Stock Code:6690

ACER CYBER SECURITY INC. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Six Months Ended June 30, 2026 and 2025

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

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Independent Auditors' Review Report

To the Board of Directors of Acer Cyber Security Inc.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Acer Cyber Security Inc. and its subsidiaries as of June 30, 2026 and 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended June 30, 2026 and 2025, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Acer Cyber Security Inc. and its subsidiaries as of June 30, 2026 and 2025, and their consolidated financial performance and their consolidated cash flows for the six months then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, " Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chao, Min-Ju and Shih, Wei-Ming.

KPMG

Taipei, Taiwan (Republic of China)
July 30, 2026

Notes to Readers

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

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

ACER CYBER SECURITY INC. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollar)

		June 30, 2026		December 31, 2025		June 30, 2025	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 1,353,625	28	$ 894,213	19	$ 1,396,231	30
1140	Contract assets-current (notes 6(s) and 7)	554,152	11	467,549	10	456,976	10
1170	Notes and accounts receivable, net (notes 6(c) and (s))	220,172	5	321,108	6	198,968	4
1180	Accounts receivable fromrelated parties, net (notes 6(c), (s) and 7)	40,346	1	49,889	1	33,793	1
1200	Other receivables (note 6(d))	1,625	-	1,464	-	2,004	-
1470	Prepaid expenses and other current assets	51,980	1	37,907	1	37,078	1
1476	Other Financial assets-current (note 6(a))	339,464	7	780,000	16	190,000	4
	Total current assets	2,561,364	53	2,552,130	53	2,315,050	50
	Non-current assets:						
1517	Financial assets measured at fair value through other Comprehensive income-non-current (note 6(b))	27,639	1	26,174	1	25,208	1
1600	Property, plant and equipment (notes 6(e), 7 and 8)	1,333,340	28	1,325,782	27	1,333,361	29
1755	Right-of-use assets (note 6(f))	161,291	3	173,444	4	188,758	4
1780	Intangible assets (note 6(g))	14,921	-	29,172	1	56,154	1
1840	Deferred income tax assets (note 6(m))	11,903	-	11,903	-	11,749	-
1967	Costs to fulfill contracts with customers (note 6(h))	616,044	13	621,429	13	633,611	14
1980	Other financial assets (note 8)	60,487	1	61,321	1	68,310	1
1990	Other non-current assets (note 6(i))	18,906	-	18,273	-	12,592	-
	Total non-current assets	2,244,531	47	2,267,498	47	2,329,743	50
	Total assets	4,805,895	100	4,819,628	100	4,644,793	100

		June 30, 2026		December 31, 2025		June 30, 2025	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2130	Contract liabilities-current (notes 6(s) and 7)	$ 140,705	3	$ 154,436	3	$ 146,962	3
2170	Accounts payable	324,623	7	360,969	7	234,900	5
2180	Accounts payable to related parties (note 7)	33,405	1	31,486	1	30,156	1
2219	Other payables (note 6(s))	600,791	12	375,403	8	462,991	10
2220	Other payables to related parties (note 7)	7,860	-	4,386	-	6,497	-
2230	Current income tax liabilities	37,089	1	43,526	1	32,264	1
2280	Lease liabilities-current (notes 6(k) and 7)	30,723	1	30,050	1	30,409	1
2300	Other current liabilities	12,144	-	20,290	-	12,211	-
2320	Current portion oflong-tenn debt (notes 6(j) and 8)	11,988	-	11,877	-	11,766	-
	Total current liabilities	1,199,328	25	1,032,423	21	968,156	21
	Non-current liabilities:						
2527	Contract liabilities-non-current (note 6(s))	161,984	3	208,265	5	254,547	5
2540	Long-terrn debt (notes 6(j) and 8)	240,978	5	247,007	5	252,966	5
2580	Lease liabilities-non-current (notes 6(k) and 7)	134,325	3	147,082	3	161,888	4
2640	Net defined benefit liabilities (note 6(1))	37,955	1	37,989	1	33,991	1
2645	Guarantee deposits received	8,452	-	8,452	-	8,452	-
	Total non-current liabilities Total liabilities	583,694	12	648,795	14	711,844	15
	Total liabilities	1,783,022	37	1,681,218	35	1,680,000	36
	Equity attributable to shareholders of the Company (note 6(n)):						
	Share capital:						
3110	Common stock	299,997	6	299,997	6	299,997	7
3200	Capital surplus	2,289,805	48	2,289,805	48	2,289,805	49
	Retained earnings:						
3310	Legal reserve	136,488	3	105,819	2	105,819	2
3320	Special reserve	36,425	1	36,220	1	36,220	1
3350	Unappropriated earnings	295,117	6	442,993	9	267,506	6
3400	Other equity	(34,959)	(1)	(36,424)	(1)	(34,554)	(1)
	Total equity	3,022,873	63	3,138,410	65	2,964,793	64
	Total liabilities and equity	4,805,895	100	4,819,628	100	4,644,793	100

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

ACER CYBER SECURITY INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30,2026 and 2025

(Expressed in Thousands of New Taiwan Dollars,Except for Earnings Per Common Share)

		For the three months ended June 30				For the six months ended June 30			
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Net revenue (notes 6(p), 7 and 14)**	$ 659,474	100	$ 597,716	100	$ 1,284,281	100	$ 1,114,044	100
5000	**Cost of revenue (notes (e), (f), (g), (h), (i), (1), (r), 7 and 12)**	(393,347)	(60)	(342,193)	(57)	(783,955)	(61)	(644,232)	(58)
	Gross profit	266,127	40	255,523	43	500,326	39	469,812	42
	Operating expenses (notes 6(e), (f), (g), (k), (1), (o), (r), 7 and 12):								
6100	Selling expenses	(30,521)	(5)	(32,562)	(6)	(58,610)	(5)	(63,247)	(6)
6200	General and administrative expenses	(42,973)	(6)	(41,446)	(7)	(82,786)	(6)	(77,144)	(7)
6300	Research and development expenses	(92,192)	(14)	(91,247)	(15)	(176,794)	(14)	(172,413)	(15)
	Total operating expenses	(165,686)	(25)	(165,255)	(28)	(318,190)	(25)	(312,804)	(28)
	Operating income	100,441	15	90,268	15	182,136	14	157,008	14
	Non-operating income and loss (notes 6(k), (r) and 7):								
7100	Interest income	6,746	1	7,106	1	11,581	1	10,658	1
7010	Other income								
7020	Other gains and losses	(251)	-	(2,472)	-	(40)	-	(117)	-
7050	Finance costs	(1,620)	-	(1,752)	-	(3,270)	-	(3,518)	-
	Total non-operating income and loss	4,875	1	2,882	1	8,271	1	7,023	1
7900	**Income before taxes**	105,316	16	93,150	16	190,407	15	164,031	15
7950	**Income tax expense (note 6(m))**	(20,385)	(3)	(18,117)	(3)	(37,412)	(3)	(32,833)	(3)
8200	**Net income**	84,931	13	75,033	13	152,995	12	131,198	12
	Other comprehensive income (loss):								
8310	**Items that will not be reclassified subsequently to profit or loss (notes (n))**								
8311	Remeasurements ofdefined benefit plans								
8316	Unrealized gains (losses) frominvestments in equity instruments at fair value through other comprehensive income	866	-	(233)	-	1,465	-	1,665	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
	Other comprehensive income (loss), net of taxes	866	-	(233)	-	1,465	-	1,665	-
8500	**Total comprehensive income for the year**	85,797	13	74,800	13	154,460	12	132,863	12
	Earnings per share (in New Taiwan Dollar) (note 6(o)):								
9750	**Basic earnings per share**	$ 2.83		$ 2.50		$ 5.10		$ 4.37	
9850	**Diluted earnings per share**	$ 2.82		$ 2.49		$ 5.07		$ 4.35	

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

ACER CYBER SECURITY INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity For the six months ended June 30,2026 and 2025 (Expressed in Thousands of New Taiwan Dollar)

Attributable to shareholders of the Company

	Share capital		Retained earnings				Other equity			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income (loss)	Remeasurements of defined benefit plans	Total	Total equity
Balance at January 1, 2025	$ 301,152	2,288,650	83,243	40,569	334,533	458,345	(6,427)	(29,792)	(36,219)	3,011,928
Net income in 2025	-	-	-	-	131,198	131,198	-	-	-	131,198
Other comprehensive income (loss) in 2025	-	-	-	-	-	-	1,665		1,665	1,665
Total comprehensive income (loss) in 2025	-	-	-	-	131,198	131,198	1,665	-	1,665	132,863
Appropriation of earnings										
Legal reserve	-	-	22,576		(22,576)	-	-	-	-	-
Special reserve	-	-		(4,349)	4,349	-	-	-	-	-
Cash dividends distributed to shareholders	-	-			(179,998)	(179,998)	-	-	-	(179,998)
Capital increase in cash			-	-	-	-	-	-	-	-
Share-based payment- issuance of new shares reserved for employee subscription			-	-	-	-	-	-	-	-
Retirement of restricted stock issued to employees	(1,155)	1,155	-	-	-	-	-	-	-	-
Share-based payment- restricted stock issued to employees	-		-	-	-	-	-	-	-	-
Balance at June 30, 2025	**$ 299,997**	**2,289,805**	**105,819**	**36,220**	**267,506**	**409,545**	**(4,762)**	**(29,792)**	**(34,554)**	**2,964,793**
Balance at January 1, 2026	$ 299,997	2,289,805	105,819	36,220	442,993	585,032	(3,796)	(32,628)	(36,424)	3,138,410
Net income in 2026	-	-	-	-	152,995	152,995	-	-	-	152,995
Other comprehensive income (loss) in 2026	-	-	-	-	-	-	1,465		1,465	1,465
Total comprehensive income (loss) in 2026	-	-	-	-	152,995	152,995	1,465	-	1,465	154,460
Appropriation of earnings										
Legal reserve	-	-	30,669	-	(30,669)	-	-	-	-	-
Special reserve	-	-	-	205	(205)	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(269,997)	(269,997)	-	-	-	(269,997)
Balance at June 30, 2026	**$ 299,997**	**2,289,805**	**136,488**	**36,425**	**295,117**	**468,030**	**(2,331)**	**(32,628)**	**(34,959)**	**3,022,873**

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ACER CYBER SECURITY INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the six months ended June 30,2026 and 2025
(Expressed in Thousands of New Taiwan Dollar)

	For the six months ended June 30	
	2026	**2025**
Cash flows from operating activities:		
Income before income tax	$ 190,407	$ 164,031
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	67,580	63,164
Amortization	470,544	435,285
Interest expense	3,270	3,518
Interest income	(11,581)	(10,658)
Total adjustments for profit or loss	529,813	491,309
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	(86,603)	(98,425)
Notes and accounts receivable	100,936	103,558
Accounts receivable from related parties	9,543	18,071
Other receivable	(272)	-
Prepaid expenses and other assets	(14,073)	(7,888)
Changes in operating assets	9,531	15,316
Changes in operating liabilities:		
Contract liabilities	(60,012)	(67,106)
Accounts payable	(36,346)	(41,469)
Accounts payable to related parties	1,919	9,248
Other payables	(44,609)	(38,553)
Other payables to related parties	3,474	193
Other current liabilities	(8,128)	(6,159)
Net defined benefit liabilities	(34)	14
Changes in operating liabilities	(143,736)	(143,832)
Total changes in operating assets and liabilities	(134,205)	(128,516)
Total adjustments	395,608	362,793
Cash provided by operations	586,015	526,824
Interest received	11,692	8,654
Interest paid	(3,288)	(3,328)
Income taxes paid	(43,849)	(37,669)
Net cash flows provided by operating activities	550,570	494,481

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(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ACER CYBER SECURITY INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the six months ended June 30,2026 and 2025
(Expressed in Thousands of New Taiwan Dollar)

	2026	2025
Cash flows from investing activities:		
Additions to property, plant and equipment	(59,825)	(27,785)
Increase in costs to fulfill contracts with customers	(450,081)	(388,700)
(Decrease) Increase in other financial assets	441,370	(182,574)
Increase (Decrease) in other non-current assets	(1,460)	1,075
Net cash flows used in investing activities	(69,996)	(597,984)
Cash flows from financing activities:		
Repayment of long-term debt	(5,918)	(5,645)
Payment of lease liabilities	(15,244)	(15,085)
Net cash flows provided by financing activities	(21,162)	(20,730)
Net increase (decrease) in cash and cash equivalents	459,412	(124,233)
Cash and cash equivalents at beginning of year	894,213	1,520,464
Cash and cash equivalents at end of year	**$ 1,353,625**	**1,396,231**

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

ACER CYBER SECURITY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Six Months Ended June 30 2026 and 2025

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

1. Organization and business

Acer Cyber Security Inc. (the "Company") was incorporated on May 29, 2000, as a company limited by shares under the laws of the Republic of China ("R.O.C.") and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 13F, No. 9, Section 3, Nangang Rd., Nangang Dist., Taipei City, Taiwan (R.O.C.).

The Company and its subsidiaries (the "Group") take the R&D expertise as the core capability and specialize in the development of information security related services, including advance prevention, real-time detection, post-incident response and cybersecurity disaster recovery. For advance prevention, the Group provides consulting services for information security management system, system vulnerability scanning, penetration testing, information security health check services, and backup services for data and systems. For real-time detection, the Group provides 24-hour security monitoring services through the Security Operations Center ("SOC") and increases the frequency and types of backup operation drills. For post-incident response, the Group provides professional forensic technology for digital evidence preservation to restore the full picture of endpoint intrusions. The Group activates emergency backup and adopts cybersecurity disaster recovery procedures to reduce disaster damage. Additionally, the Group provides IT division with outsourcing services.

2. Authorization of the consolidated financial statements

These consolidated financial statements were authorized for issuance by the Board of Directors on July 30, 2026.

3. Application of new and revised accounting standards and interpretations

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2026:

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

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

(i) The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2027, would not have a significant impact on its consolidated financial statements:

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

(Continued)

ACER CYBER SECURITY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) The Group expects to adopt the following new and amended standards, which effective for annual period beginning on January 1, 2028:

• IFRS 18 "Presentation and Disclosure in Financial Statements"

The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.

1) A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities.
2) Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.
3) Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.
4) The new standard introduces consequential amendments to IAS 7, which require to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows.

The Group is evaluating the impact on its consolidated financial statements upon the initial adoption of the new standard.

(iii) Amendments to IAS 28 "The Fair Value Option for Investments in Associates and Joint Ventures"

The Group does not expect the amendments to have a significant impact on its consolidated financial statements.

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

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

• Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"

• IFRS 20 "Regulatory Assets and Regulatory Liabilities"

(Continued)

ACER CYBER SECURITY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4. Summary of material accounting policies

(a) Statement of compliance

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

The material accounting policies adopted in the accompanying consolidated financial statements are the same as those in the 2025 annual consolidated financial statements. For the related information, please refer to note 4 of the 2025 annual consolidated financial statements.

(b) Basis of consolidation

(i) List of subsidiaries included in the consolidated financial statements

			Percentage of Ownership			
Name of Investor	Name of Investee	Main Business and Products	June 30, 2026	December 31, 2025	June 30, 2025	Note
The Company	Acer Cyber Security Academy Inc. ("ACAD")	Cyber security training	100%	100%	100%	
The Company	Acer e-Enabling Data Center Incorporated ("EDC")	Uninterrupted operation and IT operation outsourcing services	100%	100%	100%	

(ii) List of subsidiaries which are not included in the consolidated financial statements: None.

(c) Employee benefits

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

(d) Income taxes

The income tax expenses in the interim financial statements have been measured and disclosed in accordance with paragraph Bl2 of IAS 34 "Interim Financial Reporting".

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

When income tax expenses are recognized directly in equity or other comprehensive income in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, the related amounts shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled.

(Continued)

ACER CYBER SECURITY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

5. Critical accounting judgments and key sources of estimation and assumption uncertainty

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

When preparing the interim consolidated financial statements, same critical accounting judgments and key sources of estimation uncertainties as mentioned in note 5 of the 2025 annual consolidated financial statements have been followed.

6. Significant account disclosures

Except for the following disclosures, there is no significant difference as compared with those disclosed in the 2025 annual consolidated financial statements. Please refer to note 6 of the 2025 annual consolidated financial statements.

(a) Cash and cash equivalents

	June 30,2026	December 31,2025	June 30,2025
Cash on hand	$ 96	96	96
Demand deposits and checking accounts	778,529	479,980	339,160
Time deposits with original maturities less than three months	575,000	414,137	1,056,975
	$ 1,353,625	**894,213**	**1,396,231**

The balance of Time deposits with original maturities more than three months of June 30,2026,December 31,2025 and June 30,2025 is $339,464,$780,000 and $190,000 which is reported in other financial assets-current.

(b) Financial assets at fair value through other comprehensive income

	June 30, 2026	December 31, 2025	June 30, 2025
Domestic listed stock	**$ 27,639**	**26,174**	**25,208**

The Group designated the investments shown above as financial assets measured at fair value through other comprehensive income (FVOCI) because these equity instruments are not held for trading.

(c) Notes and accounts receivable

	June 30,2026	December 31,2025	June 30,2025
Notes receivable	$ 17	13	-
Accounts receivable	220,155	321,095	198,968
Less: loss allowance	-	-	-
	220,172	321,108	198,968
Accounts receivable from related parties	40,346	49,889	33,793
	$ 260,518	**370,997**	**232,761**

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The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. Forward-looking information is taken into consideration as well. Analysis of expected credit losses on notes and accounts receivable (including receivables from related parties) was as follows:

	June 30,2026		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	$ 244,506	-	-
Past due 1-30 days	14,231	-	-
Past due 31-60 days	495	-	-
Past due 61-90 days	731	-	-
Past due 91-120 days	555	-	-
Past due 181 days or over	-	100%	-
	$ 260,518		-

	December 31,2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	$ 363,680	-	-
Past due 1-30 days	6,074	-	-
Past due 31-60 days	202	-	-
Past due 61-90 days	1,041	-	-
Past due 181 days or over	-	100%	-
	$ 370,997		-

	June 30,2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	$ 226,661	-	-
Past due 1-30 days	3,806	-	-
Past due 31-60 days	756	-	-
Past due 61-90 days	395	-	-
Past due 91-120 days	1,143	-	-
Past due 181 days or over	-	100%	-
	$ 232,761		-

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(d) Other receivables

	June 30,2026	December 31,2025	June 30,2025
Other receivables	$ 1,625	1,464	2,004
	-	-	-
	$ 1,625	**1,464**	**2,004**

As of June 30, 2026, December 31,2025 and June 30, 2025, no loss allowance was provided for other receivables after management's assessment.

(e) Property, plant and equipment

	Land	Building	Operating and office equipment	Machinery and equipment	Other equipment construction in progress	Total
Cost						
Balance at January 1,2026	$ 503,116	352,189	129,099	866,389	55,554	1,906,347
Additions	-	-	14,510	38,691	6,624.00	59,825
Disposals	-	-	(4,269)	-	(1,550)	(5,819)
Balance at June 30, 2026	**$ 503,116**	**352,189**	**139,340**	**905,080**	**60,628**	**1,960,353**
Balance at January 1, 2025	$ 503,116	352,189	139,322	802,666	62,387	1,859,680
Additions	-	-	3,501	9,371	14,913	27,785
Disposals	-	-	(8,474)	-	-	(8,474)
Reclassification	-	-	-	14,067	(14,067)	-
Balance at June 30, 2025	**$ 503,116**	**352,189**	**134,349**	**826,104**	**63,233**	**1,878,991**
Accumulated depreciation:						
Balance at January 1,2026	$ -	10,934	85,693	464,598	19,340	580,565
Depreciation	-	3,453	12,400	34,040	2,374	52,267
Disposals	-	-	(4,269)	-	(1,550)	(5,819)
Balance at June 30, 2026	**$ -**	**14,387**	**93,824**	**498,638**	**20,164**	**627,013**
Balance at January 1, 2025	-	4,028	83,696	404,204	14,325	506,253
Depreciation	-	3,453	12,309	29,599	2,490	47,851
Disposals	-	-	(8,474)	-	-	(8,474)
Balance at June 30, 2025	**$ -**	**7,481**	**87,531**	**433,803**	**16,815**	**545,630**
Carrying amounts:						
Balance at June 30, 2026	**$ 503,116**	**337,802**	**45,516**	**406,442**	**40,464**	**1,333,340**
Balance at January 1, 2026	**$ 503,116**	**341,255**	**43,406**	**401,791**	**36,214**	**1,325,782**
Balance at June 30, 2025	**$ 503,116**	**344,708**	**46,818**	**392,301**	**46,418**	**1,333,361**

The Group did not have any significant additions, disposals, or impairment losses recognized or reversed for property, plant and equipment during the periods from January 1 to June 30, 2026 and 2025. For other related information, please refer to Note 6(e) to the 2025 consolidated financial statements.

Please refer to note 8 for a description of the Group's property, plant and equipment pledged as collateral for bank loans.

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(f) Right-of-use assets

Cost:		**Buildings**
Balance at January 1, 2026	$	299,428
Additions		3,160
Lease expirations		(2,932)
Balance at June 30, 2026	**$**	**299,656**
Balance as of January 1, 2025 (Balance as of June 30, 2025)	**$**	**299,428**
Accumulated depreciation:		
Balance at January 1, 2026	$	125,984
Depreciation		15,313
Lease expirations		(2,932)
Balance at June 30, 2026	**$**	**138,365**
Balance at January 1, 2025		95,357
Depreciation		15,313
Balance at June 30, 2025	**$**	**110,670**
Carrying amounts:		
Balance at June 30, 2026	**$**	**161,291**
Balance at January 1, 2026	**$**	**173,444**
Balance at June 30, 2025	**$**	**188,758**

(g) Intangible assets

	License fee	Computer software	Total
Cost:			
Balance at January 1, 2026	$ 112,597	34,158	146,755
Write-off and disposals	(27,697)	-	(27,697)
Balance at June 30, 2026	**$ 84,900**	**34,158**	**119,058**
Balance at January 1, 2025	$ 169,889	38,826	208,715
Write-off and disposals	(8,132)	-	(8,132)
Balance at June 30, 2025	**$ 161,757**	**38,826**	**200,583**
Accumulated amortization:			
Balance at January 1, 2026	$ 83,619	33,964	117,583
Amortization	14,066	185	14,251
Write-off and disposals	(27,697)	-	(27,697)
Balance at June 30, 2026	**$ 69,988**	**34,149**	**104,137**
Balance at January 1, 2025	$ 85,270	36,742	122,012
Amortization	29,314	1,235	30,549
Write-off and disposals	(8,132)	-	(8,132)
Balance at June 30, 2025	**$ 106,452**	**37,977**	**144,429**

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	License fee	Computer software	Total
Carrying amounts:			
Balance at June 30, 2026	**$ 14,912**	**9**	**14,921**
Balance at January 1, 2026	**$ 28,978**	**194**	**29,172**
Balance at June 30, 2025	**$ 55,305**	**849**	**56,154**

The amortization of intangible assets was included in the following line items of the statement of comprehensive income:

	For the six months ended	
	2026	**2025**
Cost of revenue	$ 14,204	30,208
Operating expenses	47	341
	$ 14,251	**30,549**

(h) Costs to fulfill contracts with customers

Cost:	
Balance at January 1, 2026	$ 925,829
Additions	450,081
Derecognition	(365,507)
Balance at June 30, 2026	**$ 1,010,403**
Balance at January 1, 2025	$ 780,142
Additions	388,700
Derecognition	(273,748)
Balance at June 30, 2025	**$ 895,094**
Accumulated amortization:	
Balance at January 1, 2026	$ 304,400
Amortization	455,466
Derecognition	(365,507)
Balance at June 30, 2026	**$ 394,359**
Balance at January 1, 2025	$ 131,019
Amortization	404,212
Derecognition	(273,748)
Balance at June 30, 2025	**$ 261,483**
Carrying amounts:	
Balance at June 30, 2026	**$ 616,044**
Balance at January 1, 2026	**$ 621,429**
Balance at June 30, 2025	**$ 633,611**

(i) Other non-current assets

	June 30, 2026	December 31,2025	June 30, 2025
Payments for Taipower network	$ 11,219	12,046	6,544
Others	7,687	6,227	6,048
	$ 18,906	**18,273**	**12,592**

Payments for Taiwan power company network are amortized on a straight-line basis over the estimated useful lives of 10 years. For the six months ended June 30, 2026 and 2025, the amortization expenses amounted to $827 and $524, respectively.

	June 30, 2026	December 31,2025	June 30, 2025
Secured loan	$ 252,966	258,884	264,732
Less: current portion of long-term debt	(11,988)	(11,877)	(11,766)
	$ 240,978	**247,007**	**252,966**
Unused credit facilities	**$ -**	**-**	**-**
Interest rate	**1.75%~1.87%**	**1.75%~1.87%**	**1.75%~1.87%**
Maturity year	**133**	**133**	**133**

(j) Long-term debt

(i) Increase in long-term debt and repayment

The Group did not have any significant issuances, repurchases, or repayments during the periods from January 1 to June 30, 2026 and 2025. Please refer to Note 6(r) for interest expenses and Note 6(j) to the 2025 consolidated financial statements for other related information.

(ii) Collateral for bank borrowings

Please refer to note 8 for a description of the Group's assets pledged as collateral to secure the bank loans.

(k) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	June 30, 2026	December 31,2025	June 30, 2025
Current	**$ 30,723**	**30,050**	**30,409**
Non-current	**$ 134,325**	**147,082**	**161,888**

Please refer to note 6(t) for the maturity analysis.

(i) The amounts recognized in profit or loss were as follows:

	For the three months ended		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Interest expense on lease liabilities	**$ 426**	**505**	**872**	**1,030**
Expenses relating to short-term leases	**$ 124**	**163**	**298**	**339**

(ii) The amounts recognized in the statement of cash flows for the Group were as follows:

	For the six months ended June 30	
	2026	**2025**
The cash outflow for lease	**$ 16,414**	**16,454**

(iii) Major terms of leases

The Group leases buildings for its office and server room with lease terms of 10 years, which include options to extend the lease term after the end of the contract term.

In addition, as the lease for office, equipment and parking space with contract terms within one year conforms to short-term leases, the Group has elected to apply exemption and not to recognize right-of-use assets and lease liabilities.

(l) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material curtailment and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim periods was measured and disclosed according to the actuarial report as of December 31, 2025 and 2024.

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Operating costs	$ 68	80	105	125
Operating expenses	50	57	79	88
	$ 118	**137**	**184**	**213**

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(ii) Defined contribution plans

The Group's expenses for the pension plan were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Operating costs	$ 3,263	2,998	6,502	5,933
Operating expenses	4,737	4,434	9,419	8,785
	$ 8,000	**7,432**	**15,921**	**14,718**

(m) Income taxes

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Current period	**$ 20,701**	**18,014**	**37,728**	**32,730**
Adjustment of current income tax for prior periods	(316)	**103**	(316)	**103**
Income tax expense	**$ 20,385**	**18,117**	**37,412**	**32,833**

For the six months ended June 30, 2026 and 2025, there was no income tax expense recognized in other comprehensive income or recognized directly in equity.

The Company's income tax returns for the years through 2024 were examined and approved by the R.O.C. income tax authorities.

(n) Capital and other equity

(i) Common stock

	Common stock	
	For the six months ended June 30	
	2026	**2025**
Balance at January 1 (Balance at June 30)	**$ 29,999**	**29,999**

As of June 30, 2026, December 31, 2025 and June 30, 2025, the Company's authorized shares of common stock consisted of 300,050 thousand shares, with 29,999 thousand shares issued and outstanding. The par value of the Company's common stock is NTD 10 per share.

The movements in outstanding shares of common stock (excluding unvested restricted stock to employees) were as follows (in thousands of shares):

Except for the following, there were no significant changes in the Group’s capital and other equity during the periods from January 1 to June 30, 2026 and 2025. For the related information, please refer to note 6(n) of the 2025 annual consolidated financial statements.

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(ii) Capital surplus

		June 30, 2026	December 31, 2025	June 30, 2025
Paid-in capital in excess of par value	$	2,264,194	2,264,194	2,264,194
Difference between consideration and carrying amount of subsidiaries acquired or disposed		5,896	5,896	5,896
Employee stock options		19,715	19,715	19,715
	$	**2,289,805**	**2,289,805**	**2,289,805**

Pursuant to the Company Act, any realized capital surplus is initially used to cover accumulated deficit, and the balance, if any, could be transferred to common stock as stock dividends or distributed by cash based on the original shareholding ratio. Realized capital surplus includes the premium derived from the issuance of shares of stock in excess of par value and donations received by the Company. In accordance with the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", distribution of stock dividends from capital surplus in any one year shall not exceed 10% of paid-in capital.

(iii) Unappropriated earnings and dividend policy

l) Legal reserve

Pursuant to the Company Act, the Company must retain 10% of its after-tax net profit in the period, plus items other than the after-tax net profit in the period that are included in the undistributed current-period earnings annual income as a legal reserve until such retention equals to the total paid-in capital. The legal reserve shall be used to offset the deficit of the company. If a company has no accumulated deficit, it may, pursuant to a resolution approved by the stockholders, distribute its legal reserve by issuing new shares or distributing cash for the portion in excess of 25% of the paid-in capital.

2) Special reserve

In accordance with the rulings issued by the Financial Supervisory Commission, a special reserve equal to the total amount of items that are accounted for as deductions from stockholders' equity shall be set aside from the sum of the current year's after-tax profit and other items included in the current year's undistributed earnings. This special reserve shall revert to retained earnings and be made available for distribution when the items that are accounted for as deductions from stockholders' equity are reversed in subsequent periods.

3) Earnings distribution

The Company' s Articles of Incorporation stipulate that at least 10% of annual net income, after deducting accumulated deficit, if any, must be retained as legal reserve until the legal reserve has reached the Company's total paid-in capital. In addition, a special reserve shall be set aside in accordance with applicable laws and regulations. The remaining balance, together with the unappropriated earnings from the previous years, after retaining a certain portion of it for business considerations, can be distributed as dividends to stockholders, pursuant to the earnings distribution plan proposed by the Board of Directors and approved by the stockholders. Except for the distribution of reserve in accordance with applicable laws and regulations, the Company cannot distribute any earnings when there are no retained earnings.

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

Earnings are distributed in consideration of the Company' s current and long-term development, the overall investment environment, capital needs, market competition in domestic and international business and interest of its shareholders. Earnings can be distributed by stock or cash, wherein no less than 10% of the distributable earnings shall be appropriated as shareholder dividends. The Company has adopted a stable dividend policy in which cash dividends comprise at least 10% of the total distribution of dividends except when the Company's Board of Directors resolved not to distribute any cash dividend, which was approved by the shareholders. Except for the distribution of capital surplus and legal reserve in accordance with applicable laws and regulations in consideration of the financial, business, and operational factors, the Company cannot distribute any earnings when there are no retained earnings.

The appropriations of 2025 and 2024 earnings were resolved by the Board of Directors on February 25, 2026 and February 24, 2025, respectively. The resolved appropriations of the cash dividends per share were as follows:

	2025		2024	
	Dividends per share (in NTD)	Amount	Dividends per share (in NTD)	Amount
Dividends per share:				
Cash dividends	$ 9.0	269,997	6.0	179,998

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

(iv) Other equity items (net after tax)

1) Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income

	For the six months ended June 30	
	2026	2025
Balance at January 1	$ (3,796)	(6,427)
Changes in fair value of financial assets measured at fair value through other comprehensive income (loss)	1,465	1,665
Balance at June 30	**$ (2,331)**	**(4,762)**

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2) Remeasurement of defined benefit plans

	For the six months ended June 30	
	2026	**2025**
Balance at January 1 (Balance at June 30)	**$ (32,628)**	**(29,792)**

(o) Earnings per share ("EPS")

(i) Basic earnings per share

	June 30		June 30	
	2026	**2025**	**2026**	**2025**
Net income attributable to shareholders of the Company	**$ 84,931**	**75,033**	**152,995**	**131,198**
Weighted-average number of common shares outstanding(in thousands)	**29,999**	**29,999**	**29,999**	**29,999**
Basic earnings per share (in New Taiwan Dollar)	**$ 2.83**	**2.50**	**$ 5.10**	**4.37**

(ii) Diluted earnings per share

	June 30		June 30	
	2026	**2025**	**2026**	**2025**
Net income attributable to shareholders of the Company	**$ 84,931**	**75,033**	**152,995**	**131,198**
Weighted-average number of common shares outstanding (in thousands)	29,999	29,999	29,999	29,999
Effect of dilutive potential common shares (in thousands):				
Effect of restricted stock to employees	116	92	186	132
Weighted-average number of common shares outstanding (including effect of dilutive potential common shares) (in thousands)	**30,115**	**30,091**	**30,185**	**30,131**
Diluted earnings per share (in New Taiwan Dollar)	**$ 2.82**	**2.49**	**5.07**	**4.35**

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(p) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Major products/services lines				
Cybersecurity services	$ 602,720	524,886	$ 1,175,136	982,342
IT operation outsourcing services	56,754	72,830	109,145	131,702
	$ 659,474	**597,716**	**1,284,281**	**1,114,044**

(ii) Contract balances

	June 30, 2026	**December 31, 2025**	**June 30, 2025**
Notes and accounts receivable (including related parties)	$ 260,518	370,997	232,761
Less: loss allowance	-	-	-
	$ 260,518	**370,997**	**232,761**
Contract assets - current	**$ 554,152**	**467,549**	**456,976**
Contract liabilities- current	**$ 140,705**	**154,436**	**146,962**
Contract liabilities- non-current	**$ 161,984**	**208,265**	**254,547**

Please refer to note 6(c) for details on notes and accounts receivable and related loss allowance.

The amounts of revenue recognized for the six months ended June 30, 2026 and 2025 that were included in the contract liability balances at January 1, 2026 and 2025 were $88,992 and $89,490, respectively.

The major changes in the balance of contract assets and contract liabilities were due to the timing difference between the satisfaction of performance obligation and the receipt of customer's payment.

(q) Remuneration to employees and directors

The Company's amended Articles of Incorporation approved by the shareholders' meeting held on May 27, 2025 require that annual earnings shall first be offset against any accumulated deficit, then, a minimum of 2% shall be allocated as employee remuneration, of which no less than 1% should be distributed to non-executive employees, and a maximum of 0.8% be allocated as directors' remuneration.

The Company' s Articles of Incorporation before amendment require that annual earnings shall first be offset against any accumulated deficit, then, a minimum of 2% shall be allocated as employee remuneration and a maximum of 0.8% be allocated as directors' remuneration. Employees who are entitled to receive the abovementioned employee remuneration, in share or cash, include the employees of subsidiaries of the Company who meet certain specific requirements.

For the three and six months ended June 30, 2026 and 2025 the remuneration to employees amounted to $10,435 and $9,133, $18,715 and $15,953 respectively, and the remuneration to directors amounted to $800 and $600, $1,400 and $1,000. The said amounts, which were recognized as operating expenses, were calculated based on pre-tax net profit for each year before deducting the amount of the remuneration to employees and directors, multiplied by a certain percentage of the remuneration to employees and directors. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in next year.

For the years ended December 31, 2025 and 2024, the Company accrued its remuneration to employees amounting to $37,100 and $27,429, respectively, and the remuneration to directors amounting to $2,400 and $2,170, respectively. The said amounts, which were recognized as operating expenses, were calculated based on pre-tax net profit for each year before deducting the amount of the remuneration to employees and directors, multiplied by a certain percentage of the remuneration to employees and directors. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in next year. The aforementioned accrued amounts were the same as the amount approved by the Board of Directors and were paid in cash. Related information is available at the Market Observation Post System website.

(r) Non-operating income and loss

(i) Interest income

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Interest income from bank deposits	**$ 6,746**	**7,106**	**11,581**	**10,658**

(ii) Other gains and losses

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Foreign currency exchange gain (loss), net	$ (294)	(2,678)	(162)	(2,419)
Others	43	206	122	2,302
	$ (251)	**(2,472)**	**(40)**	**(117)**

(iii) Finance costs

	For the three months ended March 31		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Interest expense on lease liabilities	$ 426	505	872	1,030
Interest expense from bank loans	1,194	1,247	2,398	2,488
	$ 1,620	**1,752**	**3,270**	**3,518**

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(s) Financial instruments

(i) Categories of financial instruments

1) Financial assets

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets measured at fair value through other comprehensive income-non-current	$ 27,639	26,174	25,208
Financial assets measured at amortized cost:			
Cash and cash equivalents	1,353,625	894,213	1,396,231
Notes and accounts receivable and other receivables (including related parties)	262,143	372,461	234,765
Time deposits with original maturities more than three months	339,464	780,000	190,000
Other financial assets	60,487	61,321	68,310
	$ 2,043,358	**2,134,169**	**1,914,514**

2) Financial liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Financial liabilities measured at amortized cost:			
Accounts payable (including related parties)	**$** 358,028	392,455	265,056
Other payables (including related parties)	608,651	379,789	469,488
Lease liabilities (including current and non-current)	165,048	177,132	192,297
Long-term debt (including current portion)	252,966	258,884	264,732
Guarantee deposits	8,452	8,452	8,452
	$ 1,393,145	**1,216,712**	**1,200,025**

(ii) Fair value information

1) Financial instruments not measured at fair value.

The Group considers that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values.

2) Financial instruments measured at fair value.

Financial assets measured at fair value through other comprehensive incomes are measured at fair value on a recurring basis.

The table below analyzes the financial instruments measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The different levels have been defined as follows:

a) Level 1**:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
b) Level 2: inputs other than quoted prices included within Level **1** that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
c) Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	June 30, 2026				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income- non-current:					
Domestic listed stock	**$ 27,637**	**27,639**	**-**	**-**	**27,639**

	December 31, 2025				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income- non-current:					
Domestic listed stock	**$ 26,174**	**26,174**	**-**	**-**	**26,174**

	June 30, 2025				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income- non-current:					
Domestic listed stock	**$ 25,208**	**25,208**	**-**	**-**	**25,208**

(iii) Valuation techniques used for financial instruments measured at fair value

The fair value of financial instruments traded in active liquid markets is determined with reference to quoted market prices.

Except for the abovementioned financial instruments traded in an active market, the fair value of other financial instruments are based on the valuation techniques or the quotation from counterparty. The fair value using valuation techniques refers to the current fair value of other financial instruments with similar conditions and characteristics, or using a discounted cash flow method, or other valuation techniques which include model calculating with observable market data at the reporting date.

The fair value for listed stock with standard terms and conditions and traded in active markets is based on quoted market prices.

(iv) Transfers between levels of the fair value hierarchy

There were no transfers among fair value hierarchies for the six months ended June 30, 2026 and 2025.

(t) Financial risk management

Except for the contents mentioned below, there were no significant changes in the fair value of the Group's financial instruments and the degree of exposure to credit risk and market risk arising from financial instruments. For the related information, please refer to note 6(u) of the 2025 annual consolidated financial statements.

(i) Credit risk

1) The maximum exposure to credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty of a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and cash equivalents, notes and accounts receivable from customers and other receivables. The maximum exposure to credit risk is equal to the carrying amount of the Group's financial assets and contract assets.

2) Concentration of credit risk

The Group' s customers primarily consist of government authorities, finance and insurance institutions as well as business enterprises. The Group believes that there is no significant concentration of credit risk to a specific number of customers.

3) Credit risk from receivables

Please refer to note 6(c) for credit risk exposure of notes and accounts receivable.

Other financial assets measured at amortized cost include other receivables (please refer to note 6(d)) and refundable deposits (recognized in other financial assets). Abovementioned financial assets are considered low-credit-risk financial assets; thus, the loss allowance is measured using 12-months ECL (please refer to note 4(g) for descriptions about how the Group determines the credit risk).

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in settling its financial liabilities by delivering cash or another financial assets. The Group manages liquidity risk by monitoring regularly the current and mid- to long-term cash demand and maintaining adequate cash and banking facilities. As of June 30, 2026, December 31 and June 30, 2025, the Group had unused credit facilities of $1,170,000.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, including principal and estimated interest.

	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Overs years
June 30, 2026					
Non-derivative financial liabilities:					
Long-term debt(including current portion)	$ 297,980	16,616	16,616	49,849	214,899
Accounts payable (including related parties)	358,028	358,028	-	-	-
Other payables (including related parties)	608,651	608,651	-	-	-
Lease liabilities	169,640	32,280	32,280	94,680	10,400
Guarantee deposits	8,452	-	-	8,452	-
	$ 1,442,751	**1,015,575**	**48,896**	**152,981**	**225,299**

	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2025					
Non-derivative financial liabilities:					
Long-term debt(including current portion)	$ 306,288	16,616	16,616	49,849	223,207
Accounts payable (including related parties)	392,455	392,455	-	-	-
Other payables (including related parties)	379,789	379,789	-	-	-
Lease liabilities	213,716	31,716	31,200	93,600	57,200
Guarantee deposits	8,452	-	-	8,452	-
	$ 1,300,700	820,576	47,816	151,901	280,407

	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Overs years
June 30, 2025					
Non-derivative financial liabilities:					
Long-term debt(including current portion)	$ 314,596	16,616	16,616	49,849	231,515
Accounts payable (including related parties)	265,056	265,056	-	-	-
Other payables (including related parties)	469,488	469,488	-	-	-
Lease liabilities	198,632	32,232	31,200	93,600	41,600
Guarantee deposits	8,452	-	-	8,452	-
	$ 1,256,224	783,392	47,816	151,901	273,115

The Group does not expect that the cash flow included in the maturity analysis would occur significantly earlier or at significantly different amounts.

(u) Capital management

The objectives, policies and processes of capital management of the Group are in conformity with those disclosed in the 2025 annual consolidated financial statements. Please refer to note 6(v) of the 2025 annual consolidated financial statements for related details.

(v) Investing and financing activities not affecting cash flows

(i) Please refer to note 6(f) for a description of acquisition of right-of-use assets through leases.

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

	January 1, 2026	Cach flow	Non-cash changes: Additions to lease liabilities	June 30, 2026
Long-term debt	$ 258,884	(5,918)	-	252,966
Lease liabilities	177,132	(15,244)	3,160	165,048
Guarantee deposits	8,452	-	-	8,452
Total liabilities from financing activities	**$ 444,468**	**(21,162)**	**3,160**	**426,466**

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	January 1,2025	Cach flow	Non-cash changes: Changes in fair value	June 30,2025
Long-term debt	$ 270,377	(5,645)	-	264,732
Lease liabilities	207,382	(15,085)	-	192,297
Guarantee deposits	8,452	-	-	8,452
Total liabilities from financing activities	**$ 486,211**	**(20,730)**	-	**465,481**

7. **Related-party transactions**

(a) Parent company and ultimate controlling party

Acer Incorporated (" Acer") is the parent company and the ultimate controlling party of the Group. Acer and its subsidiaries owned 59.89%, 60.15% and 60.19%, respectively, of the outstanding shares of the Company as of June 30, 2026, December 31,2025 and June 30, 2025. Acer has issued the consolidated financial statements for public use.

(b) Related party name and categories

The followings are the related parties that have had transactions with the Group during the reporting periods:

Name of related party	Relationship with the Group
Acer Incorporated ("Acer")	The parent company of the Group
Other Related Parties	
Weblink International Inc.	Acer's subsidiary
Acer e-Enabling Service Business Inc.	Acer's subsidiary
Acer AI Cloud Inc.("AIC",Taiwan)	Acer's subsidiary
Aspire Service & Development Inc.	Acer's subsidiary
Acer Asset Management Incorporated ("AAM")	Acer's subsidiary
Acer ITS Inc.	Acer's subsidiary
Acer Synergy Tech Corp.	Acer's subsidiary
Acer Computer Co., Ltd.	Acer's subsidiary
Highpoint Service Network (Thailand) Co., Ltd.	Acer's subsidiary
Acer Gadget Inc.	Acer's subsidiary
AOPEN Inc.	Acer's subsidiary
Acer Synergy Manpower CORP.	Acer's subsidiary
Highpoint Service Network Corporation	Acer's subsidiary
Altos Computing (Thailand) Co., Ltd.	Acer's subsidiary
Bluechip Infotech Incorporated ("BLI",Taiwan)	Acer's subsidiary

Name of related party	Relationship with the Group
Chao-Chi Property Management Consulting Co. Ltd. ("CCP")	Acer's subsidiary
Acerpure Inc. ("API",Taiwan)	Acer's subsidiary
Shine Passion Engineering Co., Ltd. ("SPE",Taiwan)	Acer's subsidiary
Ambi Space Inc.	The director of its parent company is the first-degree relative of the Company's director.
Ambi Arts Inc.	The director of its parent company is the first-degree relative of the Company's director.
Datasitter Information Service Inc.	Acer e-Enabling Service Business Inc.'s associates
Solming Green Energy Corp. ("SGE")	Acer's associates
Apacer Technology Inc.	Acer's associates

(c) Significant related-party transactions

(i) Revenue

The amounts of service income with related parties were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Parent company	$ 29,319	34,066	57,931	62,722
Other related parties	3,398	4,145	27,639	9,377
	$ 32,717	**38,211**	**85,570**	**72,099**

The service revenue with related parties are not comparable to those with third-party customers as the specifications of projects and products are different.

(ii) Cost of revenue

The amounts of services purchased from related parties and increase in costs to fulfill contracts with customers were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Parent company	$ 656	774	1,089	1,265
Other related parties	7,335	12,683	27,612	22,358
	$ 7,991	**13,457**	**28,701**	**23,623**

The purchase prices with related parties are not comparable to those with third-party vendors as the specifications of projects and products are different.

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(iii) Service fees

Service fees related to IT and legal services provided by related parties were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Parent company	$ 444	623	981	1,074
Other related parties	50	-	50	-
	$ 494	**623**	**1,031**	**1,074**

(iv) Property transactions

Operating and office equipment and intangible assets purchased from related parties were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Parent company	$ 976	2,967	976	3,767
Other related parties	302	-	918	-
	$ 1,278	**2,967**	**1,894**	**3,767**

(v) Other transactions between the Group and related parties recognized in operating expenses were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Parent company	$ 742	1,265	1,253	2,067
Other related parties	1,645	2,009	2,582	2,982
	$ 2,387	**3,274**	**3,835**	**5,049**

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(vi) Lease

In September 2021, the Group leased buildings from AAM with a lease term of 10 years, which include options to extend the lease term after the end of the contract term. The rent was determined by referring to the market price nearby.

Interest expenses and lease liabilities arising from the abovementioned leases were as follows:

	For the three months ended June 30		For the six months ended June 30	
Interest expense	**$ 425**	**500**	**869**	**1,019**

	June 30, 2026	**December 31,2025**	**June 30,2025**
Lease liabilities- current	$ 29,687	29,536	29,386
Lease liabilities- non-current	132,201	147,082	161,888
	$ 161,888	**176,618**	**191,274**

(vii) Accounts receivable from related parties, contract assets and contract liabilities

The receivables from related parties due to the abovementioned service income and the related contract liabilities were as follows:

Account	**Related-party categories**	**June 30, 2026**	**December 31,2025**	**June 30, 2025**
Contract assets	Parent company	$ 1,443	6,135	9,443
Contract assets	Other related parties	8,547	7,040	6,247
Accounts receivable from related parties	Parent company	39,181	42,368	32,674
Accounts receivable from related parties	Other related parties	1,165	7,521	1,119
		$ 50,336	**63,064**	**49,483**
Contract liability	Other related parties	**$ -**	**2,742**	**290**

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(viii) Accounts payable to related parties

The payables to related parties due to the abovementioned services purchased, services fees, office equipment purchased by the Group and loans were as follows:

Account	Related-party categories	June 30, 2026	December 31,2025	June 30, 2025
Accounts payable to related parties	Parent company	$ 25,318	27,321	24,113
Accounts payable to related parties	Other related parties	8,087	4,165	6,043
Other payables to related parties	Parent company	1,518	1,345	728
Other payables to related parties	Other related parties	6,342	3,041	5,769
Dividends payable (included in other payables)	Parent company	140,058	-	93,372
		$ 181,323	**35,872**	**130,025**

(d) Compensation for key management personnel

	For the three months ended June 30		For the six months ended June 30	
	2026	**2025**	**2026**	**2025**
Short-term employee benefits	$ 5,925	6,674	$ 12,604	12,450
Post-employment benefits	99	108	207	216
Share-based payments	**$ 6,024**	**6,782**	**$ 12,811**	**12,666**

8. Pledged assets

Assets	Pledged to secure	June 30, 2026	December 31,2025	June 30, 2025
Refundable deposits (recognized in other financial assets)	Contract bidding and project fulfillment guarantee	$ 60,267	$ 61,101	68,090
Property, plant and equipment	Credit lines of bank loans	840,918	844,371	847,824
		$ 901,185	**$ 905,472**	**915,914**

9. Significant commitments and contingencies: None

10. Significant loss from disaster: None

11. Significant subsequent events: None

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12. Others

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

	For the three months ended June 30, 2026			For the three months ended June 30, 2025		
	Cost of revenue	Operating expenses	Total	Cost of revenue	Operating expenses	Total
Employee benefits:						
Salaries	80,383	121,289	201,672	76,940	119,705	196,645
Insurance	6,768	10,132	16,900	5,887	8,508	14,395
Pension	3,331	4,787	8,118	3,078	4,491	7,569
Remuneration to directors	-	1,375	1,375	-	1,575	1,575
Others	3,461	4,540	8,001	3,384	4,618	8,002
Depreciation	27,946	6,991	34,937	24,493	7,215	31,708
Mortization	227,822	9	227,831	240,839	122	240,961

	For the six months ended June 30, 2026			For the six months ended June 30, 2025		
	Cost of revenue	Operating expenses	Total	Cost of revenue	Operating expenses	Total
Employee benefits:						
Salaries	153,713	232,996	386,709	147,427	227,412	374,839
Insurance	13,214	19,232	32,446	12,268	18,210	30,478
Pension	6,607	9,498	16,105	6,058	8,873	14,931
Remuneration to directors	-	2,550	2,550	-	2,150	2,150
Others	7,092	8,615	15,707	4,339	8,139	12,478
Depreciation	53,742	13,838	67,580	49,079	14,085	63,164
Mortization	470,497	47	470,544	434,944	341	435,285

(b) Seasonality operations

The Group's operations were not significantly influenced by seasonality or cyclicality factors.

13. Additional disclosures

(a) Information on significant transactions

In accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Group discloses the following information on significant transactions for the three months ended June 30,2026.

(i) Financing provided to other parties: None

(ii) Guarantee and endorsement provided to other parties: None

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(iii) Marketable securities held at the reporting date (excluding investments in subsidiaries, associates, and jointly controlled entities):

(In Thousands of New Taiwan Dollar/Shares)

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	June 30, 2026				Note
				Shares	Carrying Value	Percentage of Ownership	Fair Value	
The Company	Preferred Stock B :SKFHC	-	Financial assets at fair value through other comprehensive income-non-current	666	27,639	0.30%	27,639	-

(iv) Total purchases from and sales to related parties which exceed $100 million or 20% of the paid-in capital: None

(v) Receivables from related parties which exceed $100 million or 20% of the paid-in capital: None

(vi) Business relationships and significant intercompany transactions:

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions)			
				Account (Note 3)	Amount	Transaction Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 4)
0	The Company	Acer e-Enabling Data Center Incorporated	1	Sales	20,063	EM 60	1.56%
1	Acer e-Enabling Data Center Incorporated	The Company	2	Sales	20,262	EM 60	1.58%

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

I. "0" represents the Company.

2. Subsidiaries are numbered from "I".

Note 2: The relationships with counterparties are as follows:

No. "1" represents the transactions from the Company to subsidiary.

No. "2" represents the transactions from subsidiary to the Company.

No. "3" represents the transactions from subsidiary to subsidiary.

Note 3: Intercompany relationships and significant intercompany transactions are disclosed only for the amounts that exceed 1% of the consolidated operating revenue or total assets. The corresponding purchases and accounts payable are not disclosed.

Note 4: The ratio is based on the transaction amount divided by the consolidated operating revenues or consolidated total assets.

Note 5: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

(b) Information on investees

(In Thousands of New Taiwan Dollar/Shares)

Investor	Investee	Location	Main Business and Products	Original Investment Amount		Balance as of June 30, 2026			Net Income (Loss) of the Investee	Share of Profits/ (Losses) of the Investee	Note
				June 30,2026	December 31, 2025	Shares	Percentage of Ownership	Carrying Value			
The Company	ACSI Cyber Security Academy Inc.	Taiwan	Cyber security training	10,000	10,000	1,000	100%	10,437	1,771	1,771	Parent/ Subsidiary
The Company	Acer e-Enabling Data Center Incorporated	Taiwan	Uninterrupted operation and IT operation outsourcing services	1,175,748	1,175,748	114,462	100%	1,315,324	109,169	109,169	Parent/ Subsidiary

(c) Information on investment in Mainland China: None

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14. Segment information

(a) General information

The Group's reportable segments comprise the cybersecurity services segment and IT operation outsourcing services segment. The cybersecurity services segment engages mainly in related information security services, including early deployment, real-time response, post-incident response and cybersecurity disaster recovery. IT segment engages mainly in IT operation outsourcing services,

The Group measures operating income as the basis of performance assessment. The reporting amount is consistent with the report used by chief operating decision maker. There was no material inconsistency between the accounting policies adopted for the operating segments and the significant accounting policies of the Group.

	For the three months ended June 30, 2026			
	Cybersecurity services	**IT operation outsourcing services**	**Adjustments and eliminations**	**Total**
Revenues from external customers	$ 602,720	56,754	-	659,474
Intra-group revenue	16,961	7,058	(24,019)	-
Total revenues	**$ 619,681**	**63,812**	**(24,019)**	**659,474**
Segment profit (loss)	**$ 93,155**	**1,467**	**5,819**	**100,441**

	For the three months ended June 30, 2025			
	Cybersecurity services	**IT operation outsourcing services**	**Adjustments and eliminations**	**Total**
Revenues from external customers	$ 524,886	72,830	-	597,716
Intra-group revenue	13,541	5,818	(19,359)	-
Total revenues	**$ 538,427**	**78,648**	**(19,359)**	**597,716**
Segment profit (loss)	**$ 85,835**	**399**	**4,434**	**90,668**

	For the six months ended June 30, 2026			
	Cybersecurity services	**IT operation outsourcing services**	**Adjustments and eliminations**	**Total**
Revenues from external customers	$ 1,175,136	109,145	-	1,284,281
Intra-group revenue	30,497	14,577	(45,074)	-
Total revenues	**$ 1,205,633**	**123,722**	**(45,074)**	**1,284,281**
Segment profit (loss)	**$ 166,342**	**4,156**	**11,638**	**182,136**

	For the six months ended June 30, 2025			
	Cybersecurity services	**IT operation outsourcing services**	**Adjustments and eliminations**	**Total**
Revenues from external customers	$ 982,342	131,702	-	1,114,044
Intra-group revenue	23,183	12,451	(35,634)	-
Total revenues	**$ 1,005,525**	**144,153**	**(35,634)**	**1,114,044**
Segment profit (loss)	**$ 142,912**	**4,923**	**9,173**	**157,008**