

**CAMEO COMMUNICATIONS, INC.
AND SUBSIDIARIES**

Consolidated Financial Statements

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

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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 of Cameo Communications, Inc.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Cameo Communications, Inc. and its subsidiaries as of September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, as well as the changes in equity and cash flows for the nine months ended September 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant 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 the total assets amounting to \$23,688 thousand and \$46,248 thousand, constituting 0.57% and 1.11% of the consolidated total assets; and the total liabilities amounting to \$5,267 thousand and \$6,659 thousand, constituting 0.44% and 0.59% of the consolidated total liabilities as of September 30, 2025 and 2024, respectively; as well as the absolute value of the total comprehensive income (loss) amounting to \$(11,109) thousand, \$(12,133) thousand, \$(35,032) thousand and \$(36,598) thousand, constituting 26.23%, 18.31%, 31.85% and 30.47% of the consolidated total comprehensive income (loss) for the three months and nine months ended September 30, 2025 and 2024, respectively.

Qualified Conclusion

Except for the impact of potential adjustments to the consolidated financial statements, if any, arising from the review of financial statements of certain subsidiaries described in the Basis for Qualified Conclusion paragraph above by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Cameo Communications, Inc. and its subsidiaries as of September 30, 2025 and 2024, and of its consolidated financial performance for the three months and nine months ended September 30, 2025 and 2024, as well as its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Hsin, Yu-Ting and Chien, Szu-Chuan.

KPMG

Taipei, Taiwan (Republic of China)
November 11, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of 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)

CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES**Consolidated Balance Sheets****September 30, 2025, December 31, 2024, and September 30, 2024****(Expressed in Thousands of New Taiwan Dollars)**

Assets		September 30, 2025		December 31, 2024		September 30, 2024		Liabilities and Equity		September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 677,930	17	871,191	21	612,149	15	2170	Trade payables (including related parties) (note7)	\$ 476,078	12	347,083	9	334,141	8
1110	Current financial assets at fair value through profit or loss (note 6(b))	34,117	1	-	-	-	-	2200	Other payables (including related parties) (note7)	115,970	3	114,574	3	91,934	2
1170	Trade receivables, net (notes 6(d) and 6(q))	129,296	3	111,693	3	81,943	2	2250	Current provisions (note 6(l))	924	-	4,410	-	5,069	-
1180	Trade receivables due from related parties, net (notes 6(d), 6(q) and 7)	439,246	11	320,098	8	231,690	6	2280	Current lease liabilities (notes 6(k) and 7)	11,734	-	19,201	-	20,728	-
1200	Other receivables, net (note 6(e))	2,870	-	7,358	-	6,313	-	2305	Other current liabilities (note 6(q))	95,923	2	67,427	2	62,176	2
1210	Other receivables due from related parties, net (notes 6(e) and 7)	3,706	-	4,467	-	2,819	-	2320	Long-term borrowings, current portion (notes 6(j) and 8)	48,000	1	87,032	2	105,570	3
1220	Current tax assets	2,959	-	2,610	-	2,274	-			<u>748,629</u>	<u>18</u>	<u>639,727</u>	<u>16</u>	<u>619,618</u>	<u>15</u>
1310	Inventories, net (note 6(f))	671,119	16	556,415	13	578,477	14	Non-current liabilities:							
1476	Other current financial assets (note 6(a))	12,841	-	313,141	8	727,942	17	2540	Long-term borrowings (notes 6(j) and 8)	405,849	10	441,849	11	453,849	11
1470	Prepayments and other current assets	27,192	1	18,929	-	20,174	-	2570	Deferred tax liabilities	2,482	-	2,482	-	32,055	1
		<u>2,001,276</u>	<u>49</u>	<u>2,205,902</u>	<u>53</u>	<u>2,263,781</u>	<u>54</u>	2580	Non-current lease liabilities (notes 6(k) and 7)	41,458	1	13,034	-	18,281	-
Non-current assets:										<u>449,789</u>	<u>11</u>	<u>457,365</u>	<u>11</u>	<u>504,185</u>	<u>12</u>
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	539,359	13	282,935	7	233,500	6		Total liabilities	<u>1,198,418</u>	<u>29</u>	<u>1,097,092</u>	<u>27</u>	<u>1,123,803</u>	<u>27</u>
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	196,081	5	238,317	6	205,148	5	Equity (note 6(o)):							
1600	Property, plant and equipment (notes 6(g) and 8)	1,271,922	31	1,303,047	32	1,317,235	32	Equity attributable to owners of parent :							
1755	Right-of-use assets (note 6(h))	52,686	1	32,206	1	38,899	1	3110	Ordinary shares	3,307,792	80	3,307,792	80	3,307,792	80
1780	Intangible assets (note 6(i))	16,968	-	19,591	-	21,294	-	3200	Capital surplus	1,453	-	-	-	-	-
1840	Deferred tax assets	2,482	-	2,482	-	32,055	1	3300	Retained earnings	(240,789)	(6)	(185,560)	(5)	(152,542)	(4)
1920	Refundable deposits	1,549	-	5,793	-	5,810	-	3400	Other equity	(143,242)	(3)	(88,472)	(2)	(124,642)	(3)
1975	Net defined benefit asset, non-current	40,500	1	40,500	1	36,441	1		Total equity	<u>2,925,214</u>	<u>71</u>	<u>3,033,760</u>	<u>73</u>	<u>3,030,608</u>	<u>73</u>
1990	Other non-current assets	809	-	79	-	248	-								
		<u>2,122,356</u>	<u>51</u>	<u>1,924,950</u>	<u>47</u>	<u>1,890,630</u>	<u>46</u>								
Total assets		<u>\$ 4,123,632</u>	<u>100</u>	<u>4,130,852</u>	<u>100</u>	<u>4,154,411</u>	<u>100</u>	Total liabilities and equity		<u>\$ 4,123,632</u>	<u>100</u>	<u>4,130,852</u>	<u>100</u>	<u>4,154,411</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the three months and nine months ended September 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	For the three months ended September 30				For the nine months ended September 30				
	2025		2024		2025		2024		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue (notes 6(q) and 7)	\$ 502,868	100	321,233	100	1,426,955	100	813,221	100
5000	Operating costs (notes 6(f), 6(m), 7 and 12)	452,245	90	303,636	95	1,264,872	89	828,392	102
5900	Gross profit (loss)	50,623	10	17,597	5	162,083	11	(15,171)	(2)
6000	Operating expenses (notes 6(m), 7 and 12):								
6100	Selling expenses	16,768	3	11,921	4	42,272	3	34,972	4
6200	Administrative expenses	21,903	5	20,447	6	67,780	5	58,320	7
6300	Research and development expenses	56,267	11	57,242	17	165,282	11	163,018	20
		94,938	19	89,610	27	275,334	19	256,310	31
6900	Net operating loss	(44,315)	(9)	(72,013)	(22)	(113,251)	(8)	(271,481)	(33)
7000	Non-operating income and expenses:								
7050	Finance costs (note 6(k))	(2,872)	(1)	(3,318)	(1)	(9,048)	(1)	(10,139)	(1)
7100	Interest income	3,834	1	7,794	3	17,178	1	23,565	3
7190	Other income (note 7)	9,583	2	2,573	1	13,889	1	13,053	1
7230	Foreign exchange (losses) gains	12,723	3	(11,466)	(4)	(28,954)	(2)	10,271	1
7235	Net gains on financial assets at fair value through profit or loss (note 6(b))	45,535	9	1,350	-	68,660	5	106,450	13
7228	Gains on lease modification (note 6(h))	-	-	374	-	98	-	379	-
7590	Other loss	-	-	-	-	(3,044)	-	-	-
		68,803	14	(2,693)	(1)	58,779	4	143,579	17
7900	Profit (Loss) before tax	24,488	5	(74,706)	(23)	(54,472)	(4)	(127,902)	(16)
7950	Less: Income tax expenses (note 6(n))	-	-	-	-	757	-	-	-
8200	Profit (Loss)	24,488	5	(74,706)	(23)	(55,229)	(4)	(127,902)	(16)
8300	Other comprehensive (loss) income:								
8310	Items that may not be reclassified to profit or loss (note 6(c))								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	2,174	-	5,705	1	(43,473)	(3)	(3,261)	-
8349	Income tax related to items that may not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total items that may not be reclassified to profit or loss	2,174	-	5,705	1	(43,473)	(3)	(3,261)	-
8360	Items that may be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	14,424	3	2,729	1	(12,534)	(1)	11,058	1
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	1,274	-	(1)	-	1,237	-	(1)	-
8399	Income tax related to items that may be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total items that may be reclassified to profit or loss	15,698	3	2,728	1	(11,297)	(1)	11,057	1
8300	Other comprehensive income (loss)	17,872	3	8,433	2	(54,770)	(4)	7,796	1
8500	Total comprehensive income (loss)	\$ 42,360	8	(66,273)	(21)	(109,999)	(8)	(120,106)	(15)
	Basic earnings per share (expressed in NTD) (note 6(p))								
9750	Basic earnings (loss) per share	\$ 0.07		(0.23)		(0.17)		(0.39)	
9850	Diluted earnings (loss) per share	\$ 0.07		(0.23)		(0.17)		(0.39)	

See accompanying notes to consolidated financial statements.

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

CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the nine months ended September 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Other equity			Total equity
	Ordinary shares	Capital surplus	Retained earnings			Retained earnings	Exchange differences on translation of foreign financial statements	Unrealized losses on financial assets measured at fair value through other comprehensive income	Total other equity	
			Legal reserve	Special reserve	Accumulated deficits					
Balance at January 1, 2024	\$ 3,307,792	-	8,504	1,224	(34,368)	(24,640)	(41,651)	(90,787)	(132,438)	3,150,714
Appropriation and distribution of retained earnings:										
Legal reserve used to offset accumulated deficits	-	-	(8,504)	-	8,504	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,224)	1,224	-	-	-	-	-
Loss for the nine months ended September 30, 2024	-	-	-	-	(127,902)	(127,902)	-	-	-	(127,902)
Other comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	11,058	(3,262)	7,796	7,796
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	(127,902)	(127,902)	11,058	(3,262)	7,796	(120,106)
Balance at September 30, 2024	\$ 3,307,792	-	-	-	(152,542)	(152,542)	(30,593)	(94,049)	(124,642)	3,030,608
Balance at January 1, 2025	\$ 3,307,792	-	-	-	(185,560)	(185,560)	(27,592)	(60,880)	(88,472)	3,033,760
Loss for the nine months ended September 30, 2025	-	-	-	-	(55,229)	(55,229)	-	-	-	(55,229)
Other comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	-	-	(12,534)	(42,236)	(54,770)	(54,770)
Total comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	(55,229)	(55,229)	(12,534)	(42,236)	(54,770)	(109,999)
Overdue dividends transferred to capital surplus	-	1,453	-	-	-	-	-	-	-	1,453
Balance at September 30, 2025	\$ 3,307,792	1,453	-	-	(240,789)	(240,789)	(40,126)	(103,116)	(143,242)	2,925,214

See accompanying notes to consolidated financial statements.

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

CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the nine months ended September 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the nine months ended September 30	
	2025	2024
Cash flows from (used in) operating activities:		
Loss before tax	\$ (54,472)	(127,902)
Adjustments:		
Adjustments to reconcile loss:		
Depreciation expense	64,629	71,077
Amortization expense	3,033	1,912
Net gains on financial assets (liabilities) at fair value through profit or loss	(70,318)	(106,450)
Interest expense	9,048	10,139
Interest income	(17,178)	(23,565)
Dividend income	(9,069)	-
Others	(98)	(379)
Total adjustments to reconcile loss	(19,953)	(47,266)
Changes in operating assets and liabilities:		
(Increase) decrease in notes and trade receivables	(17,603)	55,391
Increase in trade receivables due from related parties	(119,148)	(121,136)
Decrease in other receivables	1,680	1,113
Decrease in other receivable due from related parties	761	5,003
(Increase) decrease in inventories	(114,704)	28,049
Increase in prepayments and other current assets	(8,263)	(1,164)
Total changes in operating assets	(257,277)	(32,744)
Increase in trade payables (including related parties)	128,995	137,030
Increase (decrease) in other payable (including related parties)	1,456	(5,990)
Increase (decrease) in other operating liabilities	25,010	(10,525)
Total changes in operating liabilities	155,461	120,515
Total changes in operating assets and liabilities, net	(101,816)	87,771
Total adjustments	(121,769)	40,505
Cash outflow generated from operations	(176,241)	(87,397)
Interest received	19,986	22,737
Dividends received	9,069	-
Interest paid	(9,108)	(10,237)
Income taxes paid	(1,106)	(976)
Net cash flows used in operating activities	(157,400)	(75,873)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(100,000)
Acquisition of financial assets at fair value through profit or loss	(339,704)	-
Proceeds from disposal of financial assets at fair value through profit or loss	119,481	-
Acquisition of property, plant and equipment	(20,458)	(13,188)
Proceeds from disposal of property, plant and equipment	-	111
Acquisition of intangible assets	(410)	(12,770)
Decrease (increase) in other financial assets	300,300	(422,242)
Increase in other non-current assets	3,514	412
Net cash flows from (used in) investing activities	62,723	(547,677)
Cash flows from (used in) financing activities:		
Repayments of long-term borrowings	(75,032)	(91,613)
Payment of lease liabilities	(12,473)	(15,435)
Other financing activities	1,453	-
Net cash flows used in financing activities	(86,052)	(107,048)
Effect of exchange rate changes on cash and cash equivalents	(12,532)	11,053
Net decrease in cash and cash equivalents	(193,261)	(719,545)
Cash and cash equivalents at beginning of period	871,191	1,331,694
Cash and cash equivalents at end of period	\$ 677,930	612,149

See accompanying notes to consolidated financial statements.

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

CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

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

(1) Company history

Cameo Communications, Inc. (“the Company”) was incorporated on March 11, 1991, as a company limited by shares under the laws of the Republic of China (“R.O.C.”) and registered under the Ministry of Economic Affairs, R.O.C. The consolidated financial statements comprised the Company and its subsidiaries (together referred to as the “Group” and individually as the “Group entities”). The major business activities of the Group include the manufacture and sale of networking system equipment and the components thereof, and research and development of pertinent technology. D-link Corporation is the parent company of the Company.

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

The consolidated financial statements were authorized for issue by the Board of Directors on November 11, 2025.

(3) New standards, amendments and interpretations adopted:

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

The Group 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 Accounting Standards endorsed by the FSC but not yet effective

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

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group 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 Group completes its evaluation.

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

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

(4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by the 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 Accounting Standards 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 statements 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) List of subsidiaries in the consolidated financial statements

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Principal activity</u>	<u>Shareholding</u>			<u>Remark</u>
			<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>	
The Company	Qianjin Investment Co., Ltd.	Investment holding	100 %	100 %	100 %	
"	Huge Castle Ltd. (Huge)	Investment holding	100 %	100 %	100 %	
Huge	Perfect Choice Co., Ltd.	Investment holding and trading	- %	- %	- %	Note 1
"	Luis Jo'se Investment Inc. (Luis)	Investment	- %	100 %	100 %	Note 2 and 3
Huge and Luis	Suzhou Soarnex Technology Co., Ltd (Suzhou Soarnex)	Software development and software services on computer information systems	100 %	100 %	100 %	Note 2 and 4

Note 1: Perfect Choice Co., Ltd. has been liquidated in May 2025 based on a resolution decided during its board meeting held in April 2024.

Note 2: A non-significant subsidiary, and its financial statements for the nine months ended September 30, 2025 and 2024 have not been reviewed.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
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Note 3: Luis Jo'se Investment Inc. has been liquidated in August 2025 based on a resolution decided during its board meeting held in June 2025.

Note 4: Suzhou Soarnex, originally a wholly owned subsidiary of Luis, underwent an organizational restructuring in April 2025, wherein Huge acquired its entire shares.

(c) **Income tax**

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

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

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, and be recognized directly in equity or other comprehensive income as tax expense.

(d) **Employee benefits**

The pension cost in the interim period was calculated and disclosed 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.

(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.

The preparation of the consolidated 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 related information, please refer to note (5) of the consolidated financial statements for the year ended December 31, 2024.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statement of the current period and the 2024 consolidated financial statements. Please refer to note (6) of the consolidated financial statements for the year ended December 31, 2024.

(a) Cash and cash equivalents

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Foreign currencies on hand and petty cash	\$ 627	676	597
Check and demand deposits	412,219	140,245	106,795
Time deposits	254,084	641,106	470,427
Cash equivalents - repurchase agreement	<u>11,000</u>	<u>89,164</u>	<u>34,330</u>
	<u>\$ 677,930</u>	<u>871,191</u>	<u>612,149</u>

- (i) As of September 30, 2025, December 31 and September 30, 2024, the Group's time deposits more than three months recognized as other current financial assets amounted to \$12,841, \$313,141 and \$727,942, respectively.
- (ii) Please refer to note 6(s) for exchange rate risk, interest rate risk, and the fair value sensitivity analysis of the financial assets of the Group.

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

Except for the following disclosure, there was no significant change in financial assets at fair value through profit or loss for the nine months ended September 30, 2025 and 2024. Please refer to the note 6(b) of the consolidated financial statements for the year ended December 31, 2024.

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Private placement shares of domestic listed company	\$ 231,100	220,900	233,500
Common shares of domestic listed company	<u>342,376</u>	<u>62,035</u>	<u>-</u>
Total	<u>\$ 573,476</u>	<u>282,935</u>	<u>233,500</u>
Current	\$ 34,117	-	-
Non-current	<u>539,359</u>	<u>282,935</u>	<u>233,500</u>
	<u>\$ 573,476</u>	<u>282,935</u>	<u>233,500</u>

- (i) For the nine months ended September 30, 2025, the Group purchased shares of certain listed companies in the public market, with a total investment cost of \$339,704. During the same period, the Group disposed a portion of the above shares at a fair value of \$119,481.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
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- (ii) On December 4, 2023, the Group participated in the private placement of 5,000 ordinary shares of King House CO., LTD. (formerly known as ENSURE GLOBAL CORP., LTD.) with a par value of NTD7.2 per share, with an investment cost of \$36,000, and the private placement of ordinary shares shall not be sold on its own in accordance with the provisions of the Securities and Exchange Act within three years from January 19, 2024, on the date of delivery to January 18, 2027, except for the transfer in accordance with Article 43-8 of the Securities and Exchange Act.
- (iii) For the three months and nine months ended September 30, 2025 and 2024, the Group's gains on financial assets at fair value through profit and loss amounted to \$47,193, \$1,350, \$70,318 and \$106,450, respectively.
- (iv) Please refer to note 6(s) for exposures to credit risk and market risk.
- (v) As of September 30, 2025, December 31 and September 30, 2024, the Group did not provide any aforementioned financial assets as collateral for its loans.
- (c) Financial assets measured at fair value through other comprehensive income

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Debt investments at fair value through other comprehensive income:			
Taipei Fubon Commercial Co., Ltd. Bank 3rd issue of Senior Unsecured Financial Debentures in 2024 (Domestic bank green bonds - P13 Taipei Fubon Bank 3)	\$ 101,256	100,019	99,999
Equity investments at fair value through other comprehensive income:			
Common Shares of domestic listed company	94,825	138,298	105,149
Total	\$ <u>196,081</u>	<u>238,317</u>	<u>205,148</u>

- (i) Debt investments at fair value through other comprehensive income
- The Group has assessed the securities shown above as debt investments at fair value through other comprehensive income were held within a business model whose objective was achieved by both collecting contractual cash flows and selling securities. Therefore, they have been classified as debt investments at fair value through other comprehensive income.
 - On September 16, 2024, the Group acquired 10 ten-year domestic bank green bonds- P13 Taipei Fubon Bank 3 at par value of \$10,000 per bond, with a total subscription amount of \$100,000. The bond nominal interest rate is 2.02%.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Equity investments at fair value through other comprehensive income:

- 1) The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes.
- 2) For the three months and nine months ended September 30, 2025 and 2024, the Group losses on aforementioned equity investments at fair value through other comprehensive income amounted to \$2,174, \$5,705, \$(43,473) and \$(3,261), respectively.
- 3) There were no disposal of strategic investments and transfer of any cumulative gain or loss within equity relating to these investments for the nine months ended September 30, 2025 and 2024.

(iii) Please refer to note 6(s) for exposures to credit risk and market risk.

(iv) The aforementioned financial assets were not pledged as collateral.

(d) Trade receivables (including related parties)

	September 30, 2025	December 31, 2024	September 30, 2024
Trade receivables — measured at amortized cost	\$ 129,641	111,723	82,183
Trade receivables — measured at fair value through other comprehensive income	438,901	320,068	231,450
	568,542	431,791	313,633
Less: loss allowance	-	-	-
Trade receivables, net	<u>\$ 568,542</u>	<u>431,791</u>	<u>313,633</u>
Trade receivables, net	<u>\$ 129,296</u>	<u>111,693</u>	<u>81,943</u>
Trade receivables due from related parties, net	<u>\$ 439,246</u>	<u>320,098</u>	<u>231,690</u>

The Group has assessed a portion of its trade receivables that was held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; therefore, such trade receivables were measured at fair value through other comprehensive income.

The Group applies the simplified approach to provide for the loss allowance used for expected credit losses, which permit the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as forward looking information, including overall economic environment and related industrial information. The expected credit losses on trade receivables were as follows:

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
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	September 30, 2025		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 535,196	0%	-
1~30 days past due	6,374	0%	-
31~60 days past due	<u>26,972</u>	0%	<u>-</u>
	<u><u>\$ 568,542</u></u>		<u><u>-</u></u>
	December 31, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 417,364	0%	-
1~30 days past due	<u>14,427</u>	0%	<u>-</u>
	<u><u>\$ 431,791</u></u>		<u><u>-</u></u>
	September 30, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 304,928	0%	-
1~30 days past due	<u>8,705</u>	0%	<u>-</u>
	<u><u>\$ 313,633</u></u>		<u><u>-</u></u>

- (i) The Group entered into trade receivable factoring agreements with banks. Under the agreements, within the limit of the Group's credit facilities, it is responsible for guaranteeing the debtor's solvency at the time when the claim is transferred and when the obligations are due. Since the above agreements are deemed to be a recourse accounts receivable factoring, the Group retains substantially all the risks and rewards of such receivables, which do not qualify for derecognition of financial assets.

The Group did not enter into an accounts receivable factoring agreement with banks as of September 30, 2025, December 31 and September 30, 2024.

- (ii) For the nine months ended September 30, 2025 and 2024, the movement in the allowance for trade receivable were remained unchanged.
- (iii) The aforementioned financial assets were not pledged as collateral.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Other receivables (including related parties)

	September 30, 2025	December 31, 2024	September 30, 2024
Other receivables	\$ 20,129	25,378	22,685
Less: loss allowance	(13,553)	(13,553)	(13,553)
	<u>\$ 6,576</u>	<u>11,825</u>	<u>9,132</u>
Other receivables	<u>\$ 2,870</u>	<u>7,358</u>	<u>6,313</u>
Other receivables due from related parties	<u>\$ 3,706</u>	<u>4,467</u>	<u>2,819</u>

For the nine months ended September 30, 2025 and 2024, the movement in the allowance for impairment loss to other receivables were remained unchanged.

(f) Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Raw materials	\$ 504,633	445,897	479,108
Work in progress and semi-finished goods	110,302	90,153	85,634
Finished goods	56,184	20,365	13,735
	<u>\$ 671,119</u>	<u>556,415</u>	<u>578,477</u>

(i) Operating cost were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Sale of inventories	\$ 426,853	254,459	1,185,855	667,263
Write-down of inventories (Reversal of write-downs)	(2,059)	10,707	(7,109)	28,345
Loss on physical inventories	3	-	10	1
Unallocated production overheads	27,448	38,470	86,116	132,783
	<u>\$ 452,245</u>	<u>303,636</u>	<u>1,264,872</u>	<u>828,392</u>

(ii) For the three months and nine months ended September 30, 2025, the Group reversed its allowance for losses due to the write-off of obsolete inventories and a decrease in the net realizable value of inventories below cost.

(iii) For the three months and nine months ended September 30, 2024, the loss due to the write-down of inventories to net realizable value was recognized as cost of goods sold.

(iv) The Group did not provide any inventories as collateral for its loans.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Property, plant and equipment

The movements in the cost, depreciation and impairment of the property, plant and equipment of the Group were as follows:

	<u>Land</u>	<u>Buildings and construction</u>	<u>Machinery and equipment</u>	<u>Molding equipment</u>	<u>Office and other facilities</u>	<u>Lease improvements</u>	<u>Total</u>
Cost or deemed cost:							
Balance at January 1, 2025	\$ 346,639	1,127,552	504,374	5,908	52,454	23,921	2,060,848
Additions	-	1,025	6,799	399	309	11,926	20,458
Disposal and derecognition	-	(3,766)	(8,436)	(501)	(1,639)	(23,921)	(38,263)
Effects of movements in exchange rates	-	-	(416)	(18)	(16)	-	(450)
Balance at September 30, 2025	<u>\$ 346,639</u>	<u>1,124,811</u>	<u>502,321</u>	<u>5,788</u>	<u>51,108</u>	<u>11,926</u>	<u>2,042,593</u>
Balance at January 1, 2024	\$ 346,639	1,127,628	541,108	5,640	64,959	23,921	2,109,895
Additions	-	-	13,188	-	-	-	13,188
Disposal and derecognition	-	(76)	(48,849)	(111)	-	-	(49,036)
Effect of movements in exchange rates	-	-	267	21	11	-	299
Balance at September 30, 2024	<u>\$ 346,639</u>	<u>1,127,552</u>	<u>505,714</u>	<u>5,550</u>	<u>64,970</u>	<u>23,921</u>	<u>2,074,346</u>
Depreciation and impairments loss:							
Balance at January 1, 2025	\$ -	220,972	457,082	4,518	51,308	23,921	757,801
Depreciation	-	25,541	22,559	557	990	1,934	51,581
Disposal and derecognition	-	(3,766)	(8,436)	(501)	(1,639)	(23,921)	(38,263)
Effects of movements in exchange rates	-	-	(415)	(21)	(12)	-	(448)
Balance at September 30, 2025	<u>\$ -</u>	<u>242,747</u>	<u>470,790</u>	<u>4,553</u>	<u>50,647</u>	<u>1,934</u>	<u>770,671</u>
Balance at January 1, 2024	\$ -	185,878	476,165	4,056	60,351	23,921	750,371
Depreciation	-	26,587	25,504	357	2,923	-	55,371
Disposal and derecognition	-	(76)	(48,849)	-	-	-	(48,925)
Effects of movements in exchange rates	-	-	267	17	10	-	294
Balance at September 30, 2024	<u>\$ -</u>	<u>212,389</u>	<u>453,087</u>	<u>4,430</u>	<u>63,284</u>	<u>23,921</u>	<u>757,111</u>
Carrying amount:							
Balance at January 1, 2025	<u>\$ 346,639</u>	<u>906,580</u>	<u>47,292</u>	<u>1,390</u>	<u>1,146</u>	<u>-</u>	<u>1,303,047</u>
Balance at September 30, 2025	<u>\$ 346,639</u>	<u>882,064</u>	<u>31,531</u>	<u>1,235</u>	<u>461</u>	<u>9,992</u>	<u>1,271,922</u>
Balance at January 1, 2024	<u>\$ 346,639</u>	<u>941,750</u>	<u>64,943</u>	<u>1,584</u>	<u>4,608</u>	<u>-</u>	<u>1,359,524</u>
Balance at September 30, 2024	<u>\$ 346,639</u>	<u>915,163</u>	<u>52,627</u>	<u>1,120</u>	<u>1,686</u>	<u>-</u>	<u>1,317,235</u>

As of September 30, 2025, December 31 and September 30, 2024, the property, plant, and equipment of the Group had been pledged as collateral for long-term borrowings and credit lines; please refer to note 8.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
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(h) Right-of-use assets

- (i) The movements in cost, depreciation and impairment of leased buildings, construction and transportation equipment of the Group were as follows:

	<u>Buildings and construction</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost:			
Balance at January 1, 2025	\$ 100,784	-	100,784
Additions	60,405	499	60,904
Decrease	<u>(100,784)</u>	<u>-</u>	<u>(100,784)</u>
Balance at September 30, 2025	<u>\$ 60,405</u>	<u>499</u>	<u>60,904</u>
Balance at January 1, 2024	\$ 101,679	1,309	102,988
Additions	2,697	-	2,697
Decrease	<u>(974)</u>	<u>-</u>	<u>(974)</u>
Balance at September 30, 2024	<u>\$ 103,402</u>	<u>1,309</u>	<u>104,711</u>
Accumulated depreciation and impairment losses:			
Balance at January 1, 2025	\$ 68,578	-	68,578
Depreciation	12,923	125	13,048
Decrease	<u>(73,408)</u>	<u>-</u>	<u>(73,408)</u>
Balance at September 30, 2025	<u>\$ 8,093</u>	<u>125</u>	<u>8,218</u>
Balance at January 1, 2024	\$ 49,922	872	50,794
Depreciation	15,378	328	15,706
Decrease	<u>(688)</u>	<u>-</u>	<u>(688)</u>
Balance at September 30, 2024	<u>\$ 64,612</u>	<u>1,200</u>	<u>65,812</u>
Carrying amount:			
Balance at January 1, 2025	<u>\$ 32,206</u>	<u>-</u>	<u>32,206</u>
Balance at September 30, 2025	<u>\$ 52,312</u>	<u>374</u>	<u>52,686</u>
Balance at January 1, 2024	<u>\$ 51,757</u>	<u>437</u>	<u>52,194</u>
Balance at September 30, 2024	<u>\$ 38,790</u>	<u>109</u>	<u>38,899</u>

- (ii) In March 2025, the Group terminated the lease of a building that had previously served as office premises. As a result, the right-of-use assets and lease liabilities decreased, and a gain of \$98 was recorded as “Gain on lease modification” in the consolidated statement of comprehensive income.
- (iii) The increase in right-of-use assets of the Group during the current period was primarily due to the early termination of the lease for a building, which previously served as office premises. Subsequently, a new lease agreement was entered into, with the lease term running from January 2025 to February 2030. For the related information of the Neihu office from the parent company, please refer to note 7.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
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(i) Intangible assets

	<u>Patent</u>	<u>Computer software and others</u>	<u>Total</u>
Carrying amount:			
Balance at January 1, 2025	\$ <u>413</u>	<u>19,178</u>	<u>19,591</u>
Balance at September 30, 2025	\$ <u>293</u>	<u>16,675</u>	<u>16,968</u>
Balance at January 1, 2024	\$ <u>533</u>	<u>9,903</u>	<u>10,436</u>
Balance at September 30, 2024	\$ <u>509</u>	<u>20,785</u>	<u>21,294</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the nine months ended September 30, 2025 and 2024. Information on amortization for the periods is disclosed in note 12. Please refer to note 6(i) of the consolidated financial statements for the year ended December 31, 2024 for other related information.

(j) Long-term borrowings

The Group's long-term borrowings details, conditions, and provisions were as follows:

<u>September 30, 2025</u>				
	<u>Currency</u>	<u>Range of interest rates</u>	<u>Maturity year</u>	<u>Amount</u>
Secured loans	NTD	2.235%	May 2033	\$ 453,849
Less: current portion				(48,000)
Total				<u>\$ 405,849</u>
Unused credit lines				<u>\$ -</u>
<u>December 31, 2024</u>				
	<u>Currency</u>	<u>Range of interest rates</u>	<u>Maturity year</u>	<u>Amount</u>
Secured loans	NTD	1.475%~2.235%	June 2025~May 2033	\$ 528,881
Less: current portion				(87,032)
Total				<u>\$ 441,849</u>
Unused credit lines				<u>\$ 97,000</u>
<u>September 30, 2024</u>				
	<u>Currency</u>	<u>Range of interest rates</u>	<u>Maturity year</u>	<u>Amount</u>
Secured loans	NTD	1.475%~2.235%	June 2025~May 2033	\$ 559,419
Less: current portion				(105,570)
Total				<u>\$ 453,849</u>
Unused credit lines				<u>\$ 97,000</u>

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
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- (i) For the nine months ended September 30, 2025 and 2024, the repayments of long-term borrowings both amounted to \$75,032 and \$91,613, respectively.
- (ii) Information about the Group's risk exposure associated with interest rate, foreign currency, and liquidity is included in note 6(s).
- (iii) Please see note 8 for the Group's property pledged as collateral to secure the long-term borrowings.
- (k) Lease liabilities

The carrying amounts of the Group's lease liabilities were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Current	\$ <u>11,734</u>	<u>19,201</u>	<u>20,728</u>
Non-current	\$ <u>41,458</u>	<u>13,034</u>	<u>18,281</u>

For the maturity analysis, please refer to note 6(s).

The amounts recognized in profit or loss were as follow:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Interest expense on lease liabilities	\$ <u>294</u>	<u>224</u>	<u>985</u>	<u>712</u>
Expenses relating to short-term leases	\$ <u>190</u>	<u>216</u>	<u>1,042</u>	<u>454</u>
Cost of low-value leased assets	\$ <u>172</u>	<u>93</u>	<u>436</u>	<u>251</u>

The amounts recognized in the consolidated statement of cash flows for the Group was as follows:

	For the nine months ended September 30,	
	2025	2024
Total cash outflow for leases	\$ <u>14,936</u>	<u>16,852</u>

- (i) Real estate leases

The Group leases buildings for its office space. The leases of office space typically run for a period of 3 to 5 years. Some leases included an option to renew the lease for an additional period of the same duration at the end of the lease term.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
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(ii) Other leases

The Group leased transportation equipment with leased terms for 3 years.

The Group also leased photocopying equipment with leased periods of 3 to 4 years, and dormitories with leased periods of 4 to 12 months. These leases are short-term and leases of low value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(l) Provisions

The Group's provision for warranty was for sales of products. Provision for warranty was estimated based on the historical warranty information on similar products or services. The Group expected that most of the cost would occur within 1 year after sales. There were no significant changes in provisions for the nine months ended September 30, 2025 and 2024. Please refer to note 6(l) of the consolidated financial statements for the year ended December 31, 2024 for other related information.

(m) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

For the nine months ended September 30, 2025 and 2024, the expenses recognized in profit or loss for the Group both amounted to \$0.

(ii) Defined contribution plans

The Group's expenses for the pension plan under the defined contribution pension plan amounted to \$3,736, \$3,425, \$11,000 and \$10,267 for the three months and nine months ended September 30, 2025 and 2024, respectively, which were recorded as operating costs and expenses and were contributed to the Bureau of Labor Insurance.

In accordance with the regulations of the government of Mainland China, the subsidiaries in Mainland China pay monthly basic pension insurance premiums based on a certain percentage of the total wages of employees, which amounted to \$1,102, \$1,159, \$3,561 and \$3,290 for the three months and nine months ended September 30, 2025 and 2024, respectively.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
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(n) Income taxes

(i) The components of income tax expense were as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Current tax expense				
Current period	\$ -	-	757	-
Deferred tax expense	-	-	-	-
Income tax expense	\$ -	-	757	-

(ii) The income taxes of the Group in accordance with the laws of each country of registration, income taxes of the respective Group entities should be separately declared as a reporting unit, instead of combine declaration.

(iii) The income tax returns of the Company and Qianjin Investment Co., Ltd. have been examined and assessed by the tax authorities for the years through 2023.

(o) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the nine months ended September 30, 2025 and 2024. For the related information, please refer to note 6(o) of the consolidated financial statements for the year ended December 31, 2024.

(i) Retained earnings

1) Earnings distribution and dividend policy

In accordance with the Company articles of incorporation, if there are earnings at year end, 10 percent should be set aside as legal reserve and special earnings reserve or reversal according to the Securities and Exchange Act and the Company operations after the payment of income tax and offsetting accumulated losses from prior years. The remaining portion will be combined with earnings from prior years, and the Board of Directors can propose methods of distribution to be approved by the shareholders' meeting. Cash dividends, however, shall account for at least 10 percent of every distribution.

The Company incurred loss for the years ended December 31, 2024 and 2023, hence there was no distributable earning. The related information mentioned above can be found on websites such as the Market Observation Post System website.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Earnings (loss) per share

The Group's basic earnings (loss) per share were calculated as follows:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Basic earnings (loss) per share (in New Taiwan Dollars)				
Net profit (loss) attributable to ordinary shareholders of the Company	\$ <u>24,488</u>	<u>(74,706)</u>	<u>(55,229)</u>	<u>(127,902)</u>
Weighted-average number of outstanding ordinary shares (in thousand shares)	<u>330,780</u>	<u>330,780</u>	<u>330,780</u>	<u>330,780</u>
Basic earnings (loss) per share (in New Taiwan Dollars)	\$ <u>0.07</u>	<u>(0.23)</u>	<u>(0.17)</u>	<u>(0.39)</u>
Diluted earnings (loss) per share (in New Taiwan Dollars)				
Net profit (loss) attributable to ordinary shareholders of the Company	\$ <u>24,488</u>	<u>(74,706)</u>	<u>(55,229)</u>	<u>(127,902)</u>
Weighted-average number of outstanding ordinary shares (in thousand shares)	<u>330,780</u>	<u>330,780</u>	<u>330,780</u>	<u>330,780</u>
Diluted earnings (loss) per share (in New Taiwan Dollars)	\$ <u>0.07</u>	<u>(0.23)</u>	<u>(0.17)</u>	<u>(0.39)</u>

For the three months and nine months ended September 30, 2025 and 2024, the Group was not impacted by the effects of dilutive potential ordinary shares.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Primary geographical markets:				
Asia	\$ 250,706	159,675	746,791	480,619
Europe	83,931	59,145	249,552	96,322
Americas	147,666	90,587	358,257	184,164
Other	20,565	11,826	72,355	52,116
	<u>\$ 502,868</u>	<u>321,233</u>	<u>1,426,955</u>	<u>813,221</u>
Major products/ Service lines:				
Wired communication products	\$ 448,013	266,324	1,285,649	679,566
Wireless communication products	45,487	35,309	120,204	105,547
Repairs and maintenance revenues and others	9,368	19,600	21,102	28,108
	<u>\$ 502,868</u>	<u>321,233</u>	<u>1,426,955</u>	<u>813,221</u>

(ii) Contract balances

	September 30, 2025	December 31, 2024	September 30, 2024
Notes and trade receivables	\$ 568,542	431,791	313,633
Less: loss allowance	-	-	-
	<u>\$ 568,542</u>	<u>431,791</u>	<u>313,633</u>
Contract liabilities (recorded as other current liabilities)	<u>\$ 62,250</u>	<u>25,984</u>	<u>19,813</u>

For details on trade receivables and the impairment thereof, please refer to note 6(d).

The amounts of revenue recognized for the nine months ended September 30, 2025 and 2024 that were included in the contract liability balance at the beginning of the periods were \$4,134 and \$50, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
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(r) Remuneration to employees and directors

On May 27, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 3 to 10 percent shall be allocated as employee remuneration, no more than 2 percent as remunerations for directors, and a minimum of 0.5 percent as remunerations for base-level employees. The recipients of the aforementioned employee remuneration and base-level employees remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements stipulated by the Board of directors.

Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 3 to 10 percent should be allocated as employee remuneration and no more than 2 percent as remunerations for directors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, could include employees of the subsidiaries who met certain specific requirements stipulated by the Board of directors.

The Company incurred net loss before tax for the nine months ended September 30, 2025 and 2024, and thus, the Company was not required to accrue any remuneration to its employees and directors.

Since the Company incurred accumulated losses for the years ended December 31, 2024 and 2023, no remunerations to employees and directors were accrued during the years. The related information mentioned above can be found on websites such as the Market Observation Post System website.

(s) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(s) of the consolidated financial statements for the year ended December 31, 2024.

(i) Credit risk

1) Concentration of credit risk

As of September 30, 2025, December 31 and September 30, 2024, the trade receivables due from the customers whose sales contributed over 10% of the Group's operating revenue, all occupied 77%, 89% and 89% of the Group's total trade receivables.

2) Receivables and debt securities

For credit risk of trade receivable, please refer to note 6(d).

Other financial assets measured at amortized cost include other receivables and time deposits.

Debt investments at fair value through other comprehensive income include domestic bank bonds.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
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All of these financial assets are considered to have low risk; therefore, the allowance for credit losses is measured at the 12-month expected credit loss for the period. (For the related information, please refer to note 4(g) of the consolidated financial statements for the year ended December 31, 2024.)

The movements in the allowance of other receivables for the nine months ended September 30, 2025 and 2024, please refer to note 6(e).

For the nine months ended September 30, 2025, the movement in the allowance for impairment loss on debt investments at fair value through other comprehensive income was unchanged.

(ii) Liquidity risk

The followings are the contractual maturities of financial liabilities, including the impact of estimated interest payments.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>1 year</u>	<u>1-2 years</u>	<u>Over 2 years</u>
September 30, 2025					
Non-derivative financial liabilities					
Trade payables (including related parties)	\$ 476,078	(476,078)	(476,078)	-	-
Other payables (including related parties)	115,970	(115,970)	(115,970)	-	-
Long-term borrowings (including current portion)	453,849	(496,393)	(57,652)	(56,579)	(382,162)
Lease liabilities (including current and non-current)	<u>53,192</u>	<u>(55,675)</u>	<u>(12,750)</u>	<u>(12,922)</u>	<u>(30,003)</u>
	<u>\$ 1,099,089</u>	<u>(1,144,116)</u>	<u>(662,450)</u>	<u>(69,501)</u>	<u>(412,165)</u>
December 31, 2024					
Non-derivative financial liabilities					
Trade payables (including related parties)	\$ 347,083	(347,083)	(347,083)	-	-
Other payables (including related parties)	114,574	(114,574)	(114,574)	-	-
Long-term borrowings (including current portion)	528,881	(579,545)	(97,665)	(57,384)	(424,496)
Lease liabilities (including current and non-current)	<u>32,235</u>	<u>(32,851)</u>	<u>(19,711)</u>	<u>(13,140)</u>	<u>-</u>
	<u>\$ 1,022,773</u>	<u>(1,074,053)</u>	<u>(579,033)</u>	<u>(70,524)</u>	<u>(424,496)</u>

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>1 year</u>	<u>1-2 years</u>	<u>Over 2 years</u>
September 30, 2024					
Non-derivative financial liabilities					
Trade payable (including related parties)	\$ 334,141	(334,141)	(334,141)	-	-
Other payables (including related parties)	91,934	(91,934)	(91,934)	-	-
Long-term borrowings (including current portion)	559,419	(613,054)	(116,661)	(57,652)	(438,741)
Lease liabilities (including current and non-current)	39,009	(39,825)	(21,352)	(18,473)	-
	<u>\$ 1,024,503</u>	<u>(1,078,954)</u>	<u>(564,088)</u>	<u>(76,125)</u>	<u>(438,741)</u>

The Group is not expecting the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Currency risk

The Group's significant exposure to foreign currency risk was as follows:

Unit: foreign currency in thousands

	<u>September 30, 2025</u>			<u>December 31, 2024</u>			<u>September 30, 2024</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
Financial assets									
Monetary items									
USD	\$ 25,698	USD/NTD =30.470	783,018	15,794	USD/NTD =32.781	517,743	12,888	USD/NTD =31.651	407,918
USD	3,554	USD/CNY =7.1185	108,290	7,332	USD/CNY =7.1884	240,350	7,261	USD/CNY =7.0171	229,818
CNY	40,075	CNY/NTD =4.2804	171,537	18,077	CNY/NTD =4.560	82,436	11,114	CNY/NTD =4.5110	50,130
Financial liabilities									
Monetary items									
USD	12,511	USD/NTD =30.470	381,210	8,263	USD/NTD =32.781	270,869	8,499	USD/NTD =31.651	269,002
USD	-	USD/CNY =7.1185	-	6	USD/CNY =7.1884	197	6	USD/CNY =7.0171	190
CNY	5,977	CNY/NTD =4.2804	25,584	5,846	CNY/NTD =4.560	26,658	4,826	CNY/NTD =4.5110	21,768

The Group's exposure to foreign currency risk mainly arose from the translation of cash and cash equivalents, trade receivables (including related parties), other receivables, other current financial assets, trade payables and other payables (including related parties) denominated in foreign currency. Depreciation or appreciation of the USD and CNY against the functional currency by 5%, as of September 30, 2025 and 2024, with all other variables remained constant, would have increased or decreased the net loss before tax for the periods as follows:

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
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	For the nine months ended September 30,	
	2025	2024
	(Increase) decrease net loss before tax	(Increase) decrease net loss before tax
USD (against the NTD)		
Appreciation 5%	\$ 20,090	6,946
Depreciation 5%	(20,090)	(6,946)
USD (against the CNY)		
Appreciation 5%	5,415	11,481
Depreciation 5%	(5,415)	(11,481)
CNY (against the NTD)		
Appreciation 5%	7,298	1,418
Depreciation 5%	(7,298)	(1,418)

As the Group deals in diverse functional currencies, gains or losses on foreign exchange were summarized as a single amount. For the three months and nine months ended September 30, 2025 and 2024, the foreign exchange (loss) gain, including realized and unrealized portions, amounted to \$12,723, \$(11,466), \$(28,954) and \$10,271, respectively.

2) Interest rate analysis

The Group's exposure to interest rate risk arising from financial assets and liabilities was as follows:

	Carrying amount		
	September 30, 2025	December 31, 2024	September 30, 2024
Variable rate instruments:			
Financial assets	\$ 411,909	138,517	105,063
Financial liabilities	(453,849)	(528,881)	(559,419)
	\$ (41,940)	(390,364)	(454,356)

The following sensitivity analysis is based on the risk exposure to interest rates of non-derivative financial instruments at the reporting date. Regarding the assets and liabilities with variable interest rates, the analysis is on the basis of the assumption that the amount of assets and liabilities outstanding at the reporting date were outstanding throughout the year. The rate of change is expressed as the interest rate increase or decrease by 0.25%, when reporting to management internally, which also represents the assessment of the Group's management for the reasonably possible interval of interest rate change.

If the interest rate had increased or decreased by 0.25%, with all other variable factors remaining constant, the Group's net loss before tax would have increased or decreased by \$79 and \$852 for the nine months ended September 30, 2025 and 2024, respectively. This is mainly due to the Group's demand deposits and borrowings at variable interest rates.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
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3) Other market price risk

The sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the other comprehensive income as illustrated below:

	For the nine months ended September 30,			
	2025		2024	
	Other comprehensive (loss) income, before tax	Profit or loss before tax	Other comprehensive (loss) income, before tax	Profit or loss before tax
5% increase	\$ 4,741	28,674	5,257	11,675
5% decrease	\$ (4,741)	(28,674)	(5,257)	(11,675)

(iv) Fair value of financial instruments

1) Categories of financial instruments and fair value hierarchy

The Group's financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income were measured at fair value on a recurring basis. The carrying amount and fair value of financial assets and liabilities (including information on the fair value hierarchy, but excluding the optional information on financial instruments whose fair values approximate their carrying amounts and lease liabilities) were as follows:

	Carrying amount	September 30, 2025			Total
		Fair Value			
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Private stocks	\$ 231,100	-	-	231,100	231,100
Domestic listed stocks	342,376	342,376	-	-	342,376
Subtotal	573,476				
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	94,825	94,825	-	-	94,825
Domestic bank green bonds - P13 Taipei Fubon Bank 3	101,256	-	101,256	-	101,256
Trade receivables	438,901	-	-	-	-
Subtotal	634,982				

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
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	September 30, 2025				
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	677,930	-	-	-	-
Trade receivables (including related parties)	129,641	-	-	-	-
Other receivables (including related parties)	6,576	-	-	-	-
Other current financial assets	12,841	-	-	-	-
Guarantee deposits paid	1,549	-	-	-	-
Subtotal	<u>828,537</u>				
Total	<u>\$ 2,036,995</u>				
Financial liabilities measured at amortized cost					
Secured bank loans (including current portion)	\$ 453,849	-	-	-	-
Trade payables (including related parties)	476,078	-	-	-	-
Other payables (including related parties)	115,970	-	-	-	-
Lease liabilities (including current and non-current)	53,192	-	-	-	-
Total	<u>\$ 1,099,089</u>				

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
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	December 31, 2024				
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Private stocks	\$ 220,900	-	-	220,900	220,900
Domestic listed stocks	<u>62,035</u>	62,035	-	-	62,035
Subtotal	<u>282,935</u>	-	-	-	-
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	138,298	138,298	-	-	138,298
Domestic bank green bonds - P13 Taipei Fubon Bank 3	100,019	-	100,019	-	100,019
Trade receivables	<u>320,068</u>	-	-	-	-
Subtotal	<u>558,385</u>				
Financial assets measured at amortized cost					
Cash and cash equivalents	871,191	-	-	-	-
Trade receivables (including related parties)	111,723	-	-	-	-
Other receivables (including related parties)	11,825	-	-	-	-
Other current financial assets	313,141	-	-	-	-
Guarantee deposits paid	<u>5,793</u>	-	-	-	-
Subtotal	<u>1,313,673</u>				
Total	<u><u>\$ 2,154,993</u></u>				
Financial liabilities measured at amortized cost					
Secured bank loans (including current portion)	\$ 528,881	-	-	-	-
Trade payables (including related parties)	347,083	-	-	-	-
Other payables (including related parties)	114,574	-	-	-	-
Lease liabilities (including current and non-current)	<u>32,235</u>	-	-	-	-
Total	<u><u>\$ 1,022,773</u></u>				

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	September 30, 2024				
	Carrying amount	Fair Value			Total
Level 1		Level 2	Level 3		
Financial assets at fair value through profit or loss					
Private stocks	\$ 233,500	-	-	233,500	233,500
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	105,149	105,149	-	-	105,149
Domestic bank green bonds - P13 Taipei Fubon Bank 3	99,999	-	99,999	-	99,999
Trade receivables	231,450	-	-	-	-
Subtotal	<u>436,598</u>				
Financial assets measured at amortized cost					
Cash and cash equivalents	612,149	-	-	-	-
Trade receivables (including related parties)	82,183	-	-	-	-
Other receivables (including related parties)	9,132	-	-	-	-
Other current financial assets	727,942	-	-	-	-
Guarantee deposits paid	5,810	-	-	-	-
Subtotal	<u>1,437,216</u>				
Total	<u>\$ 2,107,314</u>				
Financial liabilities measured at amortized cost:					
Secured bank loans (including current portion)	\$ 559,419	-	-	-	-
Trade payables (including related parties)	334,141	-	-	-	-
Other payables (including related parties)	91,934	-	-	-	-
Lease liabilities (including current and non-current)	39,009	-	-	-	-
Total	<u>\$ 1,024,503</u>				

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
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2) Fair value valuation technique of financial instruments not measured at fair value

The Group's management considered that the disclosed carrying amounts of financial assets and financial liabilities measured at amortized cost approximated their fair values.

3) Fair value valuation technique of financial instruments measured at fair value

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. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

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

- The fair value of listed stocks of financial assets and liabilities traded in active markets is based on quoted market prices.

Except for the financial instruments with active markets mentioned above, for other financial instruments, like private placement stocks of listed companies and domestic bank bonds, the fair value is determined by the market quotations and valuation techniques, and is also determined by examining liquidity discounts or other valuation techniques, including models, which is calculated based on available market data (such as yield curves published by the Taiwan Exchange) at the reporting date.

The Group measures the fair value of financial instruments without an active market by category and attribute as follows:

- Unquoted equity instruments: The fair value is estimated measured using 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.

4) Transfers between Level 1 and Level 2

There was no transfer between the different levels of fair value hierarchy for the three months and nine months ended September 30, 2025 and 2024.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

5) Reconciliation of level 3 fair values

	Financial assets at fair value through profit or loss-non current
Balance on January 1, 2025	\$ 220,900
Total gains or losses recognized:	
In profit or loss	10,200
Balance on September 30, 2025	\$ 231,100
Balance on January 1, 2024	\$ 127,050
Total gains or losses recognized:	
In profit or loss	106,450
Balance on September 30, 2024	\$ 233,500

For the three months and nine months ended September 30, 2025 and 2024, total gains and losses that were included in “net gains on financial assets at fair value through profit or loss” were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Total gains and losses recognized				
In other comprehensive income, and presented in “net gains on financial assets at fair value through profit or loss”	\$ 7,750	1,350	10,200	106,450

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

The Group’s financial instruments that use Level 3 inputs to measure fair value include financial assets at fair value through profit or loss- Private stock.

The Group’s equity investments without an active market which are classified as Level 3 have numerous unobservable inputs. The significant unobservable inputs of equity instrument investments are not correlated to each other.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through profit or loss-Private stock	• Market Approach and Finnerty model are adopted at September 30, 2025, December 31 and September 30, 2024	• Lack of market liquidity discount (10.24%, 18.18% and 20.85%, respectively, as of September 30, 2025, December 31 and September 30, 2024)	• The higher the lack of market liquidity discount, the lower the fair value

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

The fair value measurement of financial instruments by the Group is reasonable, but the use of different evaluation models or evaluation 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:

	<u>Inputs</u>	<u>Upward or downward movement</u>	<u>Change in fair value through the current period's profit or loss</u>	
			<u>Favorable change</u>	<u>Unfavorable change</u>
September 30, 2025				
Non current financial assets at fair value through profit or loss	Lack of market liquidity discount	5%	\$ <u>12,875</u>	<u>(12,875)</u>
December 31, 2024				
Non current financial assets at fair value through profit or loss	Lack of market liquidity discount	5%	\$ <u>13,500</u>	<u>(13,500)</u>
September 30, 2024				
Non current financial assets at fair value through profit or loss	Lack of market liquidity discount	5%	\$ <u>14,750</u>	<u>(14,750)</u>

- (t) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note (6)(t) of the consolidated financial statements for the year ended December 31, 2024.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(u) Capital management

The Group's objectives, policies and processes of capital management are the same as those disclosed in the consolidated financial statements for the year ended December 31, 2024. There were no significant changes of quantitative data of capital management compared to the consolidated financial statements for the year ended December 31, 2024. Please refer to note (6)(u) of the consolidated financial statements for the year ended December 31, 2024 for further details.

(v) Investing and financial activities not affecting current cash flow

The Group's investing and financial activities, which did not affect the current cash flows for the nine months ended September 30, 2025 and 2024, were as follows:

(i) The acquisition of right-of-use assets by leases, please refer to note 6(h).

(ii) Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2025	Cash Flow	Non-cash changes		September 30, 2025
			Addition	Lease modifications	
Long-term borrowings (including current portion)	\$ 528,881	(75,032)	-	-	453,849
Lease liabilities (including current and non-current)	<u>32,235</u>	<u>(12,473)</u>	<u>60,904</u>	<u>(27,474)</u>	<u>53,192</u>
Total amount of liabilities arising from financing activities	<u>\$ 561,116</u>	<u>(87,505)</u>	<u>60,904</u>	<u>(27,474)</u>	<u>507,041</u>
	January 1, 2024	Cash Flow	Non-cash changes		September 30, 2024
			Addition	Lease modifications	
Long-term borrowings (including current portion)	\$ 651,032	(91,613)	-	-	559,419
Lease liabilities (including current and non-current)	<u>52,412</u>	<u>(15,435)</u>	<u>2,697</u>	<u>(665)</u>	<u>39,009</u>
Total amount of liabilities arising from financing activities	<u>\$ 703,444</u>	<u>(107,048)</u>	<u>2,697</u>	<u>(665)</u>	<u>598,428</u>

(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are related parties that had transactions with the Group during the periods covered in the consolidated financial statements:

(Continued)

CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
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<u>Name of related party</u>	<u>Relationship with the Company</u>
D-Link Corporation	Parent Company
D-Link International Pte Ltd. (D-Link International)	Subsidiary of D-Link Corporation
TeamF1 Networks Private Limited (TeamF1 India)	Subsidiary of D-Link Corporation
D-Link (Shanghai) Co.,Ltd. (D-Link (Shanghai))	Subsidiary of D-Link Corporation
AMIGO TECHNOLOGY INC.	Other related party
SAPIDO TECHNOLOGY INC.	Other related party
AMIT WIRELESS INC.	Other related party
TSG Hawks Baseball Co., Ltd.	Other related party
TSG TRANSPORT CORP.	Other related party
TSG Burger King Corporation	Other related party
TSG Sports Marketing Co., Ltd.	Other related party
Jia Jie Biomedical Co., Ltd.	Other related party
All Directors, general manager, and deputy general manager	Key management personnel

(b) Significant transactions with related parties

(i) Sales to related parties

The amounts of significant sales by the Group to related parties and the outstanding balances were as follows:

	<u>Sales</u>				<u>Trade receivables due from related parties</u>		
	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>		<u>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2024</u>
D-Link Corporation	\$ 297,511	198,326	925,394	439,272	367,047	268,941	215,266
D-Link (Shanghai)	28,719	16,087	152,857	44,107	71,854	51,127	16,184
Other related parties	155	21	506	1,865	345	30	240
	<u>\$ 326,385</u>	<u>214,434</u>	<u>1,078,757</u>	<u>485,244</u>	<u>439,246</u>	<u>320,098</u>	<u>231,690</u>

The collection period of goods sold by the Group to related parties was mainly open accounts 90 days and might be extended if necessary. For most third parties, the collection period was open account 60 days. The price for sales to the above related parties was determined by general market conditions and adjusted by considering the geographic sales area and sales volumes.

(Continued)

CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Purchases from related parties

The amounts of purchases by the Group from related parties and the outstanding balances were as follows:

	Purchase				Payables to related parties		
	For the three months ended September 30,		For the nine months ended September 30,		September 30, 2025	December 31, 2024	September 30, 2024
	2025	2024	2025	2024			
D-Link Corporation	\$ 74	-	74	-	78	-	-
Other related parties	34	421	34	1,716	36	-	-
	<u>\$ 108</u>	<u>421</u>	<u>108</u>	<u>1,716</u>	<u>114</u>	<u>-</u>	<u>-</u>

The payment terms for purchases from other related parties ranged from one to three months, which were not materially different from those agreed upon with third parties. Purchasing prices were based on general market price.

(iii) Payment to related parties

Miscellaneous expenses paid to related parties were as follows:

	Miscellaneous expenses				Other payables		
	For the three months ended September 30,		For the nine months ended September 30,		September 30, 2025	December 31, 2024	September 30, 2024
	2025	2024	2025	2024			
D-Link Corporation	\$ 1,952	114	4,827	533	-	-	-
Other related parties	1,785	1,625	7,605	5,415	1,039	824	568
	<u>\$ 3,737</u>	<u>1,739</u>	<u>12,432</u>	<u>5,948</u>	<u>1,039</u>	<u>824</u>	<u>568</u>

(iv) Received from related parties

The advances and other income received from related parties are recorded as expense deductions and other income, and the outstanding balances are as follows:

	Miscellaneous income				Other receivables-related parties		
	For the three months ended September 30,		For the nine months ended September 30,		September 30, 2025	December 31, 2024	September 30, 2024
	2025	2024	2025	2024			
D-Link Corporation	\$ 2,848	950	4,511	2,685	3,363	4,467	2,819
Other related parties	343	-	343	528	343	-	-
	<u>\$ 3,191</u>	<u>950</u>	<u>4,854</u>	<u>3,213</u>	<u>3,706</u>	<u>4,467</u>	<u>2,819</u>

(Continued)

CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Lease

1) Lessor

Since November 1, 2021, the Company has leased part of the Tainan factory to its parent company, and the rent has been collected on a monthly basis, and the rental income (recorded as other income) for the nine months ended September 30, 2025 and 2024 were both amounted to \$1,778. As of September 30, 2025 and 2024, the relevant amounts have been recovered.

2) Lessee

Starting from January 1, 2025, the Company entered into a five-year lease agreement with its parent company for its office space, with reference to the market rental rates in the surrounding area. The total amount is \$24,800. For the three months and nine months ended September 30, 2025, the interest expense of \$119 and \$332 were recognized, respectively. As of September 30, 2025, the lease liability amounted to \$21,590.

(c) Key management personnel transactions

Key management personnel's compensation comprised:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Short-term employee benefits	\$ 4,154	4,119	12,543	12,729
Post-employment benefits	81	81	243	243
	<u>\$ 4,235</u>	<u>4,200</u>	<u>12,786</u>	<u>12,972</u>

(8) Assets Pledged as security:

The carrying amounts of the assets which the Group pledged as collateral were as follows:

Asset name	Pledged to secure	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant, and equipment – land	Long-term bank loans	\$ 346,639	346,639	346,639
Property, plant, and equipment – buildings and construction	Long-term bank loans	874,969	898,198	905,942
		<u>\$ 1,221,608</u>	<u>1,244,837</u>	<u>1,252,581</u>

(9) Commitments and contingencies:

As of September 30, 2025, the executory commitment with a non-cancelable purchase quantity of \$266,660 was calculated based on the purchase price agreed upon at the time of order placement. The actual transaction price will be renegotiated upon delivery.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(10) Losses due to major disasters: None.

(11) Subsequent events:None.

(12) Other:

- (a) The summary of current-period employee benefits, depreciation, and amortization, by function, was as follows:

		For the three months ended September 30					
		2025			2024		
By item	By function	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits							
Salary		39,594	51,166	90,760	32,704	50,929	83,633
Labor and health insurance		4,563	4,086	8,649	3,725	4,206	7,931
Pension		1,781	3,057	4,838	1,521	3,063	4,584
Others		3,461	2,695	6,156	3,577	2,583	6,160
Depreciation		13,907	6,720	20,627	14,677	7,906	22,583
Amortization		-	1,129	1,129	-	608	608

		For the nine months ended September 30					
		2025			2024		
By item	By function	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits							
Salary		113,361	158,952	272,313	98,321	152,742	251,063
Labor and health insurance		12,923	13,089	26,012	11,310	12,580	23,890
Pension		5,078	9,483	14,561	4,641	8,916	13,557
Others		11,126	8,397	19,523	10,577	7,576	18,153
Depreciation		41,832	22,797	64,629	47,106	23,971	71,077
Amortization		-	3,033	3,033	6	1,906	1,912

- (b) Discontinued operation

The Group's operations were not affected by seasonality or cyclicity factors.

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CAMEO COMMUNICATIONS, INC. 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” of the Group for the nine months ended September 30, 2025:

- (i) Loans to other parties: None
- (ii) Guarantees and endorsements for other parties: None.
- (iii) Material securities held as of September 30, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Unit: thousand shares

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Private Stock- KING HOUSE CO., LTD.	Other related party	Non-current financial assets at fair value through profit or loss	5,000	231,100	2.96	231,100	Note 1
The Company	Domestic bank green bonds- P13 Taipei Fubon Bank 3	None	Non-current financial assets at fair value through other comprehensive income	-	101,256	-	101,256	Note 2
The Company	Cummon stock- GLORIA MATERIAL TECHNOLOGY CORP.	Other related party	Current financial assets at fair value through profit or loss	330	11,814	0.05	11,814	
The Company	Cummon stock- TMP Steel Corporation	Other related party	Non-current financial assets at fair value through profit or loss	855	18,469	0.86	18,469	
The Company	Cummon stock- S-TECH CORP	Other related party	Non-current financial assets at fair value through profit or loss	1,232	32,525	0.53	32,525	
The Company	Cummon stock- IBF Financial Holdings Co., Ltd.	None	Non-current financial assets at fair value through profit or loss	16,262	250,430	0.45	250,430	
Qianjin Investment Co., Ltd.	Cummon stock- D-Link Corporation	Parent Company	Non-current financial assets at fair value through other comprehensive income	5,434	94,825	0.90	94,825	
Qianjin Investment Co., Ltd.	Cummon stock- GLORIA MATERIAL TECHNOLOGY CORP.	Other related party	Current financial assets at fair value through profit or loss	623	22,303	0.10	22,303	
Qianjin Investment Co., Ltd.	Cummon stock- TMP Steel Corporation	Other related party	Non-current financial assets at fair value through profit or loss	72	1,555	0.07	1,555	
Qianjin Investment Co., Ltd.	Cummon stock- S-TECH CORP	Other related party	Non-current financial assets at fair value through profit or loss	170	4,488	0.07	4,488	
Qianjin Investment Co., Ltd.	Cummon stock- IBF Financial Holdings Co., Ltd.	None	Non-current financial assets at fair value through profit or loss	51	792	-	792	

Note 1: King House CO., LTD. (formerly known as Ensure Global Corp., LTD.) has modified it's company name on May 2, 2024.

Note 2: Taipei Fubon Commercial Bank issued 3rd senior unsecured financial debentures in 2024 at par value of \$10,000 per debenture, the Group acquired 10 units of the debentures on September 16, 2024, with a total subscription amount of \$100,000.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Trade receivables (payables)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payables)	
The Company	D-Link Corporation	Parent Company	Sale	(925,394)	(65) %	open accounts 90 days	Note 1	Note 1	Trade receivables 367,047	65%	
"	D-Link (Shanghai)	Subsidiary of D-Link Corporation	Sale	(152,857)	(11) %	open accounts 90 days	Note 1	Note 1	Trade payables 71,854	13%	

Note 1: The collection period of goods sold by the Group to related parties was mainly open accounts 90 days and might be extended if necessary. For most third parties, the collection period was open account 60 days. The price for sales to the above related parties was determined by general market conditions and adjusted by considering the geographic sales area and sales volumes.

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

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 1)	Allowance for bad debts	Remark
					Amount	Action taken			
The Company	D-Link Corporation	Parent Company	Trade receivables 367,047	3.88	-		140,032	-	

Note 1: Information as of October 27, 2025.

- (vi) Business relationships and significant intercompany transactions:

(In thousands of New Taiwan Dollars and foreign currencies)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms	
0	Huge Castle Ltd.	Suzhou Soarnex Technology Co., Ltd	3	Research and development expenses	32,723 (CNY7,406)	Not significantly different from the payment to ordinary vendors	2%
1	Suzhou Soarnex Technology Co., Ltd	Huge Castle Ltd.	3	Revenue	32,723 (CNY7,406)	Not significantly different from the payment to ordinary customers	2%

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

- (i) "0" represents the Company
(ii) Subsidiaries are numbered starting from "1".

Note 2: Categories of relationship are as below:

- 1 represents parent to subsidiary
2 represents subsidiary to parent
3 represents subsidiary to subsidiary

Note 3: The aforementioned intercompany transactions have been eliminated in the consolidated financial statements.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investees:

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

Unit: thousand shares

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Huge Castle Ltd.	Samoa	Investment holding	195,403	295,006	6,180	100 %	133,988	(32,841)	(32,841)	Note 1 and 4
The Company	Qianjin Investment Co., Ltd.	Taiwan	Investment holding	270,000	270,000	27,000	100 %	147,549	7,625	7,625	Note 1
Less:											
Unrealized profits (losses) of affiliates								(39)			
								<u>281,498</u>		<u>(25,216)</u>	
Huge Castle Ltd.	Perfect Choice Co Ltd.	Mauritius	Investment holding and trading	-	-	-	- %	-	-	-	Notes 1 and 2
Huge Castle Ltd.	Luis Jo'se Investment Inc.	The British Virgin Islands	Investment holding	-	43,673	-	- %	-	(4,886)	(4,886)	Notes 1 and 3

Note 1: The transactions on the left has already been eliminated in the consolidated financial statements.

Note 2: Perfect Choice Co., Ltd. has been liquidated in May 2025 based on a resolution decided during its board meeting held in April 2024.

Note 3: Luis has been liquidated in August 2025 based on a resolution decided during its board meeting held in June 2025.

Note 4: Based on a resolution approved during its board meeting held in August 2025, Huge Castle Ltd. conducted a capital reduction amounting to USD 3,150 thousand, constituting 33.76% of its paid-in capital, with the base date set on August 31, 2025. Moreover, the capital refund of USD 3,150 thousand was remitted to the Company accordingly on September 19, 2025.

(c) Information on investment in mainland China:

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

(In thousands of New Taiwan Dollars/foreign currencies)

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 September 30, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance earnings as in current period	Note
					Outflow	Inflow							
Cameo Technology Development (Shenzhen) Co., Ltd.	R&D for communication technology and products	-	Indirect investments in Mainland China through companies registered in a third region.	9,842 (USD 323)	-	-	9,842 (USD 323)	NA	- %	NA	Note 4	-	Note 4
WIDE VIEW TECHNOLOGY INC.	R&D, production, and sale of electronic components	-	"	20,201 (USD 663)	-	(20,201) (USD 663)	-	NA	- %	NA	Note 5	2,406 (USD 77)	Note 5

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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 September 30, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance earnings as in current period	Note
					Outflow	Inflow							
Suzhou Soarnex Technology Co., Ltd	Software development and software services for computer information systems	22,064 (CNY5,000)	Indirect investments in Mainland China through companies registered in a third region.	-	-	-	-	(3,834)	100 %	(3,834)	22,121	-	Notes 3 and 6

(ii) Upper limit on investment in Mainland China:

(In thousands of New Taiwan Dollars/foreign currencies)

Accumulated Investment in Mainland China as of September 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
9,842 (US\$323)	13,559 (US\$445)	1,755,128

Note 1: The currency was translated into New Taiwan Dollars, with the exchange rate of USD1 to NTD 30.47, at the end of financial reporting date.

Note 2: The currency was translated into New Taiwan Dollars, at the average exchange rate of USD 1 to NTD 31.25, within the period of the financial reporting date.

Note 3: The investment income (loss) was recognized based on the financial statements prepared by the subsidiaries and not reviewed by the CPA.

Note 4: Cameo Technology Development (Shenzhen) Co., Ltd. completed its liquidation in March 2012, and the payment for shares of US\$177 thousand, was refunded to Huge Castle Ltd on November 28, 2013 with the approval of the Investment Commission, Ministry of Economic Affairs, and subsequently granted approval in 2024.

Note 5: Wide View Technology Inc. completed its liquidation process in September 2018, wherein it refunded the shares amounting to USD663 thousand to Luis Jo'se Investment Inc. on September 4, 2018, with the approval of the Investment Commission, Ministry of Economic Affairs. Subsequently, the share proceeds had been remitted back to Taiwan in September 2025, with its application having been approved by the Investment Commission, Ministry of Economic Affairs on October 9, 2025.

Note 6: It was an investment by NETTECH TECHNOLOGY (SUZHOU) CO., LTD based in Mainland China through self-funding. In August 2019, NETTECH TECHNOLOGY transferred 100% of the shareholdings to Luis Jo'se Investment Inc. NETTECH TECHNOLOGY (SUZHOU) CO., LTD has been liquidated and cancelled by a resolution of the board of directors in November 2022. The liquidation procedure had completed on August 31, 2023. Furthermore, in April 2025, Luis Jo'se Investment Inc. transferred its entire shareholdings in Suzhou Soarnex Technology Co., Ltd. to Huge Castle Ltd., who subsequently became the sole shareholder of Suzhou Soarnex Technology Co., Ltd.

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

(iii) Significant transactions:

Please refer to "Information on significant transactions" for the information on significant direct or indirect transactions, which were eliminated in the preparation of consolidated financial statements, between the Group and the investee companies in Mainland China for the nine months ended September 30, 2025.

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CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information:

The Group allocates resources, and measures operating performance based on regular reviews made by chief operating decision makers. The Group is a single operating segment primarily engaged in the manufacture, processing, and trading of network system equipment and the components thereof. The disclosure of income (loss), assets, and liabilities is consistent with the preparation of the consolidated financial statements. For the related information, please refer to note (4) of the consolidated financial statements for the year ended December 31, 2024.