

CASwell, Inc. and its Subsidiaries
Interim Condensed Consolidated
Financial Statements for the Six
Months Ended June 30, 2026 and
2025 and Independent Auditors’
Review Report

For the Six Months Ended June 30, 2026 and 2025

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Independent Auditors' Review Report

To the Board of Directors of CASwell, Inc.:

Introduction

We have reviewed the interim consolidated statements of financial position of CASwell, Inc. and its subsidiaries as of June 30, 2026 and 2025, and the interim consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, together with the interim consolidated statements of changes in equity and interim consolidated statements of cash flows for the six months ended June 30, 2026 and 2025, and the notes to the consolidated financial statements (including a summary of material accounting policies). 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 (IAS) No. 34 Interim Financial Reporting, as endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (Taiwan) (FSC), are the responsibility of management. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Standards on Review Engagements No. 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of the consolidated financial statements consists primarily of inquiries, primarily of personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, the consolidated financial position of the Group as of June 30, 2026 and 2025, and its consolidated financial performance for the three-month and six-month periods then ended and its consolidated cash flows for the six-month periods then ended, in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34 "Interim Financial Reporting," as endorsed and issued into effect by the FSC.

KPMG

CPA:

Securities Authority	FSC Securities Letter No. 1040003949
Approval Reference No.	FSC Securities Letter No. 1140131922
August 11, 2026	

Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

CASwell, Inc. and its Subsidiaries
Consolidated Statement of Financial Position

Unit: NT\$ thousand

Assets		2026.6.30		2025.12.31		2025.6.30				Liabilities and equity		2026.6.30		2025.12.31		2025.6.30	
		Amount	%	Amount	%	Amount	%					Amount	%	Amount	%	Amount	%
Current assets:										Current liabilities:							
1100	Cash and cash equivalents (Note 6(1))	\$ 451,807	7	455,388	8	533,944	10	2100	Short-term borrowings (Note 6(9))	\$ 966,273	14	194,012	3	82,225	1		
1136	Current financial assets at amortized cost	64,548	1	69,339	1	62,904	1	2170	Accounts payable	729,690	11	913,081	15	546,748	10		
1170	Notes and accounts receivable, net (Note 6(2) and (16))	721,856	10	842,820	15	671,936	12	2180	Accounts payable - related parties (Note 7)	9,859	-	16,917	-	2,465	-		
1180	Accounts receivable from related parties - net (Note 6(2), (16) and 7)	6,985	-	9,371	-	142	-	2200	Other payables (including related parties) (Note 7)	344,232	5	140,688	3	322,716	6		
1200	Other receivables (including related parties) (Note 7)	137,466	2	134,668	2	62,488	1	2230	Current income tax liabilities	74,241	1	54,440	1	57,243	1		
1220	Current income tax assets	-	-	25	-	23	-	2252	Short-term provisions for warranty	8,541	-	6,015	-	5,331	-		
130X	Inventories (Note 6(3))	2,915,122	42	2,383,053	40	2,095,059	38	2280	Current lease liabilities (Note 6(11))	43,093	1	34,337	1	39,492	1		
1470	Other current assets (Notes 7 and 8)	430,426	6	116,694	2	101,501	2	2130	Current contract liabilities	47,691	1	-	-	-	-		
Total current assets		4,728,210	68	4,011,358	68	3,527,997	64	2322	Long-term borrowings due within one year (Note 6(10) and 8)	11,310	-	8,762	-	3,835	-		
Non-current assets:								2399	Other current liabilities - others (Note 7)	221,910	3	113,937	2	108,453	2		
1550	Investment accounted for using the equity method (Note 6(4))	672	-	-	-	-	-	Total current liabilities		2,456,840	36	1,482,189	25	1,168,508	21		
1510	Non-current financial assets at FVTPL	47,369	1	51,622	1	38,433	1	Non-current liabilities:									
1517	Non-current financial assets at FVOCI	49,632	1	51,702	1	60,180	1	2540	Long-term borrowings (Notes 6(10) and 8)	205,472	3	211,158	4	216,782	4		
1600	Property, plant and equipment (Note 6(6) and 8)	758,979	11	766,150	13	773,357	14	2552	Long-term warranty provisions	25,343	-	24,052	-	23,323	-		
1755	Right-of-use assets (Note 6(7))	688,734	10	681,427	11	704,935	13	2570	Deferred income tax liabilities	13,648	-	14,359	-	18,773	-		
1780	Intangible assets (Note 6(8))	589,571	8	339,552	6	335,509	7	2580	Non-current lease liabilities (Note 6(11))	478,046	7	475,798	8	491,516	10		
1840	Deferred income tax assets	14,252	-	14,524	-	15,738	-	2670	Other non-current liabilities - others	2,015	-	5	-	7	-		
1900	Other non-current assets	42,375	1	14,427	-	16,379	-	Total non-current liabilities		724,524	10	725,372	12	750,401	14		
Total non-current assets		2,191,584	32	1,919,404	32	1,944,531	36	Total liabilities		3,181,364	46	2,207,561	37	1,918,909	35		
								Equity attributable to shareholders of the parent company (Note 6(5) and 6(14)):									
								3100	Share capital	733,485	11	733,485	12	733,485	13		
								3200	Capital surplus	1,445,196	21	1,445,196	25	1,445,196	27		
								3300	Retained earnings:								
								3310	Legal reserve	448,960	6	417,588	7	417,588	8		
								3320	Special earnings reserve	84,020	1	61,227	1	61,227	1		
								3350	Undistributed earnings	974,317	14	1,020,987	17	841,088	15		
									Total retained earnings	1,507,297	21	1,499,802	25	1,319,903	24		
								3400	Other equity	(84,070)	(1)	(84,020)	(1)	(92,552)	(2)		
									Equity attributable to owners of the parent	3,601,908	52	3,594,463	61	3,406,032	62		
								36XX	Non-controlling interests	136,522	2	128,738	2	147,587	3		
								Total equity		3,738,430	54	3,723,201	63	3,553,619	65		
Total assets		\$ 6,919,794	100	5,930,762	100	5,472,528	100	Total liabilities and equity		\$ 6,919,794	100	5,930,762	100	5,472,528	100		

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

Chairman: Steve Chu

Manager: Reaforl Hung

Accounting Supervisor: Amber Lee

CASwell, Inc. and its Subsidiaries
Consolidated Statements of Comprehensive Income

Unit: NT\$ thousand

		For the three months ended June 30				For the six months ended June 30			
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Revenue (Note 6(16) and 7)	\$ 1,333,321	100	1,061,550	100	2,391,053	100	2,170,447	100
5000	Cost of sales (Note 6(3), (6), (7), (11), (12), (17), 7 and 12)	1,010,914	76	820,579	77	1,797,160	75	1,656,200	76
	Gross Profit	322,407	24	240,971	23	593,893	25	514,247	24
	Operating expenses (Note 6(6), (7), (11), (12), (17), 7 and 12):								
6100	Selling and marketing expenses	61,663	5	49,333	5	100,686	4	102,664	5
6200	General and administrative expenses	44,993	3	37,292	4	80,750	3	73,458	3
6300	Research and development expenses	73,419	5	64,735	6	137,637	6	144,559	7
6450	Expected credit loss (Note 6(2))	-	-	401	-	-	-	149	-
	Total operating expenses	180,075	13	151,761	15	319,073	13	320,830	15
	Operating Profit	142,332	11	89,210	8	274,820	12	193,417	9
	Non-operating income and expenses (Note 6(18)):								
7100	Interest income	2,177	-	3,135	-	4,256	-	5,533	-
7010	Other income	6,573	1	12,349	1	17,269	1	15,542	1
7020	Other gains and losses	3,631	-	(34,245)	(3)	(643)	-	(31,785)	(2)
7050	Finance costs (Note 6(11) and (7))	(7,667)	(1)	(4,858)	-	(12,838)	(1)	(9,882)	-
7070	Share of losses of associates accounted for using the equity method (Note 6(4))	(80)	-	-	-	(80)	-	-	-
	Total non-operating income and expenses	4,634	-	(23,619)	(2)	7,964	-	(20,592)	(1)
7900	Profit before tax	146,966	11	65,591	6	282,784	12	172,825	8
7950	Less: Income tax expense (Note 6(13))	31,768	2	16,953	1	69,838	3	40,735	2
	Net profit for the period	115,198	9	48,638	5	212,946	9	132,090	6
8300	Other comprehensive income (loss):								
8310	Items that will not be reclassified to profit or loss								
8316	Unrealized gain (loss) on equity investments at fair value through other comprehensive income	(1,465)	-	1,038	-	(2,070)	-	(15,455)	(1)
8349	Income tax relating to items that will not be reclassified	-	-	-	-	-	-	-	-
	Total of items that will not be reclassified to profit or loss	(1,465)	-	1,038	-	(2,070)	-	(15,455)	(1)
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences arising from the translation of foreign operations	(5,610)	(1)	(41,278)	(4)	(742)	-	(26,289)	(1)
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
	Total of items that may be reclassified subsequently to profit or loss	(5,610)	(1)	(41,278)	(4)	(742)	-	(26,289)	(1)
8300	Other comprehensive income (loss)	(7,075)	(1)	(40,240)	(4)	(2,812)	-	(41,744)	(2)
8500	Total comprehensive income (loss)	<u>\$ 108,123</u>	<u>8</u>	<u>8,398</u>	<u>1</u>	<u>210,134</u>	<u>9</u>	<u>90,346</u>	<u>4</u>
	Net profit attributable to:								
8610	Shareholders of the parent company	\$ 113,849	9	54,995	6	212,871	9	135,691	6
8620	Non-controlling interests	1,349	-	(6,357)	(1)	75	-	(3,601)	-
	Net profit for the period	<u>\$ 115,198</u>	<u>9</u>	<u>48,638</u>	<u>5</u>	<u>212,946</u>	<u>9</u>	<u>132,090</u>	<u>6</u>
	Comprehensive income attributable to:								
8710	Shareholders of the parent company	\$ 110,067	8	17,573	2	212,821	9	102,491	5
8720	Non-controlling interests	(1,944)	-	(9,175)	(1)	(2,687)	-	(12,145)	(1)
	Total comprehensive income (loss)	<u>\$ 108,123</u>	<u>8</u>	<u>8,398</u>	<u>1</u>	<u>210,134</u>	<u>9</u>	<u>90,346</u>	<u>4</u>
	Earnings per share (Note 6(15))								
9750	Basic earnings per share (NT\$)	<u>\$ 1.55</u>		<u>0.75</u>		<u>2.90</u>		<u>1.85</u>	
9850	Diluted earnings per share (NT\$)	<u>\$ 1.55</u>		<u>0.75</u>		<u>2.90</u>		<u>1.85</u>	

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

Chairman: Steve Chu

Manager: Reaforl Hung

Accounting Supervisor: Amber Lee

CASwell, Inc. and its Subsidiaries
Consolidated Statements of Changes in Equity

Unit: NT\$ thousand

	Equity attributable to shareholders of parent company									
						Other equity items		Total equity attributable to shareholders of the parent company	Non-controlling interests	Total equity
	Retained earnings					Foreign currency translation reserve	FVOCI reserve for financial assets			
Share capital	Capital surplus	Legal reserve	Special earnings reserve	Undistributed earnings						
Balance, January 1, 2025	\$ 733,485	1,445,196	384,748	52,985	961,065	(31,274)	(29,953)	3,516,252	159,732	3,675,984
Net profit for the period	-	-	-	-	135,691	-	-	135,691	(3,601)	132,090
Other comprehensive income (loss)	-	-	-	-	-	(23,828)	(9,372)	(33,200)	(8,544)	(41,744)
Total comprehensive income (loss)	-	-	-	-	135,691	(23,828)	(9,372)	102,491	(12,145)	90,346
Earnings distribution:										
Appropriation of legal reserve	-	-	32,840	-	(32,840)	-	-	-	-	-
Appropriation of special reserve	-	-	-	8,242	(8,242)	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(212,711)	-	-	(212,711)	-	(212,711)
Disposal of equity investments measured at FVOCI	-	-	-	-	(1,875)	-	1,875	-	-	-
Balance, June 30, 2025	\$ 733,485	1,445,196	417,588	61,227	841,088	(55,102)	(37,450)	3,406,032	147,587	3,553,619
Balance, January 1, 2026	\$ 733,485	1,445,196	417,588	61,227	1,020,987	(41,428)	(42,592)	3,594,463	128,738	3,723,201
Net profit for the period	-	-	-	-	212,871	-	-	212,871	75	212,946
Other comprehensive income (loss)	-	-	-	-	-	1,205	(1,255)	(50)	(2,762)	(2,812)
Total comprehensive income (loss)	-	-	-	-	212,871	1,205	(1,255)	212,821	(2,687)	210,134
Earnings distribution:										
Appropriation of legal reserve	-	-	31,372	-	(31,372)	-	-	-	-	-
Appropriation of special reserve	-	-	-	22,793	(22,793)	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(205,376)	-	-	(205,376)	-	(205,376)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	10,471	10,471
Balance, June 30, 2026	\$ 733,485	1,445,196	448,960	84,020	974,317	(40,223)	(43,847)	3,601,908	136,522	3,738,430

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

Chairman: Steve Chu

Manager: Reaforl Hung

Accounting Supervisor: Amber Lee

CASwell, Inc. and its Subsidiaries
Consolidated Statements of Cash Flows

Unit: NT\$ thousand

	For the six months ended June 30	
	2026	2025
Cash flows from operating activities:		
Profit before tax	\$ 282,784	172,825
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation	40,116	40,574
Amortization	1,974	3,255
Expected credit loss	-	149
Net loss on financial assets (liabilities) at FVTPL	4,253	2,785
Interest expenses	12,838	9,882
Interest income	(4,256)	(5,533)
Share of losses of associates accounted for using the equity method	80	-
Loss (gain) on disposal and scrap of property, plant and equipment	-	(396)
Loss on lease modification	-	520
Total adjustments to reconcile profit (loss)	55,005	51,236
Changes in operating assets/liabilities:		
Net changes in operating assets:		
Decrease in notes and accounts receivable (including related parties)	137,352	184,493
Decrease (increase) in other receivables (including related parties)	(2,798)	1,813
Inventory Decrease (Increase)	(518,357)	7,997
Increase in other current assets	(311,852)	(7,296)
Total net changes in operating assets	(695,655)	187,007
Net changes in operating liabilities:		
Decrease in contract liabilities	(5,593)	-
Decrease in account payable (including related parties)	(191,220)	(106,293)
Decrease in other payables (including related parties)	(11,124)	(33,467)
Increase (decrease) in warranty provisions	3,597	(489)
Increase (decrease) in other current liabilities	107,973	(8,115)
Total net changes in operating liabilities	(96,367)	(148,364)
Total net changes in operating assets and liabilities	(792,022)	38,643
Total adjustments	(737,017)	89,879
Cash (used in) generated from operations	(454,233)	262,704
Interest received	4,256	5,533
Interest paid	(12,838)	(9,883)
Income tax paid	(51,345)	(43,594)
Net cash inflow (outflow) generated from operations	(514,160)	214,760
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at FVOCI	-	3,766
Proceeds from return of capital of financial assets at FVTPL	-	6,147
Proceeds from disposals of financial assets at amortized cost	4,791	6,285
Acquisition of subsidiaries (net of cash acquired)	(234,132)	-
Acquisition of property, plant and equipment	(3,807)	(3,737)
Disposal of property, plant and equipment	-	574
Acquisition of intangible assets	(2,770)	(270)
Decrease (increase) in other non-current assets	886	(5,632)
Net cash (outflow) inflow from investing activities	(235,032)	7,133
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	1,462,870	173,716
Decrease in short-term borrowings	(690,000)	(250,000)
Repayments of long-term borrowings	(3,138)	(50,690)
Repayment of the principal portion of lease liabilities	(22,285)	(23,452)
Decrease in other non-current liabilities	(5)	(7)
Net cash from (used in) financing activities	747,442	(150,433)
Effect of exchange differences on cash and cash equivalents	(1,831)	(25,109)
Increase (decrease) in cash and cash equivalents of current period	(3,581)	46,351
Cash and cash equivalents at beginning of period	455,388	487,593
Cash and cash equivalents at end of period	\$ 451,807	533,944

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

Chairman: Steve Chu

Manager: Reaforl Hung

Accounting Supervisor: Amber Lee

CASwell, Inc. and its Subsidiaries
Notes to Consolidated Financial Statements
For the Six Months Ended June 30, 2026 and 2025
(Amount in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. The Company History

CASwell, Inc. (“the Company”) was established on April 19, 2007 with the approval of the Ministry of Economic Affairs. The address of its registered office and principal place of business is 12F., No. 308, Jianguo 1st Road, Xinzhuang District, New Taipei City. The business scope of the Company and its subsidiaries (collectively referred to as “the Group”) includes Electronic Components Manufacturing, Computers and Peripherals Manufacturing, Equipment Manufacturing, Wholesale of Electronic Materials and Information Services.

2. Process and Date of Authorization for Issue

The consolidated financial statements were approved and authorized for issue by the Board of Directors on August 11, 2026.

3. Impact on Application of Amendments and New Standards and Interpretations

- (1) Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to IFRS Accounting Standards endorsed and issued into effect by the FSC from January 1, 2026, did not have a material impact on the accounting policies of the Group.

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

- (2) The IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and endorsed by the FSC but not yet effective as of the reporting date

The Group has assessed that the initial application of amendments to IFRS Accounting standards effective from January 1, 2027, is not expected to have a material impact on the Group’s accounting policies.

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries (continued)

- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

The Group expects to adopt the following newly issued and amended IFRS Accounting Standards starting from January 1, 2028:

a. IFRS 18 “Presentation and Disclosure in Financial Statements”

The new Standard introduces three categories of income and expenses, two income statement subtotals and a single note on management-defined performance measures. The following three amendments and enhancements to the guidance on how information is disaggregated in the financial statements lay the foundation for providing users with better and more consistent information, and will affect all companies.

- A more structured statement of profit or loss: Under the current standard, companies use different formats to present their operating results, making it difficult for investors to compare financial performance across entities. The new standard adopts a more structured statement of profit or loss, introducing a newly defined “operating profit” subtotal and requiring all income and expenses to be classified into three distinct new categories based on the company’s main operating activities.
- Management-defined performance measures (MPMs): The standard newly introduces the definition of MPM and requires companies to explain, in a single note to the financial statements, why each measure provides useful information, how it is calculated, and how it is reconciled to amounts recognized under IFRS Accounting Standards.
- More Disaggregated Information: The new standard includes guidance on how companies should enhance the disaggregation of information in financial statements. This includes directions on whether information should be presented in the primary financial statements or further disaggregated in the notes.

IAS 7 “Statement of Cash Flows” has been amended in conjunction with the new Standard to require companies, when preparing cash flows from operating activities using the indirect method, to use the newly defined “operating profit or loss” subtotal as the starting point. As a result of adopting the new starting point, certain adjustment items included in the reconciliation will change. In addition, the consequential amendments provide specific guidance on the classification of cash receipts and payments related to interest and dividends.

The Group is currently assessing the impact of the initial application of the Standard on its consolidated financial statements.

b. Amendments to International Accounting Standard 28 “Fair Value Option for Investments in Associates and Joint Ventures”

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries (continued)

The Group expects that the adoption of these amendments will not have a material impact on its consolidated financial statements.

- (3) Amendments and new standards issued by IASB, but not yet endorsed and issued into effect by the FSC

The Group has evaluated that the below standards released and amended but not yet endorsed do not have a material impact on the 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 20 “Regulatory Assets and Regulatory Liabilities”

4. Summary of Material Accounting Policies

- (1) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Financial Reporting”, endorsed and issued into effect by the FSC. The consolidated financial statements do not include all the disclosures required for a complete set of annual consolidated financial statements prepared in accordance with the IFRS Accounting Standards endorsed and issued into effect by the FSC.

Except as described below, the material accounting policies adopted in the preparation of these consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2025. For details, please refer to Note 4 to the 2025 consolidated financial statements.

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries (continued)

(2) Basis for Consolidation

a. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activity	Ownership %			Description
			2026.6.30	2025.12.31	2025.6.30	
The Company	CASO, INC. ("CASO")	Import and sales of network appliances and computer peripherals, etc.	99%	99%	99%	-
The Company	CASWELL INTERNATIONAL INVESTMENT CO., LTD.	Overseas investment	100%	100%	100%	-
The Company	CASWELL AMERICAS, INC. ("CAI")	Sales of network appliances	100%	100%	100%	-
CASWELL INTERNATIONAL INVESTMENT CO., LTD.	BCW ("BCW")	Manufacturing and sales of network appliances	82%	82%	82%	-
The Company	APLIGO GmbH ("APLIGO")	Hub and SI Service	66.67%	66.67%	66.67%	-
The Company	Hawkeye Tech, Co., Ltd. ("HAWKEYE")	Design and manufacturing of telecommunications and network appliances	60.64%	60.64%	60.64%	
The Company	Network Box Holdings Limited ("NBH")	Investment	70.00%	- %	- %	Note
NBH	Network Box Corporation Limited ("NBC")	Research, development, sales, and technical support services for information security software and equipment	100.00%	- %	- %	Note
NBH	Network Box Hong Kong Limited ("NBHK")	Information security-related services	100.00%	- %	- %	Note
NBH	Handshake Networking Limited ("HS")	Information security-related services	51.00%	- %	- %	Note

Note: On April 1, 2026, the Company acquired a 70% equity interest in Network Box Holdings Limited through an acquisition and included it in the consolidated financial statements.

b. Subsidiaries not included in the consolidated financial statements: None.

(3) Income Tax

The Group measures and discloses interim income tax expense in accordance with the requirements of paragraph B12 of IAS 34, Interim Financial Reporting.

Income tax expense is measured by applying the management's best estimate of the annual effective tax rate to the net profit before tax for the interim reporting period.

Income tax expense recognized directly in equity or in other comprehensive income is measured based on the temporary differences between the carrying amounts of the related assets and liabilities for financial reporting purposes and their tax bases, using the tax rates that are expected to apply in the period when the assets are realized or the liabilities are settled.

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries (continued)

(4) Business Combinations

The Group obtained control over another company through an acquisition for the first time in the second quarter of 2026 and, accordingly, has applied the accounting policies related to business combinations starting from April 1, 2026.

The Group accounts for each business combination by applying the acquisition method. The acquirer shall recognize goodwill as of the acquisition date measured as the acquisition-date fair value of the consideration transferred plus the amount of any non-controlling interests in the acquiree, less the acquisition-date net amount of identifiable assets acquired and liabilities assumed. If the amount calculated above is negative, the Group reassesses the identification and measurement of the assets acquired and liabilities assumed and then recognizes any remaining gain from a bargain purchase in profit or loss at the acquisition date

The acquirer shall account for acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received except for the costs related to the issuance of debt or equity securities.

For each business combination, the acquirer shall measure at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation at either: (a) fair value; or (b) the present ownership interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by IFRS Accounting Standards endorsed by FSC.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group recognizes provisional amounts for items for which the accounting is incomplete and, during the measurement period, retrospectively adjusts the provisional amounts or recognizes additional assets or liabilities to reflect new information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

5. Major Sources of Estimation Uncertainty, Assumptions and Significant Judgements

In the process of preparing these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, Interim Financial Reporting, as endorsed by the FSC, management is required to make judgments, assumptions, and estimates about the future (including climate-related risks and opportunities) that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries (continued)

The significant judgments made by management in applying the Group's accounting policies and the major sources of estimation uncertainty, are consistent with those disclosed in Note 5 of the consolidated financial statements for the year ended December 31, 2025.

6. Details of Significant Accounts

Except as described below, there are no significant differences in the disclosures of significant accounts in these consolidated financial statements compared to those in the consolidated financial statements for the year ended December 31, 2025. For related information, please refer to Note 6 to the consolidated financial statements for the year ended December 31, 2025.

(1) Cash and cash equivalents

	<u>2026.6.30</u>	<u>2025.12.31</u>	<u>2025.6.30</u>
Cash on hand and petty cash	\$ 944	697	962
Foreign currency and demand deposits	405,899	340,872	419,867
Short-term certificate of deposit	44,964	113,819	113,115
Cash and cash equivalents at end of period in the consolidated statements of cash flows	<u>\$ 451,807</u>	<u>455,388</u>	<u>533,944</u>

Refer to Note 6(19) for the details on interest rate risk and sensitivity analysis of financial assets of the Group.

(2) Notes and accounts receivable, net (including related parties)

	<u>2026.6.30</u>	<u>2025.12.31</u>	<u>2025.6.30</u>
Notes receivable	\$ -	754	-
Accounts receivables (including related parties)	737,808	858,928	679,223
Less: Loss allowance	(8,967)	(7,491)	(7,145)
	<u>\$ 728,841</u>	<u>852,191</u>	<u>672,078</u>

The Group adopts simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses (ECL) for all notes and accounts receivable. The lifetime ECL are recognized on a collective basis considering forward-looking information, including macroeconomic information related to the industry in which the entity operates. For the purpose of determining significant increases in credit risk and recognizing a loss allowance on a collective basis, the Group groups notes and accounts receivable on the basis of shared credit risk characteristics which align with customers' ability to meet contractual cash flows. The ECL analysis for notes and accounts receivable of the Group is as follows:

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

	2026.6.30		
	Carrying amount of notes and accounts receivable	Probability- weighted ECL rate	Allowance for lifetime ECL
Not Past Overdue	\$ 677,900	0.34%	2,307
Past Due ≤ 30 Days	18,350	0.21%	39
Past Due 31-120 days	12,870	5.56%	715
Past Due 121-365 days	25,882	19.52%	5,053
Past Due ≥ 366 Days	2,806	30.40%	853
	<u>\$ 737,808</u>		<u>8,967</u>
	2025.12.31		
	Carrying amount of notes and accounts receivable	Probability- weighted ECL rate	Allowance for lifetime ECL
Not Past Overdue	\$ 774,526	0.09%	730
Past Due ≤ 30 Days	40,185	0.68%	273
Past Due 31-120 days	30,127	2.25%	679
Past Due 121-365 days	13,991	35.42%	4,956
Past Due ≥ 366 Days	853	100.00%	853
	<u>\$ 859,682</u>		<u>7,491</u>
	2025.6.30		
	Carrying amount of notes and accounts receivable	Probability- weighted ECL rate	Allowance for lifetime ECL
Not Past Overdue	\$ 601,207	0.10%	589
Past Due ≤ 30 Days	56,695	1.52%	859
Past Due 31-120 days	8,116	2.37%	192
Past Due 121-365 days	12,357	37.69%	4,657
Past Due ≥ 366 Days	848	100.00%	848
	<u>\$ 679,223</u>		<u>7,145</u>

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

Reconciliation of loss allowance for notes and accounts receivable of the Group is as follows:

	For the six months ended June 30	
	2026	2025
Opening balance of loss allowance	\$ 7,491	6,987
Impact of business combinations	1,581	-
New ECL provisions	-	783
Reversal of impairment losses	-	(634)
Foreign exchange differences	(105)	9
Ending balance of loss allowance	<u>\$ 8,967</u>	<u>7,145</u>

As of June 30, 2026, December 31, 2025 and June 30, 2025, none of the aforementioned financial assets had been pledged as collateral for borrowings or credit facilities.

Please refer to Note 6(19) for further information on other credit risks.

The Group has entered into a non-recourse accounts receivable factoring agreement with a financial institution. Under the agreement, except for commercial disputes (such as sales returns and allowances), the financial institution shall pay the Group the net amount of the factored receivables for any outstanding amounts not collected after their due date. Detailed information on accounts receivable factoring agreement at the reporting date is as follows:

2026.6.30					
Factoring institution	Total amount of receivables derecognition during the reporting period	Factoring limit	Factoring advance	Interest rate range	Collateral
China Merchants Bank	\$ 5,396	-	5,319	1.43%	None
2025.12.31					
Factoring institution	Total amount of receivables derecognition during the reporting period	Factoring limit	Factoring advance	Interest rate range	Collateral
China Merchants Bank	\$ 31,264	-	30,816	1.41%~1.50%	None
China Minsheng Bank	\$ 10,130	-	10,057	0.66%~0.83%	None
2025.6.30					
Factoring institution	Total amount of receivables derecognition during the reporting period	Factoring limit	Factoring advance	Interest rate range	Collateral
China Merchants Bank	\$ 27,019	-	26,621	1.41%~1.50%	None

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

(3) Inventories

	<u>2026.6.30</u>	<u>2025.12.31</u>	<u>2025.6.30</u>
Raw materials and spare parts	\$ 1,688,123	1,344,826	1,088,203
Work-in-progress	323,188	283,885	255,652
Finished goods	903,811	754,342	751,204
	<u>\$ 2,915,122</u>	<u>2,383,053</u>	<u>2,095,059</u>

The details of cost of sales for the three and six months ended June 30, 2026 and 2025 are as follows:

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Cost of goods sold (COGS)				
for inventory	\$ 980,776	791,221	1,748,742	1,595,708
Inventory write-down and reversal	(632)	(2,578)	1,698	3,303
Loss on inventory write-off	5,847	5,935	5,847	5,935
Others	24,923	26,001	40,873	51,254
	<u>\$ 1,010,914</u>	<u>820,579</u>	<u>1,797,160</u>	<u>1,656,200</u>

For the periods from April 1 to June 30, 2026 and 2025, the reversal of previously recognized inventory write-down losses due to an increase in net realizable value was attributable to increases in the market selling prices of inventories resulting from market shortages.

As of June 30, 2026, December 31, 2025 and June 30, 2025, none of the Group's inventories had been pledged as collateral.

(4) Investments accounted for using equity method

The Group's investments accounted for using the equity method on the reporting date are listed below:

	<u>2026.6.30</u>	<u>2025.12.31</u>	<u>2025.6.30</u>
Associate	<u>\$ 672</u>	-	-

- a. On April 1, 2026, the Group indirectly acquired an equity interest in Network Box (Sin) Pte. Ltd. through its 70% equity interest in NBH. Based on the assessment, the Group's ownership interest and aggregate voting interest in the investee are 18.73% and 26.76%, respectively; therefore, the equity method is applied.
- b. The associates accounted for using the equity method that are individually immaterial to the Group are summarized below. The summarized financial information represents the amounts included in the Group's consolidated financial statements.

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

	<u>2026.6.30</u>	<u>2025.12.31</u>	<u>2025.6.30</u>
Aggregate carrying amount of interests in individually immaterial associates at the end of the period	<u>\$ 672</u>	<u>-</u>	<u>-</u>

	<u>For the six months ended June 30</u>	
	<u>2026</u>	<u>2025</u>
Share attributable to the Group:		
Net loss for the period from continuing operations	<u>\$ 80</u>	<u>-</u>

- c. As of June 30, 2026, none of the Group's investments accounted for using the equity method had been pledged as collateral.

(5) Acquisition of a subsidiary

On April 1, 2026, the Group obtained control of Network Box Holdings Limited through the acquisition of 70% of its shares. Network Box Holdings Limited is a holding company located in Hong Kong, and its subsidiaries are principally engaged in information security services and related solutions.

The Group's acquisition of control over Network Box Holdings Limited was primarily intended to deepen the Group's regional presence in the Southeast Asian and Japanese markets and to integrate the Group's existing product platforms with the acquiree's localized service capabilities, thereby enhancing the Group's regional project integration and delivery capabilities. In addition, through this acquisition, the Group obtained the acquiree's customer relationships and market resources, which are expected to expand the Group's service offerings, optimize the structure of service revenue, and enhance overall operating efficiency and market competitiveness.

For the three-month period from the acquisition date to June 30, 2026, Network Box Holdings Limited and its subsidiaries contributed revenue and net profit of NT\$39,551 thousand and NT\$6,109 thousand, respectively. If the acquisition had occurred on January 1, 2026, management estimates that the revenue and net profit of Network Box Holdings Limited and its subsidiaries for the six months ended June 30, 2026 would have been NT\$84,881 thousand and NT\$11,651 thousand, respectively. In determining these amounts, management assumed that the acquisition had occurred on January 1, 2026 and that the provisional fair value adjustments arising on the acquisition date were the same.

- a. The major classes of consideration transferred at fair value on the acquisition date were as follows:

Cash	<u>\$ 277,190</u>
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Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

- b. Details of the identifiable net assets acquired and liabilities assumed are as follows:

Current assets	
Cash and Cash Equivalents	\$ 43,058
Accounts receivable	13,897
Inventories	13,318
Other current assets	<u>1,880</u>
Total current assets	<u>72,153</u>
Non-current assets	
Investments accounted for using equity method	680
Property, plant and equipment (Note 6(6))	3,847
Right-of-use assets (Note 6(7))	11,647
Other non-current assets	<u>28,834</u>
Total non-current assets	<u>45,008</u>
Total liabilities and equity	<u>\$ 117,161</u>
Current liabilities	
Contract liabilities - current	\$ 53,994
Notes and accounts payable	771
Other payables	9,292
Current income tax liabilities	181
Lease liabilities - current	<u>7,614</u>
Total current liabilities	<u>71,852</u>
Non-current liabilities	
Provisions - non-current	2,040
Deferred income tax liabilities	712
Lease liabilities - non-current	<u>4,577</u>
Total non-current liabilities	<u>7,329</u>
Total liabilities	<u>\$ 79,181</u>
Fair value of identifiable net assets	<u>\$ 37,980</u>

The Group will continue to review the above matters during the measurement period. If new information is obtained within one year from the acquisition date regarding facts and circumstances that existed as of the acquisition date and identifies adjustments to the above provisional amounts or any additional liabilities that existed as of the acquisition date, the accounting for the acquisition will be revised.

- c. Goodwill

Goodwill arising from the acquisition was as follows:

Consideration transferred	\$ 277,190
Add: Non-controlling interests	10,471
Less: Fair value of identifiable net assets	<u>(37,980)</u>
Goodwill	<u>\$ 249,681</u>

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

(6) Property, plant and equipment (PP&E)

Reconciliation of the carrying amount of the Group's PP&E by class of underlying asset is as follows:

	Land	Buildings and structures	Machinery equipment	R&D equipment	Other equipment	Total
Cost:						
Balance on January 1, 2026	\$ 366,191	361,507	25,044	11,544	90,605	854,891
Acquired through business combinations (see Note 6(5))	-	-	-	-	44,929	44,929
Additions	-	-	-	-	3,807	3,807
Disposal	-	-	(3,224)	(111)	(538)	(3,873)
Exchange differences	-	-	19	83	(614)	(512)
Balance, June 30, 2026	\$ 366,191	361,507	21,839	11,516	138,189	899,242
Balance, January 1, 2025	\$ 366,191	361,507	24,025	17,435	88,422	857,580
Additions	-	-	110	1,035	2,592	3,737
Disposal	-	-	-	(3,479)	(2,740)	(6,219)
Exchange differences	-	-	(77)	(172)	(730)	(979)
Balance, June 30, 2025	\$ 366,191	361,507	24,058	14,819	87,544	854,119
Accumulated Depreciation:						
Balance on January 1, 2026	\$ -	27,034	14,046	5,845	41,816	88,741
Acquired through business combinations (see Note 6(5))	-	-	-	-	41,082	41,082
Depreciation	-	4,697	2,673	857	6,463	14,690
Disposal	-	-	(3,224)	(111)	(538)	(3,873)
Exchange differences	-	-	37	80	(494)	(377)
Balance, June 30, 2026	\$ -	31,731	13,532	6,671	88,329	140,263
Balance, January 1, 2025	\$ -	17,638	10,902	10,531	33,742	72,813
Depreciation	-	4,698	2,790	1,313	5,909	14,710
Disposal	-	-	-	(3,479)	(2,562)	(6,041)
Exchange differences	-	-	(82)	(164)	(474)	(720)
Balance, June 30, 2025	\$ -	22,336	13,610	8,201	36,615	80,762
Carrying Amount, net:						
January 1, 2026	\$ 366,191	334,473	10,998	5,699	48,789	766,150
June 30, 2026	\$ 366,191	329,776	8,307	4,845	49,860	758,979
June 30, 2025	\$ 366,191	339,171	10,448	6,618	50,929	773,357

As of June 30, 2026, December 31, 2025 and June 30, 2025, details of the Group's property, plant and equipment pledged as collateral for long-term borrowings and credit facilities are provided in Note 8.

(7) Right-of-use assets

Reconciliation of the carrying amount of the Group's right-of-use assets by class of underlying asset is as follows:

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

		Land	Buildings and structures	Machinery equipment	Transportation equipment	Total
Cost:						
Balance on January 1, 2026	\$	337,533	426,842	154	9,154	773,683
Acquired through business combinations (see Note 6(5))		-	14,712	-	-	14,712
Additions		-	19,938	-	852	20,790
Modifications		-	(14,717)	-	(3,235)	(17,952)
Exchange differences		-	603	(2)	(38)	563
Balance, June 30, 2026	\$	337,533	447,378	152	6,733	791,796
Balance, January 1, 2025	\$	337,533	423,762	141	7,373	768,809
Additions		-	15,220	-	4,820	20,040
Modifications		-	(2,653)	-	(2,337)	(4,990)
Exchange differences		-	(4,520)	1	10	(4,509)
Balance, June 30, 2025	\$	337,533	431,809	142	9,866	779,350
Accumulated depreciation:						
Balance on January 1, 2026	\$	-	87,915	40	4,301	92,256
Acquired through business combinations (see Note 6(5))		-	3,065	-	-	3,065
Depreciation		-	24,127	77	1,222	25,426
Modifications		-	(14,717)	-	(3,235)	(17,952)
Exchange differences		-	284	(3)	(14)	267
Balance, June 30, 2026	\$	-	100,674	114	2,274	103,062
Balance, January 1, 2025	\$	-	48,963	35	5,304	54,302
Depreciation		-	24,579	72	1,213	25,864
Modifications		-	(2,653)	-	(1,475)	(4,128)
Exchange differences		-	(1,646)	(1)	24	(1,623)
Balance, June 30, 2025	\$	-	69,243	106	5,066	74,415
Carrying Amount, net:						
January 1, 2026	\$	337,533	338,927	114	4,853	681,427
June 30, 2026	\$	337,533	346,704	38	4,459	688,734
June 30, 2025	\$	337,533	362,566	36	4,800	704,935

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

(8) Intangible assets

	Goodwill	Computer software and other intangible assets	Total
Cost:			
Balance on January 1, 2026	\$ 333,347	49,217	382,564
Purchase	-	2,770	2,770
Acquired through business combinations (see Note 6(5))	249,681	-	249,681
Disposal	-	(377)	(377)
Exchange differences	(447)	(95)	(542)
Balance, June 30, 2026	<u>\$ 582,581</u>	<u>51,515</u>	<u>634,096</u>
Balance, January 1, 2025	\$ 331,326	50,650	381,976
Purchase	-	270	270
Prepayments for equipment	-	338	338
Disposal	-	(5,000)	(5,000)
Exchange differences	154	(118)	36
Balance, June 30, 2025	<u>\$ 331,480</u>	<u>46,140</u>	<u>377,620</u>
Accumulated amortization and impairment:			
Balance on January 1, 2026	\$ 812	42,200	43,012
Amortization in the period	-	1,974	1,974
Disposal	-	(377)	(377)
Exchange differences	-	(84)	(84)
Balance, June 30, 2026	<u>\$ 812</u>	<u>43,713</u>	<u>44,525</u>
Balance, January 1, 2025	\$ 812	43,138	43,950
Amortization in the period	-	3,255	3,255
Disposal	-	(5,000)	(5,000)
Exchange differences	-	(94)	(94)
Balance, June 30, 2025	<u>\$ 812</u>	<u>41,299</u>	<u>42,111</u>
Carrying Amount, net:			
January 1, 2026	<u>\$ 332,535</u>	<u>7,017</u>	<u>339,552</u>
June 30, 2026	<u>\$ 581,769</u>	<u>7,802</u>	<u>589,571</u>
June 30, 2025	<u>\$ 330,668</u>	<u>4,841</u>	<u>335,509</u>

(9) Short-term borrowings

Details of short-term borrowings are as follows:

	2026.6.30	2025.12.31	2025.6.30
Unsecured bank borrowings	<u>\$ 966,273</u>	<u>194,012</u>	<u>82,225</u>
Unused credit facility	<u>\$ 2,122,617</u>	<u>2,545,692</u>	<u>2,332,471</u>
Interest rate range	<u>1.79%~7.794%</u>	<u>0.9323%~7.794%</u>	<u>1.933%~8.977%</u>

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

a. Issuance and repayment of borrowings

For the six months ended June 30, 2026 and 2025, the Group obtained short-term borrowings amounting to NT\$1,462,870 thousand and NT\$173,716 thousand, respectively, bearing interest rates ranging from 1.79% to 7.794% and 1.93% to 8.977%, respectively, with maturities in August 2026 and August 2025. Repayments made during the respective periods from January 1 to June 30, 2026 and 2025 amounted to NT\$690,000 thousand and NT\$250,000 thousand. Please refer to Note 6(18) for details on interest expenses.

b. Collateral for bank borrowings

As of June 30, 2026, December 31, 2025 and June 30, 2025, none of the Group's assets had been pledged as collateral for bank borrowings.

(10) Long-term borrowings

	<u>2026.6.30</u>	<u>2025.12.31</u>	<u>2025.6.30</u>
Secured bank borrowings	\$ 216,782	219,920	220,617
Less: Current portion of long-term borrowings	<u>(11,310)</u>	<u>(8,762)</u>	<u>(3,835)</u>
Non-current portion of long-term borrowings	<u>\$ 205,472</u>	<u>211,158</u>	<u>216,782</u>
Unused credit facility	<u>\$ -</u>	<u>-</u>	<u>-</u>
Interest rate range	<u>2.118%~2.175%</u>	<u>2.118%~2.122%</u>	<u>2.118%~2.122%</u>

a. Issuance and repayment of borrowings

The Group did not obtain any significant new long-term borrowings during the periods from January 1 to June 30, 2026 and 2025. Repayments made during the respective periods from January 1 to June 30, 2026 and 2025 amounted to NT\$3,138 thousand and NT\$50,690 thousand. Please refer to Note 6(18) for details on interest expenses.

b. Collateral for bank borrowings

As of June 30, 2026, December 31, 2025 and June 30, 2025, details of the Group's assets pledged as collateral for bank borrowings are provided in Note 8.

(11) Lease liabilities

Lease liabilities of the Group are classified as follows:

	<u>2026.6.30</u>	<u>2025.12.31</u>	<u>2025.6.30</u>
Current	<u>\$ 43,093</u>	<u>34,337</u>	<u>39,492</u>
Non-current	<u>\$ 478,046</u>	<u>475,798</u>	<u>491,516</u>

Please refer to Note 6(19), "Financial Instruments," for the maturity analysis.

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

Lease-related expenses recognized in profit or loss, including:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest expenses on lease liabilities	<u>\$ 3,041</u>	<u>2,815</u>	<u>5,808</u>	<u>5,686</u>
Expenses relating to short-term leases	<u>\$ 1,941</u>	<u>2,116</u>	<u>4,238</u>	<u>2,975</u>
Expenses relating to leases of low-value assets	<u>\$ 21</u>	<u>33</u>	<u>56</u>	<u>58</u>
Loss on lease modification	<u>\$ -</u>	<u>(520)</u>	<u>-</u>	<u>(520)</u>

The amounts recognized in the statements of cash flows are:

	For the six months ended June 30	
	2026	2025
Total cash outflow of lease	<u>\$ 32,387</u>	<u>32,171</u>

a. Lease of buildings and structures

The Group leases buildings and structures to be used as its operating premises. Lease terms typically range from one to six years. Some leases include extension options upon expiration, for periods identical to the original lease term.

Payments for certain leases depend on changes in a local price index. Additionally, some lease contracts require the Group to pay taxes and insurance related to the leased properties on behalf of the lessor. These payments generally occur on a monthly basis.

Certain lease contracts for equipment contain options to extend or terminate the leases. These contracts are managed locally, resulting in differing terms and conditions across the Group. These options are exercisable exclusively by the Group, with no enforceable rights given to the lessors. When it is not reasonably certain that the Group will exercise extension options, lease payments associated with the option periods are not included in lease liabilities.

b. Other leases

The Group leases machinery and transportation equipment with lease terms ranging from one to five years. Some leases include purchase options at the end of the lease term. Other leases include arrangements whereby the Group provides residual value guarantees for the leased assets upon lease expiration.

In addition, the Group leases certain machinery and equipment for one to five years. These leases comprise short-term leases and leases of low-value assets. For these leases,

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
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the Group has elected to apply the recognition exemption, choosing not to recognize right-of-use assets or lease liabilities.

(12) Employee benefits

The Group's pension expenses under the defined contribution pension plans are as follows, with a portion thereof having been contributed to accounts designated by the local government.

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Cost of sales	\$ 1,119	1,306	2,242	2,674
Selling and marketing expenses	722	602	1,207	1,207
General and administrative expenses	865	706	1,594	1,423
Research and development expenses	1,931	1,892	3,592	3,830
	\$ 4,637	4,506	8,635	9,134

(13) Income tax

a. Income tax expense

The details of the income tax expense of the Group are as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Current income tax expenses	\$ 31,733	20,690	70,277	49,374
Deferred income tax benefit	35	(3,737)	(439)	(8,639)
Income tax expense	\$ 31,768	16,953	69,838	40,735

b. Tax return filing

As of June 30, 2026, the most recent tax year assessed for the Company and its subsidiary, HAWKEYE, was 2024 and no significant adjustments were required.

(14) Capital and other equity

Except as otherwise disclosed below, there were no significant changes in the Company's capital and other equity for the six months ended June 30, 2026 and 2025. For related information, please refer to Note 6(12) of the 2025 consolidated financial statements.

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a. Capital surplus

The component of the Company's capital surplus consists of the following:

	<u>2026.6.30</u>	<u>2025.12.31</u>	<u>2025.6.30</u>
Share premium	\$ 1,418,377	1,418,377	1,418,377
Treasury share transactions	22,792	22,792	22,792
Expired stock options	4,027	4,027	4,027
	<u>\$ 1,445,196</u>	<u>1,445,196</u>	<u>1,445,196</u>

The Company may distribute its realized capital surplus, including share premium and donated capital, as stock dividends or cash after offsetting any accumulated deficits, in accordance with the "Company Act." Pursuant to the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers," the capital surplus that may be capitalized each year shall not exceed 10% of the paid-in capital.

b. Earnings distribution and reserves

In accordance with the Company's Articles of Incorporation, if there is net profit after tax for the fiscal year, it shall first be used to offset accumulated deficits. Subsequently, 10% shall be appropriated to the legal reserve in accordance with regulations, unless the accumulated legal reserve has reached the total paid-in capital of the Company, in which case further allocations are not required. The Company shall then appropriate or reverse special reserves in accordance with laws or regulatory requirements. Any remaining earnings, along with undistributed earnings at the beginning of the period, shall be proposed by the Board of Directors as an earnings distribution plan for resolution at the shareholders' meeting.

When distributing dividends and bonuses, or when distributing the legal reserve and capital surplus under Article 241, Paragraph 1 of the Company Act, if such distributions are in cash, they must be approved by a majority of the directors present at a Board meeting attended by at least two-thirds of all directors, in accordance with Article 240, Paragraph 5 of the Company Act, and subsequently reported to the shareholders' meeting.

The Company's dividends may be distributed in cash or stock. The distribution amount shall be no less than 10% of the current year's net profit after tax, and the cash dividend portion shall be no less than 10% of total dividends. Since the Company is in its growth phase, the type and ratio of dividend distributions shall be determined by the Board of Directors based on operational conditions, future capital needs, and long-term strategic planning. The Board will propose a distribution plan that balances shareholder interests, dividend policy, and capital planning, subject to approval at the shareholders' meeting.

(a) Dividend distribution

On March 4, 2026, and March 5, 2025, the Board of Directors approved the cash

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

dividend distribution plans for fiscal years 2025 and 2024, respectively. The approved cash dividends distributed to common shareholders are as follows, and related information is available on the Market Observation Post System (MOPS).

	2025		2024	
	Dividends Per Share (NT\$)	Amount	Dividends Per Share (NT\$)	Amount
Dividends distributed to common shareholders:				
Cash	\$ 2.80	<u>205,376</u>	2.90	<u>212,711</u>

c. Other components of equity (net of tax) and non-controlling interests

	Foreign currency translation reserve	FVOCI reserve for financial assets	Non- controlling interests	Total
January 1, 2026	\$ (41,428)	(42,592)	128,738	44,718
Net profit attributable to non-controlling interests	-	-	75	75
Fair value changes in financial assets at FVOCI	-	(1,255)	(815)	(2,070)
Exchange differences on translation of foreign operations	1,205	-	(1,947)	(742)
Increase in non-controlling interests	-	-	10,471	10,471
June 30, 2026	<u>\$ (40,223)</u>	<u>(43,847)</u>	<u>136,522</u>	<u>52,452</u>
January 1, 2025	\$ (31,274)	(29,953)	159,732	98,505
Net loss attributable to non-controlling interests	-	-	(3,601)	(3,601)
Fair value changes in financial assets at FVOCI	-	(9,372)	(6,083)	(15,455)
Exchange differences on translation of foreign operations	(23,828)	-	(2,461)	(26,289)
Disposal of equity investments measured at FVOCI	-	1,875	-	1,875
June 30, 2025	<u>\$ (55,102)</u>	<u>(37,450)</u>	<u>147,587</u>	<u>55,035</u>

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

(15) Earnings per Share

The calculation of basic and diluted earnings per share is as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Basic earnings per share:				
Net profit attributable to owners of ordinary shares of the Company	<u>\$ 113,849</u>	<u>54,995</u>	<u>212,871</u>	<u>135,691</u>
Weighted average number of ordinary shares outstanding (in thousands)	<u>73,348</u>	<u>73,348</u>	<u>73,348</u>	<u>73,348</u>
Basic earnings per share (NT\$)	<u>\$ 1.55</u>	<u>0.75</u>	<u>2.90</u>	<u>1.85</u>
Diluted earnings per share:				
Net profit attributable to owners of ordinary shares of the Company	<u>\$ 113,849</u>	<u>54,995</u>	<u>212,871</u>	<u>135,691</u>
Weighted average number of ordinary shares outstanding (basic) (in thousands)	73,348	73,348	73,348	73,348
Effect of dilutive potential ordinary shares (in thousands):				
Employee share-based compensation	<u>89</u>	<u>21</u>	<u>142</u>	<u>97</u>
Weighted average number of ordinary shares outstanding (diluted) (in thousands)	<u>73,437</u>	<u>73,369</u>	<u>73,490</u>	<u>73,445</u>
Diluted earnings per share (NT\$)	<u>\$ 1.55</u>	<u>0.75</u>	<u>2.90</u>	<u>1.85</u>

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

(16) Revenue from contracts with customers

a. Disaggregation of Revenue from Contracts with Customers

For the three months ended June 30, 2026				
	Taiwan Segments	PRC Segments	Others	Total
Disaggregation of revenue by geographical region:				
Taiwan	\$ 56,393	-	57	56,450
Asia	508,529	16,660	201,914	727,103
America	257,450	-	47,190	304,640
Europe	197,228	-	21,971	219,199
Australia	2,522	-	22,291	24,813
Africa	-	-	1,116	1,116
	\$ 1,022,122	16,660	294,539	1,333,321
Disaggregation of revenue by major product lines:				
Network appliances	\$ 595,624	14,695	194,820	805,139
Motherboards	27,059	-	1,458	28,517
Others	399,439	1,965	98,261	499,665
	\$ 1,022,122	16,660	294,539	1,333,321

For the three months ended June 30, 2025				
	Taiwan Segments	PRC Segments	Others	Total
Disaggregation of revenue by geographical region:				
Taiwan	\$ 112,401	-	1,952	114,353
Asia	453,281	13,710	106,201	573,192
America	207,330	-	33,741	241,071
Europe	129,978	-	2,952	132,930
Africa	-	-	4	4
	\$ 902,990	13,710	144,850	1,061,550
Disaggregation of revenue by major product lines:				
Network appliances	\$ 730,496	8,692	106,059	845,247
Motherboards	38,099	98	1,002	39,199
Others	134,395	4,920	37,789	177,104
	\$ 902,990	13,710	144,850	1,061,550

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
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For the six months ended June 30, 2026				
	Taiwan Segments	PRC Segments	Others	Total
Disaggregation of revenue by geographical region:				
Taiwan	\$ 161,197	-	57	161,254
Asia	848,801	33,961	302,168	1,184,930
America	495,690	-	155,909	651,599
Europe	332,921	-	31,336	364,257
Australia	5,006	-	22,891	27,897
Africa	-	-	1,116	1,116
	\$ 1,843,615	33,961	513,477	2,391,053

For the six months ended June 30, 2026				
	Taiwan Segments	PRC Segments	Others	Total
Disaggregation of revenue by major product lines:				
Network appliances	\$ 1,306,594	27,326	291,296	1,625,216
Motherboards	45,593	5	1,629	47,227
Others	491,428	6,630	220,552	718,610
	\$ 1,843,615	33,961	513,477	2,391,053

For the six months ended June 30, 2025				
	Taiwan Segments	PRC Segments	Others	Total
Disaggregation of revenue by geographical region:				
Taiwan	\$ 243,867	-	1,952	245,819
Asia	910,553	40,019	187,758	1,138,330
America	437,100	-	105,747	542,847
Europe	231,503	-	9,202	240,705
Australia	1,927	-	-	1,927
Africa	-	-	819	819
	\$ 1,824,950	40,019	305,478	2,170,447
Disaggregation of revenue by major product lines:				
Network appliances	\$ 1,443,080	29,066	235,781	1,707,927
Motherboards	66,855	113	2,162	69,130
Others	315,015	10,840	67,535	393,390
	\$ 1,824,950	40,019	305,478	2,170,447

b. Contract balance

2026.6.30	2025.12.31	2025.6.30
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Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

Notes and accounts receivable	\$	737,808	859,682	679,223
Less: Loss allowance		(8,967)	(7,491)	(7,145)
Total	\$	728,841	852,191	672,078

Please refer to 6(2) for accounts receivable and ECL analysis.

(17) Employee compensation and Directors' remuneration

Pursuant to the amended Articles, if the Company has profit for the year—defined as profit before tax and before deducting employee compensation and director remuneration, it shall allocate 2% to 15% of such profit as employees' compensation, of which not less than 20% of the actual amount allocated shall be distributed to non-managerial employees, and not more than 2% as directors' remuneration. If the Company has accumulated deficits, such deficits shall be offset prior to the appropriation. Employees' compensation may be distributed in the form of stock or cash, and the recipients may include employees of subsidiaries meeting certain criteria. Directors' remuneration shall be distributed in cash only.

For the periods from April 1 to June 30, 2026 and 2025 and from January 1 to June 30, 2026 and 2025, employee and directors' compensation was estimated based on the Company's profit before tax for the respective periods before deducting employee and directors' compensation, multiplied by the allocation percentages for employee and directors' compensation prescribed in the Company's Articles of Incorporation, and was reported as operating costs or operating expenses for the respective periods. If there is any difference between the actual amounts approved in the following year and the previously estimated amounts, such difference is accounted for as a change in accounting estimate and recognized in the following year's profit or loss.

The aforementioned estimated expenses were as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Employee compensation	\$ 3,500	1,900	7,100	5,500
Director remuneration	1,300	600	2,700	2,000
	\$ 4,800	2,500	9,800	7,500

The actual amounts of employee compensation and directors' remuneration for 2025 and 2024 are as follows, and are consistent with the actual distribution. Related information is available on the Market Observation Post System (MOPS).

	2025	2024
Employee compensation	\$ 12,500	13,800
Director remuneration	4,800	5,280
	\$ 17,300	19,080

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
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(18) Non-operating income and expenses

a. Interest income

Interest income consists of the following items:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Interest income from bank deposits	\$ 2,027	2,091	3,685	3,816
Interest income from financial assets measured at amortized cost	135	1,037	532	1,702
Others	15	7	39	15
Total interest income	<u>\$ 2,177</u>	<u>3,135</u>	<u>4,256</u>	<u>5,533</u>

b. Other income

Other income consists of the following items:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Non-recurring engineering, freight, and insurance income	\$ 4,660	8,955	11,387	8,955
Government grants for R&D activities	50	1,081	50	1,081
Others	1,863	2,313	5,832	5,506
Other income	<u>\$ 6,573</u>	<u>12,349</u>	<u>17,269</u>	<u>15,542</u>

c. Other gains and losses

Other gains and losses consist of the following items:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Gain on disposal and retirement of property, plant and equipment	\$ -	396	-	396
Loss on lease modification	-	(520)	-	(520)
Gain (loss) on foreign currency exchange	3,646	(32,938)	3,610	(28,844)
Losses on financial assets (liabilities) at FVTPL	(15)	(1,161)	(4,253)	(2,785)
Others	-	(22)	-	(32)
Other gains and losses, net	<u>\$ 3,631</u>	<u>(34,245)</u>	<u>(643)</u>	<u>(31,785)</u>

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
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d. Finance costs

Financial costs consist of the following items:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Interest expense from bank borrowings	\$ (4,626)	(2,043)	(7,030)	(4,196)
Lease liabilities	(3,041)	(2,815)	(5,808)	(5,686)
Total financial costs	<u>\$ (7,667)</u>	<u>(4,858)</u>	<u>(12,838)</u>	<u>(9,882)</u>

(19) Financial instruments

a. Credit risks

(a) Maximum exposure to credit risk

The carrying amount of financial assets represents the maximum credit risk exposure amount.

(b) Concentration of credit risks

The Group's credit risk primarily arises from notes and accounts receivable derived from sales to customers. To mitigate credit risk, the Group continuously assesses the financial position of customers and, when necessary, requests guarantees or collateral. The Group continues to assess the recoverability of accounts receivable on a regular basis and recognizes an allowance for ECL accordingly. The impairment losses recognized to date have remained within management's expectations. As of June 30, 2026, December 31, 2025, and June 30, 2025, 38.51%, 53.37%, and 58.25% of the Group's accounts receivable were attributable to three major customers, respectively, indicating a significant concentration of credit risk.

(c) Credit risk of receivables

Please refer to Note 6(2) for credit risk exposure related to notes and accounts receivable. Loss allowances for notes and accounts receivable are measured at lifetime ECL under the simplified approach. The Other financial assets measured at amortized cost mainly include other receivables and long-term certificates of deposit.

These financial assets are considered to have low credit risk; therefore, the loss allowance was measured based on 12-month ECL. For the Group's assessment of low credit risk, please refer to Note 4(7) of the Group's 2025 consolidated financial statements. No loss allowance was recognized for other receivables for the six months ended June 30, 2026 and 2025.

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b. Liquidity risks

The following table shows the contractual maturity of financial liabilities, including impact of estimated interest.

	Carrying amount	Total contractual cash flows	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
June 30, 2026							
Non-derivative financial liabilities							
Bank borrowings	\$ 1,183,055	1,229,369	934,457	53,039	17,757	47,762	176,354
Accounts payable (including related parties)	739,549	739,549	739,549	-	-	-	-
Other payables (including related parties)	344,232	344,232	344,232	-	-	-	-
Lease liabilities (including those due within one year)	521,139	529,611	26,161	21,890	465,557	16,003	-
Total	\$ 2,787,975	2,842,761	2,044,399	74,929	483,314	63,765	176,354
December 31, 2025							
Non-derivative financial liabilities							
Bank borrowings	\$ 413,932	459,785	194,112	15,840	17,757	47,762	184,314
Accounts payable (including related parties)	929,998	929,998	929,998	-	-	-	-
Other payables (including related parties)	140,688	140,688	140,688	-	-	-	-
Lease liabilities (including those due within one year)	510,135	529,404	22,841	21,173	29,242	456,148	-
Total	\$ 1,994,753	2,059,875	1,287,639	37,013	46,999	503,910	184,314
June 30, 2025							
Non-derivative financial liabilities							
Bank borrowings	\$ 302,842	349,839	65,536	26,438	17,762	47,762	193,341
Accounts payable (including related parties)	549,213	549,213	549,213	-	-	-	-
Other payables (including related parties)	322,716	322,716	322,716	-	-	-	-
Lease liabilities (including those due within one year)	531,008	555,639	27,237	22,510	36,595	469,297	-
Total	\$ 1,705,779	1,777,407	964,702	48,948	54,357	517,059	193,341

The Group does not expect the timing of the cash flows included in the maturity analysis to occur significantly earlier, nor the actual cash outflows to differ significantly in amount.

c. Currency risk

(a) Exposure to currency risk

The Group is exposed to significant currency risk arising from financial assets and liabilities denominated in foreign currencies. The details as of the reporting periods are as follows:

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2026.6.30				
	Foreign currency		Exchange rate	NTD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$	22,336	USD/NTD=	31.850
JPY		167	JPY/NTD=	0.1963
				711,402
				33
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD		15,804	USD/NTD=	31.850
				503,357
2025.12.31				
	Foreign currency		Exchange rate	NTD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$	30,749	USD/NTD=	31.430
JPY		405	JPY/NTD=	0.2008
				966,441
				81
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD		22,619	USD/NTD=	31.430
				710,915
2025.6.30				
	Foreign currency		Exchange rate	NTD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$	23,469	USD/NTD=	29.300
JPY		69,891	JPY/NTD=	0.2034
				687,642
				14,216
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD		12,078	USD/NTD=	29.300
				353,885

(b) Currency risk sensitivity analysis

The Group's currency risk primarily arises from cash and cash equivalents, accounts receivable, other receivables, accounts payable, and other payables denominated in foreign currencies, which may result in exchange differences upon translation. As of June 30, 2026 and 2025, if the New Taiwan Dollar had depreciated or appreciated by 10% against the US Dollar and the Japanese Yen, with all other factors remaining constant, the Group's net profit for the six months ended June 30, 2026 and 2025 would have increased or decreased by NT\$16,646 thousand and NT\$27,838 thousand, respectively. The analysis was performed on the same basis for both periods.

(c) Exchange differences on foreign currency monetary items

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
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Due to the variety of functional currencies used within the Group, information on exchange differences arising from monetary items is disclosed on an aggregated basis. The exchange differences on foreign currency monetary items (including both realized and unrealized amounts) amounted to gains of NT\$3,610 thousand and loss of NT\$28,844 thousand for the six months ended June 30, 2026 and 2025, respectively.

(d) Interest rate risk sensitivity analysis

The Group's exposure to interest rate risk on financial assets and liabilities is described in the liquidity risk section of this note.

The following sensitivity analysis is based on the Group's exposure to interest rate risk from both derivative and non-derivative financial instruments as of the reporting date. For floating rate liabilities, the analysis assumes that the amount of liability outstanding at the reporting date remained constant throughout the year. The sensitivity analysis is based on a reasonably possible change in interest rates, as estimated by management, using a rate fluctuation of $\pm 1\%$, which reflects the rate used in internal reporting to key management.

Assuming a 1% increase or decrease in interest rates, with all other variables held constant, the Group's net profit for the six months ended June 30, 2026 and 2025 would have decreased (or increased) by NT\$9,464 thousand and increased by NT\$2,423 thousand, respectively.

d. Other price risk sensitivity analysis

The effects of changes in the prices of equity securities at the reporting date on the items of comprehensive income are as follows (the analyses for the two periods are based on the same assumptions and assume that all other variables remain unchanged):

	For the six months ended June 30			
	2026		2025	
	OCI, net of tax	Profit or loss	OCI, net of tax	Profit or loss
Equity price at reporting date				
Increase by 1%	<u>\$ 496</u>	<u>474</u>	<u>602</u>	<u>384</u>
Decrease by 1%	<u>\$ (496)</u>	<u>(474)</u>	<u>(602)</u>	<u>(384)</u>

e. Information on fair value

(a) Categories and fair value of financial instruments

The Group measures financial assets and liabilities at FVTPL and financial assets at FVOCI on a recurring basis using fair value measurement techniques. The carrying amounts and fair values of various types of financial assets and financial liabilities (including fair value hierarchy information, but excluding those financial

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
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instruments not measured at fair value where the carrying amount is a reasonable approximation of fair value, and lease liabilities, for which fair value disclosures are not required by regulations) are presented as follows:

	2026.6.30				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL					
Financial assets at FVTPL	\$ 47,369	-	-	47,369	47,369
Financial assets at FVOCI					
Foreign listed equity securities	\$ 1,808	1,808	-	-	1,808
Unquoted equity instruments measured at fair value	47,824	-	-	47,824	47,824
Total	\$ 49,632	1,808	-	47,824	49,632
Financial assets at amortized cost					
Cash and Cash Equivalents	\$ 451,807	-	-	-	-
Financial assets at amortized cost	64,548	-	-	-	-
Notes and accounts receivable, net (including related parties)	728,841	-	-	-	-
Other receivables (including related parties)	137,466	-	-	-	-
Other current assets	1,000	-	-	-	-
Refundable deposit	14,160	-	-	-	-
Total	\$ 1,397,822	-	-	-	-
Financial liabilities at amortized cost					
Bank borrowings	\$ 1,183,055	-	-	-	-
Accounts payable (including related parties)	739,549	-	-	-	-
Other payables (including related parties)	344,232	-	-	-	-
Lease liabilities (including those due within one year)	521,139	-	-	-	-
Total	\$ 2,787,975	-	-	-	-

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
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	2025.12.31				
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL					
Financial assets at FVTPL	<u>\$ 51,622</u>	-	-	51,622	<u>51,622</u>
Financial assets at FVOCI					
Foreign listed equity securities	\$ 3,878	3,878	-	-	3,878
Unquoted equity instruments measured at fair value	<u>47,824</u>	-	-	47,824	<u>47,824</u>
Total	<u>\$ 51,702</u>	<u>3,878</u>	-	<u>47,824</u>	<u>51,702</u>
Financial assets at amortized cost					
Cash and Cash Equivalents	\$ 455,388	-	-	-	-
Financial assets at amortized cost	69,339	-	-	-	-
Notes and accounts receivable, net (including related parties)	852,191	-	-	-	-
Other receivables (including related parties)	134,668	-	-	-	-
Other current assets	1,000	-	-	-	-
Refundable deposit	<u>11,372</u>	-	-	-	-
Total	<u>\$ 1,523,958</u>	-	-	-	-
Financial liabilities at amortized cost					
Bank borrowings	\$ 413,932	-	-	-	-
Accounts payable (including related parties)	929,998	-	-	-	-
Other payables (including related parties)	140,688	-	-	-	-
Lease liabilities (including those due within one year)	<u>510,135</u>	-	-	-	-
Total	<u>\$ 1,994,753</u>	-	-	-	-

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

	2025.6.30				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL					
Financial assets at FVTPL	\$ 38,433	-	-	38,433	38,433
Financial assets at FVOCI					
Foreign listed equity securities	\$ 12,356	12,356	-	-	12,356
Unquoted equity instruments measured at fair value	47,824	-	-	47,824	47,824
Total	\$ 60,180	12,356	-	47,824	60,180
Financial assets at amortized cost					
Cash and Cash Equivalents	\$ 533,944	-	-	-	-
Financial assets at amortized cost	62,904	-	-	-	-
Notes and accounts receivable, net (including related parties)	672,078	-	-	-	-
Other receivables (including related parties)	62,488	-	-	-	-
Other current assets	1,000	-	-	-	-
Refundable deposit	10,391	-	-	-	-
Total	\$ 1,342,805	-	-	-	-
		2025.6.30			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost					
Bank borrowings	\$ 302,842	-	-	-	-
Accounts payable (including related parties)	549,213	-	-	-	-
Other payables (including related parties)	322,716	-	-	-	-
Lease liabilities (including those due within one year)	531,008	-	-	-	-
Total	\$ 1,705,779	-	-	-	-

(b) Valuation techniques of financial instruments not measured at fair value

The Group uses the following methods and assumptions to estimate the fair value of financial instruments that are not measured at fair value:

For financial assets and liabilities measured at amortized cost, if quoted prices from recent transactions or market makers are available, those prices are used as the basis for fair value measurement. If no observable market data is available, valuation techniques are applied. Such techniques typically involve estimating the present value of future cash flows using appropriate assumptions.

(c) Valuation techniques of financial instruments measured at fair value

The fair value of financial instruments is determined using valuation techniques or

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

by reference to counterparty quotes. Fair value determined using valuation techniques may be based on the current fair value of financial instruments with similar terms and characteristics, the discounted cash flow method, or other valuation techniques, including the use of valuation models incorporating observable market data available as of the reporting date.

(d) Transfers Between Level 1 and Level 3

There were no transfers during the six months ended June 30, 2026 and 2025.

(e) Quantitative information of fair value of significant unobservable inputs (Level 3)

The Group's financial assets measured at FVTPL that are categorized within Level 3 of the fair value hierarchy include private equity fund investment.

The Group's fair value measurements classified within Level 3 involve a single significant unobservable input. Quantitative information of fair value of significant unobservable inputs is listed as below:

Item	Valuation techniques	Significant unobservable input value	Relationship between unobservable inputs and fair value
Financial assets at FVTPL - private equity fund investment	Net asset value (NAV) method	• Net asset value	The higher the net asset value, the higher the fair value.

(f) Sensitivity analysis of reasonably possible alternative assumptions on fair value measurements in Level 3

The Group's fair value measurements for financial instruments are considered reasonable; however, the use of different valuation models or inputs may result in different fair value measurements. For financial instruments classified within Level 3, changes in valuation inputs would have the following impact on profit or loss for the reporting period:

			Impact on fair value measurement	
	Valuation inputs	Range of inputs	Favorable impact	Unfavorable impact
June 30, 2026				
Financial assets at FVTPL				
Private equity fund investment	\$ 47,369	1%	474	(474)
December 31, 2025				
Financial assets at FVTPL				
Private equity fund investment	51,622	1%	516	(516)
June 30, 2025				
Financial assets at FVTPL				
Private equity fund investment	38,433	1%	384	(384)

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries (continued)

(20) Financial risk management

There were no significant changes in the Group's financial risk management objectives and policies compared to those disclosed in Note 6(18) of the consolidated financial statements for the year ended December 31, 2025.

(21) Capital management

The Group's objectives, policies, and procedures for capital management were consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2025. In addition, there were no significant changes in the quantitative disclosures of items considered as part of capital management. Please refer to 6(19) of the consolidated financial statements for the year ended December 31, 2025 for further details.

7. Related Party Transactions

(1) Names of related parties and relations

The following entities were identified as related parties with which the Group conducted transactions during the reporting period and/or had outstanding balances as of the reporting date:

Name of related party	Relationship with the Group
Hon Hai Precision Industry Co., Ltd.	Entity with significant influence over the parent
Vecow Co., Ltd.	Fellow subsidiary
Victor Plus Holdings Ltd. (Victor Plus)	Fellow subsidiary
Thecus Technology Corp.	Fellow subsidiary
Dexatek Technology Co., Ltd.	Fellow subsidiary
Ennovision Inc.	Fellow subsidiary
ARBOR Technology Corp.	Fellow subsidiary
Renown Information Technology Corp.	Fellow subsidiary
American Industrial Systems Inc.	Fellow subsidiary
FORTUNE BAY TECHNOLOGY PTE. LTD.	Fellow subsidiary
Nera Telecommunications LTD.	Fellow subsidiary
Network Box (Sin) Pte. Ltd.	Associate
RICHARD JAMES STAGG	Director who also serves as a managerial officer of the subsidiary
DAVID WILLIAM WALKER	Director who also serves as a managerial officer of the subsidiary
All directors, general manager and deputy general manager and other major officers in management of the Company	

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

(2) Transaction with Related Party

a. Revenue

The sales amounts to related parties during the reporting periods are as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Fellow subsidiary	\$ 8,303	(455)	14,582	25,301

Sales terms to related parties are generally consistent with those offered to third parties. Credit terms typically range from 60 to 100 days or are settled monthly within 30–90 days. Related parties are not required to provide collateral. No ECL allowance has been recognized after assessment.

b. Purchases

The purchase amounts from related parties are as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Fellow subsidiary	\$ 14,234	7,157	12,835	16,818

The Group's purchase prices and payment terms from the aforementioned related parties (O/A 60–90 days or monthly settlement 30–90 days) were not materially different from those with third-party suppliers.

c. Receivables from related parties

The receivables amount from related parties are as follows:

Account name	Relationship and name of related parties	2026.6.30	2025.12.31	2025.6.30
Accounts receivable	Fellow subsidiary - AIS	\$ 6,889	8,920	53
Accounts receivable	Fellow subsidiary	96	451	89
		\$ 6,985	9,371	142

d. Other Related Party Transactions

Account name	Relationship and name of related parties	For the three months ended June 30		For the six months ended June 30	
		2026	2025	2026	2025
Cost of sales	Fellow subsidiary	\$ -	11	-	43

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

<u>Account name</u>	<u>Relationship and name of related parties</u>	<u>2026.6.30</u>	<u>2025.12.31</u>	<u>2025.6.30</u>
Other current assets	Fellow subsidiary	<u>\$ 8</u>	<u>8</u>	<u>-</u>

e. Payables to related parties

The payables amount to related parties are as follows:

<u>Account name</u>	<u>Relationship and name of related parties</u>	<u>2026.6.30</u>	<u>2025.12.31</u>	<u>2025.6.30</u>
Accounts payable	Fellow subsidiary - Victor Plus	\$ 2,121	249	842
Accounts payable	Fellow subsidiary - Vecow Co., Ltd.	5,797	14,322	-
Accounts payable	Fellow subsidiary - others	1,941	2,346	1,623
Other payables	Fellow subsidiary - Victor Plus	179	45	25
Other payables	Fellow subsidiary - others	-	-	39
		<u>\$ 10,038</u>	<u>16,962</u>	<u>2,529</u>

f. Borrowings from related parties

The amounts of borrowings from related parties by the subsidiary (recorded under other payables) are as follows:

	<u>2026.6.30</u>
Key management personnel of the subsidiary	<u>\$ 3,736</u>

Borrowings from related parties by the subsidiary bear interest at the average interest rates on short-term borrowings obtained by the respective related parties from financial institutions in the year in which the funds were provided, and are all unsecured.

The interest expenses arising from the above borrowings and interest payable (recorded under other payables) are as follows:

<u>Type of related parties</u>	<u>For the three months ended</u>		<u>2026.6.30</u>
	<u>June 30, 2026</u>		<u>Interest payable at the end of the period</u>
	<u>Interest expenses</u>	<u>Interest rate range</u>	
Key management personnel of the subsidiary	<u>\$ 65</u>	7.00%	<u>511</u>

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

(3) Transactions with key management personnel

a. Key management personnel compensation

Key management personnel compensation comprises the following:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Short-term employee benefits	\$ 20,571	14,248	32,568	25,648
Post-employment benefits	304	241	499	481
	\$ 20,875	14,489	33,067	26,129

During January 1 to June 30, 2026 and 2025, the Group provided vehicles for use by key management personnel. The breakdown of the related costs and depreciation expenses recognized is as follows:

	2026.6.30	2025.12.31	2025.6.30
Original acquisition cost	\$ 8,226	8,752	6,023

	For the three months ended		For the six months ended	
	June 30		June 30	
	2026	2025	2026	2025
Depreciation	\$ 312	200	699	415

8. Pledged Assets

The carrying amounts of assets pledged as collateral are as follows:

Asset name	As collateral for	2026.6.30	2025.12.31	2025.6.30
Other current assets	Custom clearance			
(pledged time deposits)	guarantees	\$ 1,000	1,000	1,000
Property, plant and equipment (PP&E)	Long-term borrowings	668,422	671,666	674,911
		\$ 669,422	672,666	675,911

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

9. Significant Contingent Liabilities and Unrecognized Contract Commitments: None.

10. Significant Disaster Loss: None.

11. Significant Subsequent Events: None.

12. Others

(1) The nature of employee benefits, depreciation and amortization expenses categorized by function are as follows:

By functions By nature	For the three months ended June 30					
	2026			2025		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	23,153	93,165	116,318	21,985	71,452	93,437
Labor and health insurance	2,900	7,684	10,584	3,364	8,588	11,952
Pension	1,119	3,518	4,637	1,306	3,200	4,506
Remuneration to directors	-	2,019	2,019	-	1,934	1,934
Others	1,284	2,994	4,278	1,401	3,191	4,592
Depreciation	7,806	13,541	21,347	8,596	11,733	20,329
Amortization	5	947	952	4	1,340	1,344

By functions By nature	For the six months ended June 30					
	2026			2025		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	45,748	157,468	203,216	46,413	147,302	193,715
Labor and health insurance	5,908	15,751	21,659	6,800	17,922	24,722
Pension	2,242	6,393	8,635	2,674	6,460	9,134
Remuneration to directors	-	6,788	6,788	-	4,510	4,510
Others	2,855	5,369	8,224	3,312	5,965	9,277
Depreciation	15,266	24,850	40,116	17,250	23,324	40,574
Amortization	9	1,965	1,974	9	3,246	3,255

(2) Seasonality of operations:

As an ODM supplier of hardware to major global software companies, the Company experiences quarterly fluctuations in demand because its customers operate in markets with

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries (continued)

different seasonal patterns. Demand is particularly affected in the first quarter following the previous year's fourth-quarter peak and in the third quarter during the summer holiday season in Europe. The Company uses order forecasts and inventory management to align supply with demand and mitigate these seasonal effects.

13. Supplementary Disclosures

(1) Information on significant transactions:

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Group shall disclose the following information on significant transactions for the six months ended June 30, 2026:

a. Loans to others:

Unit: NT\$ thousand/USD thousand

Number	Lender	Borrower	Account name	Related party	Maximum balance of the period	Ending balance	Actual amount drawn	Interest rate range	Nature of capital loan (Note 1)	Business transaction amount	Reason for short-term financing	Amount of ECL allowance	Collateral		Limit on loans granted to a single party (Note 2)	Total loan limit (Note 3)
													Name	Value		
0	The Company	APLIGO GMBH	Other receivables - related parties	Yes	46,183 (USD1,450)	46,183 (USD1,450)	46,183 (USD1,450)	5.65%	2	-	Working capital for operation	-	-	-	360,191	720,382

(Note 1):

- The borrower has business transactions with the lender.
- The borrower has short-term financing necessities.

(Note 2):

- The amount of loans to a single entity shall not exceed the total amount of business transactions with the entity in the most recent year.
- The amount of loans to a single entity shall not exceed 10% of the net worth of the Group as stated in the latest financial statements audited or reviewed by independent auditors.

(Note 3): Total amount of loans shall not be more than 20% of the Group's net worth as stated in the latest financial statement audited or reviewed by independent auditors.

(Note 4): The above transactions have been fully eliminated when preparing the consolidated financial statements.

b. Endorsements/guarantees for others: None.

c. Significant marketable securities held at the end of the period (excluding investment in subsidiaries, associates and joint ventures):

Unit: NT\$ thousand/thousand shares

Name of Holder	Type of Securities	Name of Securities	Relationship with Issuer of Securities	Account name	End of Period				Remarks
					Number of Shares	Carrying amount	% of Shareholding	Fair value	
The Company	Fund beneficiary certificates	Zoyi Fund II Investment LP	-	Non-current financial assets at FVTPL	-	47,369	- %	47,369	-
The Company	Ordinary Shares	FiduciaEdge Technologies Co., Ltd.	-	Non-current financial assets at FVOCI	1,600	40,000	10.57 %	40,000	-

d. Purchases from or sales to related parties amounting to NT\$100 million or over 20% of the paid-in capital or more:

Unit: NT\$ thousand

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

Buyer (seller)	Counterparty	Nature of Relationships	Transaction Details				Unusual Transaction Terms and Reasons		Notes and accounts receivable (payable)		Remarks
			Purchases (Sales)	Amount	Ratio to Total Purchase (Sales)	Credit Period	Unit price	Credit Period	Balance	Ratio to Total Notes or Account Receivable (Payable)	
The Company	CASO, INC.	Subsidiary	(Sales)	(149,883)	(7.70) %	O/A 70 days	-	No significant differences.	22,443	4.13%	(Note 1)
CASO, INC.	The Company	Parent company	Purchases	145,000	43.67 %	O/A 70 days	-	No significant differences.	(21,222)	(19.72)%	(Note 1)
The Company	CASWELL AMERICAS, INC.	Subsidiary	(Sales)	(137,866)	(7.08) %	O/A 90 days	-	No significant differences.	58,441	10.76%	(Note 1)
CASWELL AMERICAS, INC.	The Company	Parent company	Purchases	137,876	86.56 %	O/A 90 days	-	No significant differences.	(66,144)	(95.76)%	(Note 1)

(Note 1): The transactions listed on the left have been fully eliminated in preparing the consolidated financial statements.

- e. Receivables from related parties amounting to NT\$100 million or over 20% of paid-up capital: None.
- f. Business relationships and significant intercompany transactions:

Unit: NT\$ thousand

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 3)			
				Account name	Amount	Transaction terms	% of total revenue or assets
0	The Company	APLIGO GMBH	1	Revenue	10,127	Not significantly different.	0.42%
0	The Company	CASO, INC.	1	Revenue	149,883	Not significantly different.	6.27%
0	The Company	CASWELL AMERICAS, INC.	1	Revenue	137,866	Not significantly different.	5.77%
1	CASWELL AMERICAS, INC.	The Company	2	Revenue	21,763	Not significantly different.	0.91%
2	APLIGO GMBH	The Company	2	Revenue	10,050	Not significantly different.	0.42%
3	NBC	NBHK	3	Revenue	21,545	Not significantly different.	0.90%
0	The Company	APLIGO GMBH	1	Accounts receivable	14,746	Not significantly different.	0.21%
0	The Company	CASO, INC.	1	Accounts receivable	22,443	Not significantly different.	0.32%
0	The Company	CASWELL AMERICAS, INC.	1	Accounts receivable	58,441	Not significantly different.	0.84%
0	The Company	CASWELL AMERICAS, INC.	1	Other receivables	7,703	Not significantly different.	0.11%
0	The Company	APLIGO GMBH	1	Other receivables	48,463	Not significantly different.	0.70%

(Note 1): The number is filled as follows:

1. Fill in 0 for parent company
2. Subsidiary are numbered in order starting from 1 by each company.

(Note 2): Relationships with counterparties are listed as follows:

1. The parent company to subsidiaries.
2. Subsidiaries to the parent company.
3. Subsidiaries to subsidiaries.

(Note 3): For business relationships and significant transactions between the Company and its subsidiaries, only information on financing receivables, sales and accounts receivable will be disclosed. Corresponding purchase and accounts payable will not be repeated.

(Note 4): The above transactions have been fully eliminated when preparing the consolidated financial statements.

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries (continued)

(2) Information on investees (excluding investees in mainland China):

The following is information on the consolidated company's equity investments for the period from January 1 to June 30, 2026.

Unit: NT\$ thousand/thousand shares

Name of Investor	Investee name	Region	Main business activities	Initial Investment Amount		Held at the End of Period			Profit and loss of Investee for the Period	Profit (loss) on investment recognized	Remarks
				End of the Period	End of Last Year	Number of Shares	Ratio	Carrying amount (Note 1)			
The Company	CASO, INC.	Japan	Imports and sales of network machines and computer peripherals	27,062	27,062	2	99.00%	174,954	23,185	22,953	Subsidiary (Note 2)
The Company	CASWELL INTERNATIONAL INVESTMENT CO., LTD.	Samoa	Overseas investment	101,135	101,135	3,206	100.00%	86,639	(17,198)	(17,198)	Subsidiary (Note 2)
The Company	CASWELL AMERICAS, INC.	USA	Sales of network appliances	92,460	92,460	3,000	100.00%	70,603	2,320	2,320	Subsidiary (Note 2)
The Company	APLIGO GMBH	Germany	Hub and SI Service	60,275	60,275	24	66.67%	-	(28,369)	(18,980)	Subsidiary (Note 2)
The Company	Hawkeye Tech, Co., Ltd.	Taiwan	Design and manufacturing of computers and network appliances	602,041	602,041	9,097	60.64%	478,732	30,024	18,108	Subsidiary (Note 2)
The Company	Network Box Holdings Limited	Hong Kong	Investment	277,190	-	3,500	70.00%	281,197	6,109	4,276	Subsidiary (Note 2)
Network Box Holdings Limited	Network Box Corporation Limited	Hong Kong	Research, development, sales, and technical support services for information security software and equipment	38,738	-	2,750	100.00%	37,427	10,775	10,775	Subsidiary (Note 2 and 3)
Network Box Holdings Limited	Network Box Hong Kong Limited	Hong Kong	Information security-related services	41	-	10	100.00%	20,856	3,698	3,698	Subsidiary (Note 2 and 3)
Network Box Holdings Limited	Handshake Networking Limited	Hong Kong	Information security-related services	5,076	-	1	51.00%	7,374	(2,346)	(1,197)	Subsidiary (Note 2 and 3)
Network Box Holdings Limited	Network Box (Sin) Pte. Ltd.	Singapore	Information security-related services	6,924	-	1	26.76%	672	(1,325)	(355)	Associate (Note 3)

(Note 1): Including adjustments for foreign currency translation.

(Note 2): The transactions listed on the left have been fully eliminated in preparing the consolidated financial statements.

(Note 3): On April 1, 2026, the Company acquired an interest in NBH, thereby indirectly holding interests in NBC, NBHK, HS, and Network Box (Sin) Pte. Ltd. The amounts disclosed herein are calculated based on the period during which the Company held NBH in 2026.

(3) Information on investments in mainland China:

a. Information on investees in Mainland China

Unit: NT\$ thousand/USD thousand

Investee in mainland China	Main business activities	Paid-in Capital	Way of Investment (Note 1)	Accumulated Amount of Investments Remitted from Taiwan at Beginning of Period (Note 2)	Amount of Investments Remitted or Repatriated for the Period (Note 2)		Accumulated Amount of Investments Remitted from Taiwan at Ending of Period (Note 2)	Profit and loss of Investee for the Period	The Company's Direct or Indirect Shareholding %	Investment Profit (Loss) Recognized for the Period (Note 3)	Carrying amount of Investments at End of Period	Accumulated amount of dividend distributions from investee
					Remitted	Repatriated						
BCW	Manufacturing and sales of network appliances	121,030 (USD3,800)	(2)	99,245 (USD3,116)	-	-	99,245 (USD3,116)	(20,977)	82%	(17,201)	94,897	-

(Note 1): There are three ways of investment:

1. Direct investment in mainland China.
2. Investment in mainland China through a company in another region, this is a direct investment by subsidiary, Caswell International Investment Co., Ltd.
3. Others.

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries (continued)

(Note 2): The exchange rate at end of period is used for foreign currency translation

(Note 3): Investment gains or losses are recognized based on the financial statements reviewed by the parent company's certified public accountant.

(Note 4): The transactions listed on the left have been fully eliminated in preparing the consolidated financial statements.

b. Ceiling on investments in Mainland China

Unit: NT\$ thousand/USD thousand

Accumulated amount of remittance from Taiwan to Mainland China at reporting date	Investment amount approved by Investment Commission of the Ministry of Economic affairs (MOEA)	Ceiling on investment in mainland China as imposed by Investment Commission of MOEA
99,245 (USD3,116)	99,245 (USD3,116)	2,161,145

Exchange rates at end of period: USD: 31.8500

Average exchange rate: USD: 31.6138

c. Significant Transactions:

Please refer to Note 13(1) "Information on significant transactions" for significant transactions during the six months ended June 30, 2026, between the Group and its investees in mainland China (which have been eliminated during the preparation of consolidated financial statements).

14. Segment Information

Information and adjustments of the Group's operating segments are as follows:

	For the three months ended June 30, 2026				
	Taiwan Segments	PRC Segments	Others	Adjustments and elimination	Total
Revenue:					
Revenue from external clients	\$ 1,022,122	16,660	294,539	-	1,333,321
Inter-segment revenue	154,702	-	11,917	(166,619)	-
Total revenue	<u>\$ 1,176,824</u>	<u>16,660</u>	<u>306,456</u>	<u>(166,619)</u>	<u>1,333,321</u>
Profits (losses) of reportable segments	<u>\$ 131,873</u>	<u>(11,181)</u>	<u>4,110</u>	<u>(9,604)</u>	<u>115,198</u>

Notes to Consolidated Financial Statements of CASwell, Inc. and its Subsidiaries
(continued)

For the three months ended June 30, 2025					
	Taiwan Segments	PRC Segments	Others	Adjustments and elimination	Total
Revenue:					
Revenue from external clients	\$ 902,990	13,710	144,850	-	1,061,550
Inter-segment revenue	115,688	-	16,666	(132,354)	-
Total revenue	\$ 1,018,678	13,710	161,516	(132,354)	1,061,550
Profits (losses) of reportable segments	\$ 59,932	(20,591)	(6,733)	16,030	48,638

For the six months ended June 30, 2026					
	Taiwan Segments	PRC Segments	Others	Adjustments and elimination	Total
Revenue:					
Revenue from external clients	\$ 1,843,615	33,961	513,477	-	2,391,053
Inter-segment revenue	302,713	-	31,837	(334,550)	-
Total revenue	\$ 2,146,328	33,961	545,314	(334,550)	2,391,053
Profits (losses) of reportable segments	\$ 242,895	(20,977)	3,248	(12,220)	212,946

For the six months ended June 30, 2025					
	Taiwan Segments	PRC Segments	Others	Adjustments and elimination	Total
Revenue:					
Revenue from external clients	\$ 1,824,950	40,019	305,478	-	2,170,447
Inter-segment revenue	209,675	-	26,747	(236,422)	-
Total revenue	\$ 2,034,625	40,019	332,225	(236,422)	2,170,447
Profits (losses) of reportable segments	\$ 158,638	(32,825)	(9,077)	15,354	132,090