazil	The ultimate parent company is D-Link Corporation	161,520	-	161,520	-	-	-

(Continued)

## D-LINK CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue (Note 1)		Amounts received in subsequent period (Note 2)	Allowance for bad debts
					Amount	Action taken		
D-Link International	D-Link Shanghai	The ultimate parent company is D-Link Corporation	371,118	0.10	-	-	-	-
D-Link International	D-Link Trade	The ultimate parent company is D-Link Corporation	274,132	-	274,132	-	-	-
D-Link Shanghai	D-Link Trade	The ultimate parent company is D-Link Corporation	177,224	0.78	-	-	-	-
Cameo	D-Link Corporation	Parent company	307,596	3.63	-	-	109,461	-

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

Note 2: The amount represents collections subsequent to March 31, 2025 up to April 28, 2025.

Note 3: The transactions had been eliminated in the consolidated financial statements.

(vi) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	For the three months ended March 31, 2025			Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms	
0	D-Link Corporation	D-Link Systems	1	Investments accounted for using equity method	1,298,310	-	8%
0	D-Link Corporation	D-Link International	1	Investments accounted for using equity method	2,172,811	-	13%
0	D-Link Corporation	D-Link Holding	1	Investments accounted for using equity method	1,447,344	-	9%
0	D-Link Corporation	D-Link ME	1	Investments accounted for using equity method	880,879	-	5%
0	D-Link Corporation	D-Link Japan	1	Investments accounted for using equity method	642,810	-	4%
0	D-Link Corporation	Cameo	1	Investments accounted for using equity method	1,502,033	-	9%
0	D-Link Corporation	D-Link Brazil	1	Investments accounted for using equity method-credit	(205,916)	-	(1)%
0	D-Link Corporation	D-Link L.A.	1	Investments accounted for using equity method-credit	(678,345)	-	(4)%
0	D-Link Corporation	D-Link Investment	1	Investments accounted for using equity method	274,827	-	2%
0	D-Link Corporation	D-Link International	1	Sales and service revenue	64,181	60 Days	2%
0	D-Link Corporation	D-Link Systems	1	Sales and service revenue	120,496	60 Days	4%
0	D-Link Corporation	D-Link Europe	1	Sales and service revenue	198,224	60 Days	6%
0	D-Link Corporation	D-Link ME	1	Sales and service revenue	201,650	60 Days	6%
0	D-Link Corporation	D-Link Japan	1	Sales and service revenue	96,535	60 Days	3%
0	D-Link Corporation	D-Link India	1	Sales and service revenue	219,862	45 Days	7%

(Continued)

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

No.	Name of company	Name of counter-party	Nature of relationship	For the three months ended March 31, 2025			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	D-Link Corporation	D-Link Europe	1	Accounts receivable-related party	455,111	60 Days	3%
1	D-Link Holding	D-Link Mauritius	3	Investments accounted for using equity method	1,331,175	-	8%
2	D-Link International	D-Link L.A.	3	Accounts receivable-related party	690,235	75 Days	4%
2	D-Link International	D-Link Shanghai	3	Accounts receivable-related party	371,118	90 Days	2%
2	D-Link International	D-Link Trade	3	Accounts receivable-related party	274,132	180 Days	2%
2	D-Link International	D-Link Capital Investment	3	Investments accounted for using equity method	664,129	-	4%
2	D-Link International	D-Link Shanghai	3	Investments accounted for using equity method-credit	(178,033)	-	(1)%
3	D-Link Mauritius	D-Link India	3	Investments accounted for using equity method	1,326,466	-	8%
4	D-Link Europe	D-Link Deutschland	3	Investments accounted for using equity method	168,374	-	1%
5	D-Link Investment	D-Link Trade	3	Investments accounted for using equity method	274,995	-	2%
6	D-Link Shanghai	D-Link Trade	3	Sales	165,681	120 Days	5%
6	D-Link Shanghai	D-Link Trade	3	Accounts receivable-related party	177,224	120 Days	1%
7	Cameo	Huge Castle	3	Investments accounted for using equity method	271,144	-	2%
7	Cameo	D-Link Corporation	2	Accounts receivable-related party	307,596	90 Days	2%
7	Cameo	D-Link Corporation	2	Sales	261,596	90 Days	8%

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

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

Note 2: Nature of relationship are listed as below:

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

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

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

(Continued)

## D-LINK CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2025 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars/shares)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of investee	Investment income (losses) (Note 1)	Note
				March 31, 2025	December 31, 2024	Shares	Percentage of ownership	carrying amount			
D-Link Corporation	D-Link Systems	USA	Sales and after-sales service in USA	1,672,702	1,672,702	48,045,007	100.00 %	1,298,310	8,561	8,561	
D-Link Corporation	D-Link International	Singapore	Sales and after-sales service in Southeast Asia	1,451,336	1,941,986	51,500,000	100.00 %	2,172,811	(141,679)	(145,368)	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 %	(678,345)	-	-	
D-Link Corporation	D-Link Sudamerica	Chile	Sales and after-sales service in Chile	6,512	6,512	199,999	100.00 %	5,879	137	137	100% shares owned by D-Link Corporation and D-Link Holding.
D-Link Corporation	D-Link Brazil	Brazil	Sales and after-sales service in Brazil	932,197	932,197	2,964,836,727	100.00 %	(205,916)	12,196	12,196	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 %	880,879	(15,391)	(15,391)	
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 %	57,895	(5,245)	(5,245)	
D-Link Corporation	D-Link Holding	BVI	Investment company	891,177	891,177	27,044,212	100.00 %	1,447,344	48,281	48,281	
D-Link Corporation	D-Link Deutschland	Germany	Sales and after-sales service in Germany	120,047	120,047	(Note 2)	- %	120,047	833	-	100% shares owned by D-Link Corporation and D-Link Europe. Investment income was consolidated into D-Link Europe.
D-Link Corporation	D-Link Indonesia	Indonesia	Sales and after-sales service in Indonesia	5,046	5,046	24,750	99.00 %	209	(1,279)	(1,279)	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 %	642,810	21,079	21,079	
D-Link Corporation	D-Link Investment	Singapore	Investment company	67,191	67,191	2,200,000	100.00 %	274,827	29,630	29,630	
D-Link Corporation	D-Link Taiwan Investment	Taiwan	Investment company	146,000	146,000	14,600,000	100.00 %	50,636	24	24	
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 %	1,502,033	(15,930)	(19,533)	Investment loss included the amounts of transactions between affiliated companies.
D-Link Corporation	D-Link Europe	UK	Sales and after-sales service in Europe	1,260,451	1,260,451	32,497,455	100.00 %	124,206	(119,306)	(119,306)	
D-Link Systems	D-Link Canada	Canada	Sales and after-sales service in Canada	159,585	159,585	5,736,000	100.00 %	950	(15,461)	(15,461)	
D-Link Investment	D-Link Trade	Russia	Sales and after-sales service in Russia	66,538	66,538	(Note 2)	100.00 %	274,995	29,640	29,640	
D-Link Trade	T-COM	Russia	Sales and after-sales service in Russia	12,485	12,485	(Note 2)	40.00 %	(5,942)	(9,364)	(3,350)	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 %	(68,168)	(902)	(902)	
D-Link International	D-Link Trade M	Republic of Moldova	Sales and after-sales service in Moldova	13	13	(Note 2)	100.00 %	47	(33)	(33)	
D-Link International	D-Link Capital Investment	BVI	Investment company	624,432	789,757	20,000,000	100.00 %	664,129	(125,340)	(125,340)	(Note 4)
D-Link International	D-Link Malaysia	Malaysia	Sales and after-sales service in Malaysia	6,130	6,130	800,000	100.00 %	9,580	178	178	
D-Link International	D-Link Lithuania	Lithuania	Sales and after-sales service	3,574	3,574	1,000	100.00 %	8,168	2,356	2,356	
D-Link International	D-Link Kazakhstan	Kazakhstan	Sales and after-sales service in Kazakhstan	171	171	(Note 2)	100.00 %	739	(298)	(298)	

(Continued)

## D-LINK CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of investee	Investment income (losses) (Note 1)	Note
				March 31, 2025	December 31, 2024	Shares	Percentage of ownership	carrying amount			
D-Link International	D-Link Indonesia	Indonesia	Sales and after-sales service in Indonesia	52	52	250	1.00 %	54	(1,279)	-	D-Link Indonesia'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 %	(4)	(535)	(535)	
D-Link Holding	OOO D-Link Russia	Russia	After-sales service in Russia	11,309	11,309	(Note 2)	100.00 %	5,785	(37)	(37)	
D-Link Holding	D-Link Mauritius	Mauritius	Investment company	186,789	186,789	200,000	100.00 %	1,331,175	51,280	51,280	
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 %	164,222	(3,071)	(3,071)	
D-Link Holding	MiiiCasa Holding	Cayman Island	Investment company	61,087	61,087	21,000,000	28.98 %	-	-	-	
D-Link Holding	D-Link Brazil	Brazil	Sales and after-sales service in Brazil	-	-	100	- %	-	12,196	-	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	- %	-	137	-	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 %	1,326,466	100,592	51,322	
D-Link Mauritius	TeamF1 India	India	Technical services for software and hardware system integration	8	8	1	0.01 %	17	308	-	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 %	144,394	308	308	100% shares owned by D-Link Mauritius and D-Link India.
D-Link L.A.	D-Link Peru S.A.	Peru	Sales and after-sales service in Peru	-	-	1	0.03 %	1	(30)	-	D-Link Peru S.A.'s investment loss was recognized in D-Link Sudamerica.
D-Link Sudamerica	D-Link de Colombia SAS.	Colombia	Sales and after-sales service in Colombia	22,213	22,213	1,443,605	100.00 %	6,494	172	172	
D-Link Sudamerica	D-Link Guatemala S.A.	Guatemala	Sales and after-sales service in Guatemala	410	410	99,000	99.00 %	611	-	-	In liquidation process.
D-Link Sudamerica	D-Link Peru S.A.	Peru	Sales and after-sales service in Peru	38	38	3,499	99.97 %	3,474	(30)	(30)	100% shares owned by D-Link L.A. and D-Link Sudamerica.
D-Link Europe	D-Link Deutschland	Germany	Sales and after-sales service in Germany	131,769	131,769	(Note 2)	100.00 %	168,374	833	833	100% shares owned by D-Link Corporation and D-Link Europe.
D-Link Europe	D-Link AB	Sweden	Sales and after-sales service in Sweden	9,022	9,022	15,500	100.00 %	11,867	434	434	
D-Link Europe	D-Link Iberia	Spain	Sales and after-sales service in Spain	1,976	1,976	50,000	100.00 %	78,427	500	500	
D-Link Europe	D-Link Mediterraneo	Italy	Sales and after-sales service in Italy	2,177	2,177	50,000	100.00 %	39,220	(241)	(241)	
D-Link Europe	D-Link (Holdings) Ltd.	UK	Investment company	-	-	3	100.00 %	10,422	-	-	In liquidation process.
D-Link Europe	D-Link France	France	Sales and after-sales service in France	5,287	5,287	114,560	100.00 %	46,952	437	437	
D-Link Europe	D-Link Netherlands	Netherlands	Sales and after-sales service in Netherlands	2,132	2,132	50,000	100.00 %	5,325	43	43	
D-Link Europe	D-Link Polska	Poland	Sales and after-sales service in Poland	1,210	1,210	100	100.00 %	33,545	713	713	
D-Link Europe	D-Link Magyarorszag	Hungary	Sales and after-sales service in Hungary	523	523	300	100.00 %	4,060	7	7	
D-Link Europe	D-Link s.r.o	Czech	Sales and after-sales service in Czech	329	329	100	100.00 %	3,366	25	25	
D-Link (Holdings) Ltd	D-Link UK	UK	Sales and after-sales service in UK	-	-	300,100	100.00 %	10,422	-	-	In liquidation process.
Cameo	Huge Castle	Samoa	Investment company	295,006	295,006	9,329,718	100.00 %	271,099	(8,483)	(8,483)	
Cameo	Qianjin Investment	Taiwan	Investment company	270,000	270,000	27,000,000	100.00 %	142,744	103	103	
Huge Castle	PC	Mauritius	Investment and trading	-	-	-	100.00 %	-	-	-	In liquidation process.
Huge Castle	Luis Jo'se	BVI	Investment company	43,673	43,673	1,362,680	100.00 %	42,129	(6,030)	(6,030)	

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

(Continued)

## D-LINK CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Note 2: Limited Company

Note 3: On February 25, 2025, D-Link International reduced its capital in cash by 15,000,000 shares and refunded the capital reduction payment amounting to NT\$490,650 thousand.

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

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

(c) Information on investment in Mainland China:

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

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of March 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	647,049	2	647,049	-	-	647,049	3,840	100.00 %	3,840	(178,033)	-	
Netpro	Research, development and trading business	23,227	2	21,651	-	-	21,651	2,880	100.00 %	2,880	18,794	-	
YouXiang	Technical Service and Import/Export trading business	64,935	3	-	-	-	-	(1,536)	9.86 %	-	2,957	-	
Cameo Technology Development (Shenzhen) Co., Ltd.	R&D for communications technology and products	-	2	10,718	-	-	10,718	N/A	- %	N/A	-	-	Note 3 : Liquidation completed in March 2012.
Wide View Technology Inc.	R&D, production, and sale of electronic components	-	2	22,000	-	-	22,000	N/A	- %	N/A	-	-	Note 4 : Liquidation completed in September 2018.
Suzhou Soarnex Technology Co., Ltd	Software development and software services for computer information systems	22,064	2	-	-	-	-	(6,442)	100.00 %	(6,442)	21,466	-	

Note 1: Method of Investment:

Type 1: Direct investments in Mainland China

Type 2: Indirect investments in Mainland China

Type 3: Others

Note 2: The amounts in New Taiwan Dollars were translated at the exchange rates of USD 33.18 and CNY 4.57 as of March 31, 2025.

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

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

(ii) Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by the MOEAIC	Upper Limit on Investment (Note 1)
D-Link Corporation	668,700	668,700	6,939,955
Cameo	32,718	36,766	1,787,349

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

(iii) Significant transactions:

For the three months ended March 31, 2025, the significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(Continued)

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

**(14) Segment information:**

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

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

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

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

	<b>For the three months ended March 31, 2025</b>				
	<b>American markets</b>	<b>European markets</b>	<b>Asian markets and others</b>	<b>Adjustments and eliminations</b>	<b>Total</b>
Revenue:					
Third-party customers	\$ 261,567	646,734	2,428,280	-	3,336,581
Inter-company	<u>9,947</u>	<u>15,148</u>	<u>330,634</u>	<u>(355,729)</u>	<u>-</u>
Total revenue	<u><u>\$ 271,514</u></u>	<u><u>661,882</u></u>	<u><u>2,758,914</u></u>	<u><u>(355,729)</u></u>	<u><u>3,336,581</u></u>
Reportable segment profit (loss)	<u><u>\$ 3,120</u></u>	<u><u>(215,265)</u></u>	<u><u>(47,270)</u></u>	<u><u>173,487</u></u>	<u><u>(85,928)</u></u>
	<b>For the three months ended March 31, 2024</b>				
	<b>American markets</b>	<b>European markets</b>	<b>Asian markets and others</b>	<b>Adjustments and eliminations</b>	<b>Total</b>
Revenue:					
Third-party customers	\$ 191,115	665,183	2,707,080	-	3,563,378
Inter-company	<u>11,567</u>	<u>42,670</u>	<u>166,722</u>	<u>(220,959)</u>	<u>-</u>
Total revenue	<u><u>\$ 202,682</u></u>	<u><u>707,853</u></u>	<u><u>2,873,802</u></u>	<u><u>(220,959)</u></u>	<u><u>3,563,378</u></u>
Reportable segment (loss) profit	<u><u>\$ (84,638)</u></u>	<u><u>(120,232)</u></u>	<u><u>177,441</u></u>	<u><u>23,365</u></u>	<u><u>(4,064)</u></u>

(Continued)



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

	American markets	European markets	Asian markets and others	Adjustments and eliminations	Total
Reportable segment assets:					
March 31, 2025	\$ <u>2,038,690</u>	<u>3,550,234</u>	<u>27,216,066</u>	<u>(16,201,330)</u>	<u>16,603,660</u>
December 31, 2024	\$ <u>2,022,928</u>	<u>3,508,343</u>	<u>27,457,825</u>	<u>(16,498,531)</u>	<u>16,490,565</u>
March 31, 2024	\$ <u>2,346,484</u>	<u>3,767,074</u>	<u>26,363,562</u>	<u>(15,796,697)</u>	<u>16,680,423</u>