

**MICRO-STAR INTERNATIONAL CO., LTD.  
AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2024 AND 2023**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

## Representation Letter

In connection with the Consolidated Financial Statements of Affiliated Enterprises of MICRO-STAR INTERNATIONAL CO., LTD. and its subsidiaries (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2024 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of MICRO-STAR INTERNATIONAL CO., LTD. and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10. Additionally, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, MICRO-STAR INTERNATIONAL CO., LTD. and its subsidiaries do not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,

MICRO-STAR INTERNATIONAL CO., LTD.

By

Joseph Hsu, Chairman

March 12, 2025

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

### ***Opinion***

We have audited the accompanying consolidated balance sheets of MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES (the “Group”) as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our ethical responsibilities in accordance with these requirements. Based on our audits and the audit reports of other independent auditors, we believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

#### **Recognition of sales revenue generated from own-brand products**

##### Description

Please refer to Note 4(26) for accounting policies on revenue recognition, Note 6(19) for details of operating revenue. Other than international brands, the Group sells its products to customers in various countries. The Group also actively develops own-brand products. The recognition of sales revenue generated from own-brand products is critical to the Group's consolidated financial statements. Therefore, it was identified as a key audit matter.

##### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Obtained an understanding of and assessed internal controls in relation to sales revenue, and validated the operating effectiveness of those above-mentioned internal controls.
- B. Obtained detailed listing of sales revenue from own-brand products in the current year, and sampled to validate supporting documents, including sales invoices, customer purchase orders and delivery documents to ensure the appropriateness of recognition.
- C. Selected samples for testing and inspected whether there are any significant sales returns and discounts from significant customers occurring subsequent to the reporting period.
- D. Selected samples for testing and performed accounts receivable confirmation procedure to significant customers.

## **Estimation of allowance for inventory valuation losses**

### Description

Please refer to Note 4(14) for accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimates and assumptions applied on inventory valuation, and Note 6(7) for details of inventories.

The Group is primarily engaged in manufacturing and sales of motherboards, interface cards, notebook computers and other electronic products. Due to the rapid technological innovations and competition within the industry as well as frequent releases of new products resulting in potential price fluctuations, there is a higher risk of inventory losses due from market value decline or obsolescence. The Group recognises inventories at the lower of cost and net realisable value. The monetary values of allowance for inventory valuation losses is critical to the financial statements. Therefore, it was identified as a key audit matter.

### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Inquired with management, and assessed the reasonableness in relation to the provision of allowance for inventory valuation losses.
- B. Validated the accuracy of the system logic in calculating the ageing of inventories, and confirmed the consistency with the Group's policies.
- C. Validated the appropriateness of system logic of the report of individually identified obsolete inventory prepared by management and confirmed the consistency with the Group's policies.
- D. Sampled and tested the net realisable value basis of the individual inventory and validated the appropriateness.

***Other matter –Reference to audits of other independent auditors***

We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method that are included in the consolidated financial statements. Those financial statements were audited by other independent auditors, whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on reports of the other independent auditors. Total assets of the above-mentioned entities (including investments accounted for under the equity method) amounted to NT\$20,401,427 thousand and NT\$21,764,418 thousand as of December 31, 2024 and 2023, constituting 21% and 24% of consolidated total assets, respectively. Sales revenue of the above-mentioned entities amounted to NT\$49,411,674 thousand and NT\$50,514,919 thousand for the years ended December 31, 2024 and 2023, constituting 25% and 28% of consolidated total sales revenue, respectively.

***Other matter – Parent company only financial reports***

We have audited and expressed an unmodified opinion on the parent company only financial statements of MICRO-STAR INTERNATIONAL CO., LTD. as at and for the years ended December 31, 2024 and 2023.

***Responsibilities of management and those charged with governance for the consolidated financial statements***

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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including supervisors, are responsible for overseeing the Group's financial reporting process.

### ***Auditors' responsibilities for the audit of the consolidated financial statements***

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Yu, Chih-Fan

Huang, Shih-Chun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2025

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

| Assets             |                                                                               |            | December 31, 2024 |     | December 31, 2023 |     |
|--------------------|-------------------------------------------------------------------------------|------------|-------------------|-----|-------------------|-----|
|                    |                                                                               |            | AMOUNT            | %   | AMOUNT            | %   |
| Current assets     |                                                                               |            |                   |     |                   |     |
| 1100               | Cash and cash equivalents                                                     | 6(1)       | \$ 23,043,395     | 24  | \$ 25,772,522     | 29  |
| 1110               | Financial assets at fair value through profit or loss - current               | 6(2)       | 345,383           | -   | 133,160           | -   |
| 1136               | Current financial assets at amortised cost                                    | 6(4)       | 1,000,456         | 1   | 464               | -   |
| 1150               | Notes receivable, net                                                         | 6(5)       | -                 | -   | 61,660            | -   |
| 1170               | Accounts receivable, net                                                      | 6(5)       | 23,360,372        | 24  | 20,157,330        | 22  |
| 1200               | Other receivables                                                             | 6(6)       | 98,145            | -   | 311,516           | -   |
| 1220               | Current income tax assets                                                     |            | 110,461           | -   | 123,312           | -   |
| 130X               | Inventories, net                                                              | 6(7)       | 36,857,905        | 38  | 33,395,003        | 37  |
| 1410               | Prepayments                                                                   | 6(8)       | 2,385,695         | 3   | 2,218,831         | 3   |
| 11XX               | Total current assets                                                          |            | 87,201,812        | 90  | 82,173,798        | 91  |
| Non-current assets |                                                                               |            |                   |     |                   |     |
| 1517               | Non-current financial assets at fair value through other comprehensive income | 6(3)       | 87,977            | -   | 86,991            | -   |
| 1535               | Non-current financial assets at amortised cost                                | 6(4) and 8 | 599,613           | 1   | 666,475           | 1   |
| 1600               | Property, plant and equipment                                                 | 6(9)       | 6,531,860         | 7   | 5,238,639         | 6   |
| 1755               | Right-of-use assets                                                           | 6(10)      | 943,669           | 1   | 718,580           | 1   |
| 1760               | Investment property - net                                                     | 6(12)      | 38,849            | -   | 34,195            | -   |
| 1840               | Deferred income tax assets                                                    | 6(25)      | 1,096,187         | 1   | 1,482,297         | 1   |
| 1900               | Other non-current assets                                                      |            | 120,515           | -   | 122,839           | -   |
| 15XX               | Total non-current assets                                                      |            | 9,418,670         | 10  | 8,350,016         | 9   |
| 1XXX               | Total assets                                                                  |            | \$ 96,620,482     | 100 | \$ 90,523,814     | 100 |

(Continued)

**MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

| Liabilities and Equity                  |                                                                      | Notes | December 31, 2024 |     | December 31, 2023 |      |
|-----------------------------------------|----------------------------------------------------------------------|-------|-------------------|-----|-------------------|------|
|                                         |                                                                      |       | AMOUNT            | %   | AMOUNT            | %    |
| Current liabilities                     |                                                                      |       |                   |     |                   |      |
| 2120                                    | Financial liabilities at fair value through profit or loss - current | 6(2)  | \$ 264,849        | -   | \$ 181,097        | -    |
| 2130                                    | Current contract liabilities                                         | 6(19) | 203,938           | -   | 202,581           | -    |
| 2170                                    | Accounts payable                                                     |       | 28,710,338        | 30  | 24,435,180        | 27   |
| 2200                                    | Other payables                                                       | 6(13) | 7,250,495         | 8   | 6,964,146         | 8    |
| 2230                                    | Current income tax liabilities                                       |       | 382,885           | -   | 2,034,571         | 2    |
| 2250                                    | Provision for liabilities - current                                  | 6(15) | 1,285,826         | 1   | 1,276,692         | 1    |
| 2280                                    | Current lease liabilities                                            |       | 388,074           | 1   | 312,506           | 1    |
| 2365                                    | Refund liabilities- current                                          |       | 4,017,530         | 4   | 3,935,285         | 5    |
| 2399                                    | Other current liabilities, others                                    |       | 147,882           | -   | 85,334            | -    |
| 21XX                                    | Total current liabilities                                            |       | 42,651,817        | 44  | 39,427,392        | 44   |
| Non-current liabilities                 |                                                                      |       |                   |     |                   |      |
| 2570                                    | Deferred income tax liabilities                                      | 6(25) | 23,721            | -   | 4,300             | -    |
| 2580                                    | Non-current lease liabilities                                        |       | 512,183           | 1   | 359,944           | -    |
| 2640                                    | Net defined benefit liability, non-current                           | 6(14) | 88,605            | -   | 164,451           | -    |
| 2670                                    | Other non-current liabilities, others                                |       | 470,102           | -   | 387,463           | 1    |
| 25XX                                    | Total non-current liabilities                                        |       | 1,094,611         | 1   | 916,158           | 1    |
| 2XXX                                    | Total liabilities                                                    |       | 43,746,428        | 45  | 40,343,550        | 45   |
| Equity attributable to owners of parent |                                                                      |       |                   |     |                   |      |
|                                         | Share capital                                                        | 6(16) |                   |     |                   |      |
| 3110                                    | Share capital - common stock                                         |       | 8,448,562         | 9   | 8,448,562         | 9    |
|                                         | Capital surplus                                                      | 6(17) |                   |     |                   |      |
| 3200                                    | Capital surplus                                                      |       | 806,029           | 1   | 805,408           | 1    |
|                                         | Retained earnings                                                    | 6(18) |                   |     |                   |      |
| 3310                                    | Legal reserve                                                        |       | 9,781,123         | 10  | 9,027,956         | 9    |
| 3320                                    | Special reserve                                                      |       | 877,405           | 1   | 703,121           | 1    |
| 3350                                    | Unappropriated retained earnings                                     |       | 33,430,259        | 34  | 32,072,622        | 36   |
|                                         | Other equity interest                                                |       |                   |     |                   |      |
| 3400                                    | Other equity interest                                                |       | ( 469,324)        | -   | ( 877,405)        | ( 1) |
| 31XX                                    | Equity attributable to owners of the parent                          |       | 52,874,054        | 55  | 50,180,264        | 55   |
| 3XXX                                    | Total equity                                                         |       | 52,874,054        | 55  | 50,180,264        | 55   |
| 3X2X                                    | Total liabilities and equity                                         |       | \$ 96,620,482     | 100 | \$ 90,523,814     | 100  |

The accompanying notes are an integral part of these consolidated financial statements.

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

|                                                                                                                       |          |  | Year ended December 31 |           |                      |           |
|-----------------------------------------------------------------------------------------------------------------------|----------|--|------------------------|-----------|----------------------|-----------|
|                                                                                                                       |          |  | 2024                   |           | 2023                 |           |
| Items                                                                                                                 | Notes    |  | AMOUNT                 | %         | AMOUNT               | %         |
| 4000 Sales revenue                                                                                                    | 6(19)    |  | \$ 197,871,915         | 100       | \$ 182,965,688       | 100       |
| 5000 Operating costs                                                                                                  | 6(7)(23) |  | ( 173,676,730)         | ( 88)     | ( 160,120,037)       | ( 88)     |
| 5900 Net operating margin                                                                                             |          |  | <u>24,195,185</u>      | <u>12</u> | <u>22,845,651</u>    | <u>12</u> |
| Operating expenses                                                                                                    | 6(23)    |  |                        |           |                      |           |
| 6100 Selling expenses                                                                                                 |          |  | ( 10,062,805)          | ( 5)      | ( 8,034,888)         | ( 4)      |
| 6200 General and administrative expenses                                                                              |          |  | ( 1,806,003)           | ( 1)      | ( 1,699,803)         | ( 1)      |
| 6300 Research and development expenses                                                                                |          |  | ( 5,139,124)           | ( 2)      | ( 4,282,955)         | ( 2)      |
| 6450 Expected credit loss                                                                                             | 12(2)    |  | ( 69,810)              | -         | ( 17,976)            | -         |
| 6000 Total operating expenses                                                                                         |          |  | ( 17,077,742)          | ( 8)      | ( 14,035,622)        | ( 7)      |
| 6900 Operating profit                                                                                                 |          |  | <u>7,117,443</u>       | <u>4</u>  | <u>8,810,029</u>     | <u>5</u>  |
| Non-operating income and expenses                                                                                     |          |  |                        |           |                      |           |
| 7100 Interest income                                                                                                  | 6(4)(20) |  | 468,378                | -         | 456,735              | -         |
| 7010 Other income                                                                                                     | 6(21)    |  | 675,421                | -         | 698,178              | -         |
| 7020 Other gains and losses                                                                                           | 6(22)    |  | 291,318                | -         | ( 760,598)           | -         |
| 7050 Finance costs                                                                                                    |          |  | ( 44,289)              | -         | ( 27,657)            | -         |
| 7000 Total non-operating income and expenses                                                                          |          |  | <u>1,390,828</u>       | <u>-</u>  | <u>366,658</u>       | <u>-</u>  |
| 7900 <b>Profit before income tax</b>                                                                                  |          |  | <u>8,508,271</u>       | <u>4</u>  | <u>9,176,687</u>     | <u>5</u>  |
| 7950 Income tax expense                                                                                               | 6(25)    |  | ( 1,715,499)           | ( 1)      | ( 1,643,791)         | ( 1)      |
| 8200 <b>Profit for the year</b>                                                                                       |          |  | <u>\$ 6,792,772</u>    | <u>3</u>  | <u>\$ 7,532,896</u>  | <u>4</u>  |
| <b>Other comprehensive income</b>                                                                                     |          |  |                        |           |                      |           |
| <b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>                |          |  |                        |           |                      |           |
| 8311 Actuarial gain (loss) on defined benefit plan                                                                    | 6(14)    |  | \$ 68,174              | -         | ( \$ 1,530)          | -         |
| 8316 Unrealised gain from investments in equity instruments measured at fair value through other comprehensive income | 6(3)     |  | 986                    | -         | 15,200               | -         |
| 8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss   | 6(25)    |  | ( 13,831)              | -         | ( 2,737)             | -         |
| 8310 Components of other comprehensive income that will not be reclassified to profit or loss                         |          |  | <u>55,329</u>          | <u>-</u>  | <u>10,933</u>        | <u>-</u>  |
| <b>Components of other comprehensive income that will be reclassified to profit or loss</b>                           |          |  |                        |           |                      |           |
| 8361 Financial statements translation differences of foreign operations                                               |          |  | <u>407,291</u>         | <u>-</u>  | <u>( 186,443)</u>    | <u>-</u>  |
| 8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss                      |          |  | <u>407,291</u>         | <u>-</u>  | <u>( 186,443)</u>    | <u>-</u>  |
| 8300 <b>Total other comprehensive income (loss) for the year</b>                                                      |          |  | <u>\$ 462,620</u>      | <u>-</u>  | <u>( \$ 175,510)</u> | <u>-</u>  |
| 8500 <b>Total comprehensive income for the year</b>                                                                   |          |  | <u>\$ 7,255,392</u>    | <u>3</u>  | <u>\$ 7,357,386</u>  | <u>4</u>  |
| Profit attributable to:                                                                                               |          |  |                        |           |                      |           |
| 8610 Owners of the parent                                                                                             |          |  | <u>\$ 6,792,772</u>    | <u>3</u>  | <u>\$ 7,532,896</u>  | <u>4</u>  |
| Comprehensive income attributable to:                                                                                 |          |  |                        |           |                      |           |
| 8710 Owners of the parent                                                                                             |          |  | <u>\$ 7,255,392</u>    | <u>3</u>  | <u>\$ 7,357,386</u>  | <u>4</u>  |
| Earnings per share (in dollars)                                                                                       | 6(26)    |  |                        |           |                      |           |
| 9750 Basic earnings per share                                                                                         |          |  | <u>\$ 8.04</u>         |           | <u>\$ 8.92</u>       |           |
| 9850 Diluted earnings per share                                                                                       |          |  | <u>\$ 8.00</u>         |           | <u>\$ 8.87</u>       |           |

The accompanying notes are an integral part of these consolidated financial statements.

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

|                                   |                              | Equity attributable to owners of the parent |                             |                         |                         |               |                   |                                  |                                                                    |                                                                                                           |               |
|-----------------------------------|------------------------------|---------------------------------------------|-----------------------------|-------------------------|-------------------------|---------------|-------------------|----------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------|
|                                   |                              | Capital Surplus                             |                             |                         |                         |               | Retained Earnings |                                  |                                                                    | Other equity interest                                                                                     |               |
|                                   |                              |                                             |                             |                         |                         |               |                   |                                  |                                                                    | Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income |               |
| Notes                             | Share capital - common stock | Additional paid-in capital                  | Treasury stock transactions | Donated assets received | Employee stock warrants | Legal reserve | Special reserve   | Unappropriated retained earnings | Financial statements translation differences of foreign operations |                                                                                                           | Total equity  |
| <u>2023</u>                       |                              |                                             |                             |                         |                         |               |                   |                                  |                                                                    |                                                                                                           |               |
| Balance at January 1, 2023        | \$ 8,448,562                 | \$ 628,134                                  | \$ 130,592                  | \$ 1,882                | \$ 44,460               | \$ 8,028,953  | \$ 901,794        | \$ 30,917,333                    | (\$ 638,974 )                                                      | (\$ 64,147 )                                                                                              | \$ 48,398,589 |
| Profit for the year               | -                            | -                                           | -                           | -                       | -                       | -             | -                 | 7,532,896                        | -                                                                  | -                                                                                                         | 7,532,896     |
| Other comprehensive income (loss) | -                            | -                                           | -                           | -                       | -                       | -             | -                 | ( 1,226 )                        | ( 186,443 )                                                        | 12,159                                                                                                    | ( 175,510 )   |
| Total comprehensive income (loss) | -                            | -                                           | -                           | -                       | -                       | -             | -                 | 7,531,670                        | ( 186,443 )                                                        | 12,159                                                                                                    | 7,357,386     |
| Appropriation of 2022 earnings    | 6(18)                        |                                             |                             |                         |                         |               |                   |                                  |                                                                    |                                                                                                           |               |
| Legal reserve                     | -                            | -                                           | -                           | -                       | -                       | 999,003       | -                 | ( 999,003 )                      | -                                                                  | -                                                                                                         | -             |
| Special reserve                   | -                            | -                                           | -                           | -                       | -                       | -             | ( 198,673 )       | 198,673                          | -                                                                  | -                                                                                                         | -             |
| Cash dividends                    | -                            | -                                           | -                           | -                       | -                       | -             | -                 | ( 5,576,051 )                    | -                                                                  | -                                                                                                         | ( 5,576,051 ) |
| Due to donated assets received    | -                            | -                                           | -                           | 340                     | -                       | -             | -                 | -                                | -                                                                  | -                                                                                                         | 340           |
| Balance at December 31, 2023      | \$ 8,448,562                 | \$ 628,134                                  | \$ 130,592                  | \$ 2,222                | \$ 44,460               | \$ 9,027,956  | \$ 703,121        | \$ 32,072,622                    | (\$ 825,417 )                                                      | (\$ 51,988 )                                                                                              | \$ 50,180,264 |
| <u>2024</u>                       |                              |                                             |                             |                         |                         |               |                   |                                  |                                                                    |                                                                                                           |               |
| Balance at January 1, 2024        | \$ 8,448,562                 | \$ 628,134                                  | \$ 130,592                  | \$ 2,222                | \$ 44,460               | \$ 9,027,956  | \$ 703,121        | \$ 32,072,622                    | (\$ 825,417 )                                                      | (\$ 51,988 )                                                                                              | \$ 50,180,264 |
| Profit for the year               | -                            | -                                           | -                           | -                       | -                       | -             | -                 | 6,792,772                        | -                                                                  | -                                                                                                         | 6,792,772     |
| Other comprehensive income        | -                            | -                                           | -                           | -                       | -                       | -             | -                 | 54,539                           | 407,291                                                            | 790                                                                                                       | 462,620       |
| Total comprehensive income        | -                            | -                                           | -                           | -                       | -                       | -             | -                 | 6,847,311                        | 407,291                                                            | 790                                                                                                       | 7,255,392     |
| Appropriation of 2023 earnings    | 6(18)                        |                                             |                             |                         |                         |               |                   |                                  |                                                                    |                                                                                                           |               |
| Legal reserve                     | -                            | -                                           | -                           | -                       | -                       | 753,167       | -                 | ( 753,167 )                      | -                                                                  | -                                                                                                         | -             |
| Special reserve                   | -                            | -                                           | -                           | -                       | -                       | -             | 174,284           | ( 174,284 )                      | -                                                                  | -                                                                                                         | -             |
| Cash dividends                    | -                            | -                                           | -                           | -                       | -                       | -             | -                 | ( 4,562,223 )                    | -                                                                  | -                                                                                                         | ( 4,562,223 ) |
| Due to donated assets received    | -                            | -                                           | -                           | 621                     | -                       | -             | -                 | -                                | -                                                                  | -                                                                                                         | 621           |
| Balance at December 31, 2024      | \$ 8,448,562                 | \$ 628,134                                  | \$ 130,592                  | \$ 2,843                | \$ 44,460               | \$ 9,781,123  | \$ 877,405        | \$ 33,430,259                    | (\$ 418,126 )                                                      | (\$ 51,198 )                                                                                              | \$ 52,874,054 |

The accompanying notes are an integral part of these consolidated financial statements.

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

|                                                                                      |       | Year ended December 31 |               |
|--------------------------------------------------------------------------------------|-------|------------------------|---------------|
|                                                                                      | Notes | 2024                   | 2023          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                          |       |                        |               |
| Profit before tax                                                                    |       | \$ 8,508,271           | \$ 9,176,687  |
| Adjustments                                                                          |       |                        |               |
| Adjustments to reconcile profit (loss)                                               |       |                        |               |
| Depreciation (including right-of-use assets and investment properties)               | 6(23) | 1,343,285              | 1,374,142     |
| Amortization                                                                         | 6(23) | 482                    | 535           |
| Expected credit loss                                                                 | 12(2) | 69,810                 | 17,976        |
| (Gain) loss on financial assets and liabilities at fair value through profit or loss |       | ( 101,928 )            | 142,672       |
| Interest expense                                                                     |       | 44,289                 | 27,657        |
| Interest income                                                                      | 6(20) | ( 468,378 )            | ( 456,735 )   |
| Gain on disposal of property, plant and equipment                                    | 6(22) | ( 21,210 )             | ( 31,556 )    |
| Loss (gain) on lease modification                                                    | 6(10) | 44                     | ( 99 )        |
| Changes in operating assets and liabilities                                          |       |                        |               |
| Changes in operating assets                                                          |       |                        |               |
| Financial assets at fair value through profit or loss                                |       | ( 25,646 )             | 40,035        |
| Notes receivable, net                                                                |       | 61,660                 | 117,928       |
| Accounts receivable                                                                  |       | ( 3,172,829 )          | ( 1,452,322 ) |
| Other receivables                                                                    |       | 114,927                | 100,086       |
| Inventories, net                                                                     |       | ( 3,462,902 )          | ( 4,099,848 ) |
| Prepayments                                                                          |       | ( 166,864 )            | 287           |
| Other non-current assets                                                             |       | 17,470                 | 26,128        |
| Changes in operating liabilities                                                     |       |                        |               |
| Current contract liabilities                                                         |       | 1,357                  | ( 1,094,833 ) |
| Accounts payable                                                                     |       | 4,275,158              | ( 235,469 )   |
| Other payables                                                                       |       | 365,776                | 960,939       |
| Provision for liabilities - current                                                  |       | 9,134                  | 136,953       |
| Refund liabilities- current                                                          |       | 82,245                 | 334,301       |
| Other current liabilities, others                                                    |       | 62,548                 | ( 23,077 )    |
| Net defined benefit liability                                                        |       | ( 7,672 )              | ( 7,067 )     |
| Other non-current liabilities                                                        |       | 3,973                  | 120,441       |
| Cash inflow generated from operations                                                |       | 7,533,000              | 5,175,761     |
| Interest received                                                                    |       | 464,410                | 445,850       |
| Interest paid                                                                        |       | ( 44,108 )             | ( 27,437 )    |
| Income tax paid                                                                      |       | ( 2,951,986 )          | ( 586,332 )   |
| Net cash flows from operating activities                                             |       | 5,001,316              | 5,007,842     |

(Continued)

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

|                                                         | Notes | Year ended December 31 |               |
|---------------------------------------------------------|-------|------------------------|---------------|
|                                                         |       | 2024                   | 2023          |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>             |       |                        |               |
| Acquisition of financial assets at amortised cost       |       | ( \$ 933,130 )         | ( \$ 11,878 ) |
| Acquisition of property, plant and equipment            | 6(27) | ( 2,306,920 )          | ( 689,774 )   |
| Proceeds from disposal of property, plant and equipment |       | 73,822                 | 66,458        |
| Increase in refundable deposits                         |       | ( 14,547 )             | ( 15,767 )    |
| Acquisition of investment properties                    | 6(12) | ( 902 )                | ( 204 )       |
| Net cash flows used in investing activities             |       | ( 3,181,677 )          | ( 651,165 )   |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>             |       |                        |               |
| Repayment of the principal portion of lease liabilities | 6(28) | ( 376,178 )            | ( 317,354 )   |
| Increase (decrease) in guarantee deposits received      | 6(28) | 78,666                 | ( 5,414 )     |
| Cash dividends paid                                     | 6(18) | ( 4,562,223 )          | ( 5,576,051 ) |
| Due to donated assets received                          |       | 621                    | 340           |
| Net cash flows used in financing activities             |       | ( 4,859,114 )          | ( 5,898,479 ) |
| Effect of exchange rate                                 |       | 310,348                | ( 161,163 )   |
| Net decrease in cash and cash equivalents               |       | ( 2,729,127 )          | ( 1,702,965 ) |
| Cash and cash equivalents at beginning of year          | 6(1)  | 25,772,522             | 27,475,487    |
| Cash and cash equivalents at end of year                | 6(1)  | \$ 23,043,395          | \$ 25,772,522 |

The accompanying notes are an integral part of these consolidated financial statements.

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

MICRO-STAR INTERNATIONAL CO., LTD. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) in August 1986 and started its operations in the same year. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the manufacture and sale of motherboards and computer hardware. The shares of the Company have been listed on the Taiwan Stock Exchange since October 1998.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 12, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

| New Standards, Interpretations and Amendments                                  | Effective date by<br>International Accounting<br>Standards Board |
|--------------------------------------------------------------------------------|------------------------------------------------------------------|
| Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’               | January 1, 2024                                                  |
| Amendments to IAS 1, ‘Classification of liabilities as current or non-current’ | January 1, 2024                                                  |
| Amendments to IAS 1, ‘Non-current liabilities with covenants’                  | January 1, 2024                                                  |
| Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’                | January 1, 2024                                                  |

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by FSC but not yet adopted by the Group until 2025 are as follows:

| New Standards, Interpretations and Amendments   | Effective date by<br>International Accounting<br>Standards Board |
|-------------------------------------------------|------------------------------------------------------------------|
| Amendments to IAS 21, 'Lack of exchangeability' | January 1, 2025                                                  |

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

| New Standards, Interpretations and Amendments                                                                             | Effective date by<br>International Accounting<br>Standards Board   |
|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'              | January 1, 2026                                                    |
| Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'                                     | January 1, 2026                                                    |
| Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture' | To be determined by<br>International Accounting<br>Standards Board |
| IFRS 17, 'Insurance contracts'                                                                                            | January 1, 2023                                                    |
| Amendments to IFRS 17, 'Insurance contracts'                                                                              | January 1, 2023                                                    |
| Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'                               | January 1, 2023                                                    |
| IFRS 18, 'Presentation and disclosure in Financial Statements'                                                            | January 1, 2027                                                    |
| IFRS 19, 'Subsidiaries without public accountability: disclosures'                                                        | January 1, 2027                                                    |
| IFRS annual improvements Volume - 11                                                                                      | January 1, 2026                                                    |

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment. The quantitative impact will be disclosed when the assessment is completed.

A. Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

The IASB issued the amendments to:

- (a) Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met.

The conditions for the exception are that the entity making the payment does not have:

- i. the practical ability to withdraw, stop or cancel the payment instruction;
- ii. the practical ability to access the cash used for settlement; and
- iii. significant settlement risk.

- (b) Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, covering contractual terms that can change cash flows based on contingent events (for example, interest rates linked to ESG targets), non-recourse features and contractually-linked instruments.
- (c) Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets), including a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows that could result from those contractual terms and the gross carrying amount of financial assets and amortised cost of financial liabilities subject to these contractual terms.
- (d) Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

B. IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### (1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

## (2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
  - (b) Financial assets at fair value through other comprehensive income.
  - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

## (3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
  - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
  - (c) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
  - (d) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

| Name of investor                   | Name of subsidiaries                                        | Main business activities                                                      | Ownership(%) |            | Note |
|------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------|--------------|------------|------|
|                                    |                                                             |                                                                               | 2024/12/31   | 2023/12/31 |      |
| MICRO-STAR INTERNATIONAL CO., LTD. | MICRO-STAR NETHERLANDS HOLDING B.V. [MSI (HOLDING)]         | Holding company                                                               | 100          | 100        |      |
| "                                  | MSI COMPUTER CORP. [MSI (LA)]                               | Sales and after-sales service of computers and electronic components          | 100          | 100        |      |
| "                                  | MSI PACIFIC INTERNATIONAL HOLDING CO., LTD. [MSI (PACIFIC)] | Holding company                                                               | 100          | 100        |      |
| "                                  | MSI COMPUTER JAPAN CO., LTD. [MSI (JAPAN)]                  | Sales support and after-sales service of computers and electronic components  | 100          | 100        |      |
| "                                  | MSI COMPUTER (AUSTRALIA) PTY. LTD. [MSI (AUSTRALIA)]        | "                                                                             | 100          | 100        |      |
| "                                  | MSI COMPUTER (CAYMAN) CO., LTD. [MSI COMPUTER (CAYMAN)]     | Holding company                                                               | 100          | 100        |      |
| "                                  | MICRO-STAR CANADA LTD. [MSI (CANADA)]                       | Sales support and after-sales service of computers and electronic components  | 100          | 100        |      |
| "                                  | INDOMSI COMPUTERS PRIVATE LTD. [INDOMSI]                    | Sales and after-sales service of computers and electronic components          | 100          | 100        |      |
| MSI (HOLDING)                      | MYSTAR COMPUTER B.V. [MYSTAR]                               | Sales and sales support of computers and electronic components                | 100          | 100        |      |
| "                                  | MSI COMPUTER SARL [MSI (SARL)]                              | Sales support of computers and electronic components                          | 100          | 100        |      |
| "                                  | MSI COMPUTER (UK) LTD. [MSI (UK)]                           | "                                                                             | 100          | 100        |      |
| "                                  | MSI POLSKA SP. Z O. O. [MSI (POLSKA)]                       | Sales support and after-sales services of computers and electronic components | 99           | 99         |      |
| "                                  | MSI COMPUTER EUROPE B.V. [MSI (EUROPE)]                     | Sales and logistics services of computers and electronic components           | 100          | 100        |      |

| Name of investor | Name of subsidiaries                                                         | Main business activities                                                      | Ownership(%) |            | Note |
|------------------|------------------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------|------------|------|
|                  |                                                                              |                                                                               | 2024/12/31   | 2023/12/31 |      |
| MSI (HOLDING)    | LLC MSI COMPUTER [MSI (RUSSIA)]                                              | Sales support and after-sales service of computers and electronic components  | 99           | 99         |      |
| "                | MSI COMPUTER TECHNOLOGIES LIMITED COMPANY [MSI (TURKEY)]                     | Sales support of computers and electronic components                          | 99           | 99         | A    |
| "                | MSI ITALY S.R.L. [MSI (ITALY)]                                               | "                                                                             | 100          | 100        |      |
| "                | MSI IBERIA S.L. [MSI (IBERIA)]                                               | "                                                                             | 100          | 100        |      |
| MSI (EUROPE)     | MSI POLSKA SP. Z O. O. [MSI (POLSKA)]                                        | Sales support and after-sales services of computers and electronic components | 1            | 1          |      |
| "                | LLC MSI COMPUTER [MSI (RUSSIA)]                                              | "                                                                             | 1            | 1          |      |
| "                | MSI COMPUTER TECHNOLOGIES LIMITED COMPANY [MSI (TURKEY)]                     | Sales support of computers and electronic components                          | 1            | 1          | A    |
| "                | MSI SEE TURKEY DOMESTIC AND FOREIGN TRADE LIMITED COMPANY [MSI (SEE TURKEY)] | "                                                                             | 100          | -          | B    |
| MSI (PACIFIC)    | MSI KOREA CO., LTD. [MSI (KOREA)]                                            | Sales and after-sales service of computers and electronic components          | 100          | 100        |      |
| "                | MICRO-STAR INTERNATIONAL (B.V.I) HOLDING CO., LTD. [MSI (B.V.I.)]            | Holding company                                                               | 100          | 100        |      |
| "                | MICRO ELECTRONICS HOLDING CO., LTD. [MICRO ELECTRONICS]                      | "                                                                             | 100          | 100        |      |
| "                | MEGA TECHNOLOGY HOLDING CO., LTD. [MEGA TECHNOLOGY]                          | "                                                                             | -            | 100        | C    |
| "                | MEGA COMPUTER CO., LTD. [MEGA COMPUTER]                                      | Sales support of computers and electronic components                          | 100          | 100        |      |

| Name of investor  | Name of subsidiaries                                            | Main business activities                                                    | Ownership(%) |            | Note |
|-------------------|-----------------------------------------------------------------|-----------------------------------------------------------------------------|--------------|------------|------|
|                   |                                                                 |                                                                             | 2024/12/31   | 2023/12/31 |      |
| MSI (PACIFIC)     | MHK INTERNATIONAL CO., LTD. [MSI (MHK)]                         | Sales support of computers and electronic components                        | 100          | 100        |      |
| "                 | MSI (SHANGHAI) CO., LTD. [MSI (SHANGHAI)]                       | Sales and after-sales service of computers and electronic components        | 100          | 100        |      |
| "                 | SHENZHEN MEGA INFORMATION CO., LTD. [SHENZHEN MEGA INFORMATION] | After-sales service of computers, and electronic components                 | 100          | 100        |      |
| "                 | INDOMSI COMPUTERS PRIVATE LTD. [INDOMSI]                        | Sales and after-sales service of computers and electronic components        | -            | -          |      |
| "                 | RAIDEALS INC. [RAIDEALS]                                        | Sales computers and electronic components                                   | 100          | 100        |      |
| MICRO ELECTRONICS | MSI ELECTRONICS (KUNSHAN) CO., LTD. [MSI ELECTRONICS (KUNSHAN)] | Manufacture and after-sales service of computers, and electronic components | 100          | 100        |      |
| MSI (B.V.I.)      | MSI COMPUTER (SHENZHEN) CO., LTD. [MSI COMPUTER (SHENZHEN)]     | "                                                                           | 100          | 100        |      |

For the year ended December 31, 2024, aside from the subsidiaries, MSI (LA), MSI COMPUTER(CAYMAN), MSI (KOREA), MEGA COMPUTER and MSI (MHK) were audited by other independent auditors, remaining subsidiaries were audited by the Group's appointed independent auditors.

For the year ended December 31, 2023, aside from the subsidiaries, MSI (LA), MSI COMPUTER(CAYMAN), MSI (KOREA), MSI (HOLDING), MEGA COMPUTER and MSI (MHK) were audited by other independent auditors, remaining subsidiaries were audited by the Group's appointed independent auditors.

Note A: The subsidiary is in the process of liquidation.

Note B: On January 23, 2024, this subsidiary has been approved for establishment.

Note C: The subsidiary was liquidated on April 25, 2024.

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

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

#### (4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's presentation currency.

##### A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

##### B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;
  - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settle within the normal operating cycle;
  - (b) Liabilities arising mainly from trading activities;
  - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
  - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
- (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
  - (b) The assets' contractual cash flows represents solely payments of principal and interest.

- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:  
The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment.  
Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
  - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
  - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.
- C. The Group's operating pattern of accounts receivable that are expected to be factored is for the purpose of receiving contract cash flow and selling, and the accounts receivable are subsequently measured at fair value, with any changes in fair value recognised in other comprehensive income.

(11) Impairment of financial assets

For financial assets measured at amortised cost including accounts receivable that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.

- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Leasing arrangements (lessor) — Operating leases

Payments made under an operating lease (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

|                                                                                                    |              |
|----------------------------------------------------------------------------------------------------|--------------|
| Buildings and structures                                                                           | 2~55 years   |
| Machinery and equipment                                                                            | 1.5~10 years |
| Other properties (includes transportation equipment, office equipment, and leasehold improvements) | 1.5~10 years |

(16) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are mainly fixed payments, less any lease incentives that can be received. The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost mainly comprising the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.
- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20 years.

(18) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(19) Accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and those are resulting from operating and non-operating activities.
- B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term.

Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(21) Provisions

Provisions of warranties are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(22) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

- ii. Remeasurement arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment.

The Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' remuneration and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(23) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(24) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(25) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Board of Directors. Cash dividends are recorded as liabilities.

(26) Revenue recognition

A. Sales of goods

- (a) The Group manufactures and sells motherboards, graphic card products, a variety of computer hardware, and electronic components. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) Revenue from the products is recognised based on the price specified in the contract, net of the estimated value added tax, returns and volume discounts and rebates. The volume discounts to the customers are estimated based on the anticipated annual sales quantities and the right of return for defective products is estimated on the basis of historical experience. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year.

As a result, the Group does not adjust any of the transaction prices for the time value of money.

- (c) The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
- (d) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

**B. Incremental costs of obtaining a contract**

Given that the contractual period lasts less than one year, the Group recognises the incremental costs of obtaining a contract as an expense when incurred although the Group expects to recover those costs.

**(27) Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

**5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY**

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

**(1) Critical judgements in applying the Group's accounting policies**

None.

**(2) Critical accounting estimates and assumptions**

**Evaluation of inventories**

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

|                                       | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---------------------------------------|--------------------------|--------------------------|
| Cash on hand and revolving funds      | \$ 8,715                 | \$ 5,358                 |
| Checking accounts and demand deposits | 12,860,787               | 12,490,368               |
| Time deposits                         | 10,173,893               | 13,276,796               |
| Total                                 | <u>\$ 23,043,395</u>     | <u>\$ 25,772,522</u>     |

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group's time deposits with maturity periods over three months or pledged to others are reclassified as "financial assets at amortised cost." Details of financial assets at amortised cost are provided in Notes 6(4) and 8.

### (2) Financial assets and liabilities at fair value through profit or loss - current

| <u>Asset items</u>                                                         | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|----------------------------------------------------------------------------|--------------------------|--------------------------|
| Financial assets mandatorily measured at fair value through profit or loss |                          |                          |
| Stock of publicly traded or listed companies                               | \$ 127,462               | \$ 91,787                |
| Derivatives – Forward exchange contract                                    | 266,703                  | 1,816                    |
| Derivatives – Foreign exchange swap                                        | -                        | 55,890                   |
|                                                                            | 394,165                  | 149,493                  |
| Evaluation adjustment                                                      | ( 48,782)                | ( 16,333)                |
| Total                                                                      | <u>\$ 345,383</u>        | <u>\$ 133,160</u>        |
| <u>Liability items</u>                                                     | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
| Financial liabilities held for trading                                     |                          |                          |
| Derivatives – Forward exchange contract                                    | \$ 13,049                | \$ 181,097               |
| Derivatives – Foreign exchange swap                                        | 251,800                  | -                        |
| Total                                                                      | <u>\$ 264,849</u>        | <u>\$ 181,097</u>        |

A. Amounts recognised in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

|                                                                                            | 2024         | 2023         |
|--------------------------------------------------------------------------------------------|--------------|--------------|
| Financial assets and liabilities mandatorily measured at fair value through profit or loss |              |              |
| Equity instruments                                                                         | (\$ 23,316)  | \$ 13,222    |
| Derivatives                                                                                | ( 522,509)   | ( 695,590)   |
|                                                                                            | (\$ 545,825) | (\$ 682,368) |

B. The Group entered into contracts related to derivative financial assets and liabilities which were not accounted for under hedge accounting. The contract information are as follows:

| December 31, 2024                |                    |                       |
|----------------------------------|--------------------|-----------------------|
|                                  | Contract Amount    |                       |
|                                  | Notional Principal |                       |
| Derivative Financial Assets      | (In thousands)     | Contract period       |
| Forward exchange contracts       | CNY 714,892        | 2024.10.24~2025.04.30 |
| "                                | GBP 12,000         | 2024.09.26~2025.02.10 |
| "                                | AUD 12,000         | 2024.09.20~2025.01.02 |
| "                                | CAD 10,000         | 2024.10.30~2025.03.24 |
| "                                | SEK 10,934         | 2024.11.25~2025.01.16 |
| "                                | EUR 100,000        | 2024.09.05~2025.04.01 |
| December 31, 2024                |                    |                       |
|                                  | Contract Amount    |                       |
|                                  | Notional Principal |                       |
| Derivative Financial Liabilities | (In thousands)     | Contract period       |
| Forward exchange contracts       | USD 60,000         | 2024.12.27~2025.03.31 |
| Foreign exchange swap            | USD 420,000        | 2024.10.22~2025.04.08 |
| December 31, 2023                |                    |                       |
|                                  | Contract Amount    |                       |
|                                  | Notional Principal |                       |
| Derivative Financial Assets      | (In thousands)     | Contract period       |
| Forward exchange contracts       | GBP 1,000          | 2023.12.15~2024.03.01 |
| Foreign exchange swap            | USD 120,000        | 2023.12.15~2024.02.07 |
| December 31, 2023                |                    |                       |
|                                  | Contract Amount    |                       |
|                                  | Notional Principal |                       |
| Derivative Financial Liabilities | (In thousands)     | Contract period       |
| Forward exchange contracts       | CNY 523,467        | 2023.10.23~2024.04.16 |
| "                                | GBP 12,500         | 2023.10.23~2024.03.01 |
| "                                | AUD 15,500         | 2023.10.18~2024.03.01 |
| "                                | JPY 71,000         | 2023.12.27~2024.01.31 |
| "                                | CAD 18,000         | 2023.11.15~2024.03.25 |
| "                                | KRW 16,792,600     | 2023.11.29~2024.02.15 |
| "                                | SEK 27,109         | 2023.11.06~2024.01.16 |
| "                                | EUR 75,000         | 2023.08.30~2024.04.16 |

The Group entered into forward foreign exchange contracts to hedge exchange risk. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. The Group has no financial assets at fair value through profit or loss pledged to others.

D. Information relating to price risk and fair value of financial assets at fair value through profit or loss is provided in Note 12(2)(3).

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

| Items                | December 31, 2024 | December 31, 2023 |
|----------------------|-------------------|-------------------|
| Non-current items:   |                   |                   |
| Equity instruments   |                   |                   |
| Unlisted stocks      | \$ 151,975        | \$ 151,975        |
| Valuation adjustment | ( 63,998)         | ( 64,984)         |
| Total                | <u>\$ 87,977</u>  | <u>\$ 86,991</u>  |

A. The Group has elected to classify equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income.

B. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group were book value.

C. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

D. Information relating to price risk and fair value of financial assets at fair value through other comprehensive income is provided in Note 12(2)(3).

(4) Financial assets at amortised cost

| Items                                                | December 31, 2024   | December 31, 2023 |
|------------------------------------------------------|---------------------|-------------------|
| Current items:                                       |                     |                   |
| Time deposits maturing within three months to a year | <u>\$ 1,000,456</u> | <u>\$ 464</u>     |
| Non-current items:                                   |                     |                   |
| Pledge bank deposits                                 | \$ 562,965          | \$ 660,545        |
| Others                                               | 36,648              | 5,930             |
| Total                                                | <u>\$ 599,613</u>   | <u>\$ 666,475</u> |

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

|                 | 2024             | 2023              |
|-----------------|------------------|-------------------|
| Interest income | <u>\$ 52,922</u> | <u>\$ 158,695</u> |

B. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were book value.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

The counterparties of the Group's investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

|                                       | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|---------------------------------------|--------------------------|--------------------------|
| Notes receivable                      | \$ -                     | \$ 61,660                |
| Accounts receivable                   | \$ 23,502,115            | \$ 20,253,489            |
| Less: Allowance for doubtful accounts | ( 141,743)               | ( 96,159)                |
|                                       | <u>\$ 23,360,372</u>     | <u>\$ 20,157,330</u>     |

A. The ageing analysis of accounts receivable and notes receivable:

|                | <u>December 31, 2024</u>   |                         | <u>December 31, 2023</u>   |                         |
|----------------|----------------------------|-------------------------|----------------------------|-------------------------|
|                | <u>Accounts receivable</u> | <u>Notes receivable</u> | <u>Accounts receivable</u> | <u>Notes receivable</u> |
| Not past due   | \$ 15,622,763              | \$ -                    | \$ 13,379,806              | \$ 61,660               |
| 1 to 75 days   | 7,210,007                  | -                       | 6,327,058                  | -                       |
| 76 to 365 days | 668,934                    | -                       | 411,072                    | -                       |
| Over 365 days  | <u>411</u>                 | <u>-</u>                | <u>23,943</u>              | <u>-</u>                |
|                | <u>\$ 23,502,115</u>       | <u>\$ -</u>             | <u>\$ 20,141,879</u>       | <u>\$ 61,660</u>        |

The above ageing analysis was based on past due date.

B. As of December 31, 2024 and 2023, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2023, the balance of receivables (include notes receivable) from contracts with customers amounted to \$18,814,925.

C. Most of the Group's accounts receivable have been insured or have collateral as security, and the Group will be able to obtain insurance claims or enforce a collateral in case these accounts default.

D. As of December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable is provided in Note 12(2).

E. The Group's accounts receivable that are expected to be factored may be classified as financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss based on the operating pattern. Information relating to the transfer of financial assets is provided in Note 6(6).

|                                                       | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|-------------------------------------------------------|--------------------------|--------------------------|
| Financial assets at fair value through profit or loss | \$ -                     | \$ 111,610               |

(6) Transfer of financial assets

Transferred financial assets that are derecognised in their entirety.

The Group entered into a factoring agreement with a bank to sell its accounts receivable.

Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts

receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognised the transferred accounts receivable, and the related information is as follows:

December 31, 2024: None

| December 31, 2023                      |                                       |                        |                    |                                    |                                        |
|----------------------------------------|---------------------------------------|------------------------|--------------------|------------------------------------|----------------------------------------|
| Purchaser of<br>accounts<br>receivable | Accounts<br>receivable<br>transferred | Amount<br>derecognised | Amount<br>advanced | Amount<br>available for<br>advance | Interest rate<br>of amount<br>advanced |
| Mega International<br>Commercial Bank  | \$ 75,788                             | \$ 75,788              | \$ -               | \$ -                               | -                                      |
| Taishin International Bank             | 28,171                                | 28,171                 | -                  | -                                  | -                                      |

As of December 31, 2023, the Group has retention for the factoring of accounts receivable (shown as “Other receivables”) amounting to \$103,959.

(7) Inventories

| December 31, 2024 |                      |                                 |                      |
|-------------------|----------------------|---------------------------------|----------------------|
|                   | Cost                 | Allowance for<br>valuation loss | Book value           |
| Raw materials     | \$ 11,265,282        | (\$ 180,336)                    | \$ 11,084,946        |
| Work-in-process   | 1,496,168            | ( 1,784)                        | 1,494,384            |
| Finished goods    | 24,966,632           | ( 688,057)                      | 24,278,575           |
|                   | <u>\$ 37,728,082</u> | <u>(\$ 870,177)</u>             | <u>\$ 36,857,905</u> |
| December 31, 2023 |                      |                                 |                      |
|                   | Cost                 | Allowance for<br>valuation loss | Book value           |
| Raw materials     | \$ 8,210,228         | (\$ 155,571)                    | \$ 8,054,657         |
| Work-in-process   | 1,623,980            | ( 2,727)                        | 1,621,253            |
| Finished goods    | 24,344,862           | ( 625,769)                      | 23,719,093           |
|                   | <u>\$ 34,179,070</u> | <u>(\$ 784,067)</u>             | <u>\$ 33,395,003</u> |

The cost of inventories recognised as expense for the period:

|                                                    | 2024           | 2023           |
|----------------------------------------------------|----------------|----------------|
| Cost of inventories recognised as expense          | \$ 173,676,730 | \$ 160,120,037 |
| Loss on decline (gain on reversal) in market value | 69,040 (       | 401,661)       |

The Group reversed a previous inventory write-down because some inventories which were recognised as expense have been sold for the year ended December 31, 2023.

(8) Prepayments

|                                                    | December 31, 2024   | December 31, 2023   |
|----------------------------------------------------|---------------------|---------------------|
| Overpaid tax for offsetting the future tax payable | \$ 1,135,415        | \$ 941,073          |
| Office supplies                                    | 878,894             | 954,219             |
| Prepayment for goods                               | 15,962              | 11,196              |
| Others                                             | 355,424             | 312,343             |
|                                                    | <u>\$ 2,385,695</u> | <u>\$ 2,218,831</u> |

(9) Property, plant and equipment

|                          | 2024                |                     |                     |                   |                                                        |                     |
|--------------------------|---------------------|---------------------|---------------------|-------------------|--------------------------------------------------------|---------------------|
|                          | Land                | Buildings           | Machineries         | Others            | Construction in progress and equipment to be inspected | Total               |
| At January 1             |                     |                     |                     |                   |                                                        |                     |
| Cost                     | \$ 1,462,933        | \$ 6,387,928        | \$ 4,925,836        | \$ 2,355,596      | \$ 48,949                                              | \$ 15,181,242       |
| Accumulated depreciation | -                   | ( 4,983,823)        | ( 3,111,204)        | ( 1,847,576)      | -                                                      | ( 9,942,603)        |
|                          | <u>\$ 1,462,933</u> | <u>\$ 1,404,105</u> | <u>\$ 1,814,632</u> | <u>\$ 508,020</u> | <u>\$ 48,949</u>                                       | <u>\$ 5,238,639</u> |
| Balance at January 1     | \$ 1,462,933        | \$ 1,404,105        | \$ 1,814,632        | \$ 508,020        | \$ 48,949                                              | \$ 5,238,639        |
| Additions                | 4,466               | 89,718              | 240,526             | 219,878           | 1,673,052                                              | 2,227,640           |
| Disposals                | -                   | ( 3,131)            | ( 47,990)           | ( 1,491)          | -                                                      | ( 52,612)           |
| Reclassifications        | 1,513,709           | 79,535              | 9,981               | 3,543             | ( 1,612,570)                                           | ( 5,802)            |
| Depreciation charge      | -                   | ( 137,898)          | ( 590,706)          | ( 232,236)        | -                                                      | ( 960,840)          |
| Net exchange differences | 2,823               | 14,755              | 54,639              | 12,516            | 102                                                    | 84,835              |
| Balance at December 31   | <u>\$ 2,983,931</u> | <u>\$ 1,447,084</u> | <u>\$ 1,481,082</u> | <u>\$ 510,230</u> | <u>\$ 109,533</u>                                      | <u>\$ 6,531,860</u> |
| At December 31           |                     |                     |                     |                   |                                                        |                     |
| Cost                     | \$ 2,983,931        | \$ 6,734,538        | \$ 5,114,788        | \$ 2,521,386      | \$ 109,533                                             | \$ 17,464,176       |
| Accumulated depreciation | -                   | ( 5,287,454)        | ( 3,633,706)        | ( 2,011,156)      | -                                                      | ( 10,932,316)       |
|                          | <u>\$ 2,983,931</u> | <u>\$ 1,447,084</u> | <u>\$ 1,481,082</u> | <u>\$ 510,230</u> | <u>\$ 109,533</u>                                      | <u>\$ 6,531,860</u> |

2023

|                          | Land                | Buildings           | Machineries         | Others            | Construction<br>in progress<br>and<br>equipment to<br>be inspected | Total               |
|--------------------------|---------------------|---------------------|---------------------|-------------------|--------------------------------------------------------------------|---------------------|
| At January 1             |                     |                     |                     |                   |                                                                    |                     |
| Cost                     | \$ 1,460,830        | \$ 6,054,186        | \$ 4,721,046        | \$ 2,211,017      | \$ 125,713                                                         | \$ 14,572,792       |
| Accumulated depreciation | -                   | ( 4,598,573)        | ( 2,720,106)        | ( 1,732,040)      | -                                                                  | ( 9,050,719)        |
|                          | <u>\$ 1,460,830</u> | <u>\$ 1,455,613</u> | <u>\$ 2,000,940</u> | <u>\$ 478,977</u> | <u>\$ 125,713</u>                                                  | <u>\$ 5,522,073</u> |
| Balance at January 1     | \$ 1,460,830        | \$ 1,455,613        | \$ 2,000,940        | \$ 478,977        | \$ 125,713                                                         | \$ 5,522,073        |
| Additions                | -                   | 52,241              | 443,982             | 223,280           | 55,346                                                             | 774,849             |
| Disposals                | -                   | ( 996)              | ( 32,316)           | ( 1,590)          | -                                                                  | ( 34,902)           |
| Reclassifications        | -                   | 143,558             | 4,990               | 21,671            | ( 131,695)                                                         | 38,524              |
| Depreciation charge      | -                   | ( 241,241)          | ( 577,216)          | ( 210,009)        | -                                                                  | ( 1,028,466)        |
| Net exchange differences | 2,103               | ( 5,070)            | ( 25,748)           | ( 4,309)          | ( 415)                                                             | ( 33,439)           |
| Balance at December 31   | <u>\$ 1,462,933</u> | <u>\$ 1,404,105</u> | <u>\$ 1,814,632</u> | <u>\$ 508,020</u> | <u>\$ 48,949</u>                                                   | <u>\$ 5,238,639</u> |
| At December 31           |                     |                     |                     |                   |                                                                    |                     |
| Cost                     | \$ 1,462,933        | \$ 6,387,928        | \$ 4,925,836        | \$ 2,355,596      | \$ 48,949                                                          | \$ 15,181,242       |
| Accumulated depreciation | -                   | ( 4,983,823)        | ( 3,111,204)        | ( 1,847,576)      | -                                                                  | ( 9,942,603)        |
|                          | <u>\$ 1,462,933</u> | <u>\$ 1,404,105</u> | <u>\$ 1,814,632</u> | <u>\$ 508,020</u> | <u>\$ 48,949</u>                                                   | <u>\$ 5,238,639</u> |

(10) Leasing arrangements — lessee

- A. The Group leases various assets including land, buildings, machinery and equipment, and other equipment. Rental contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

|                         | December 31, 2024   | December 31, 2023   |
|-------------------------|---------------------|---------------------|
|                         | Carrying amount     | Carrying amount     |
| Land                    | \$ 52,754           | \$ 52,840           |
| Buildings               | 819,784             | 619,600             |
| Machinery and equipment | 7,163               | 6,146               |
| Other equipment         | 63,968              | 39,994              |
|                         | <u>\$ 943,669</u>   | <u>\$ 718,580</u>   |
|                         | 2024                | 2023                |
|                         | Depreciation charge | Depreciation charge |
| Land                    | \$ 1,920            | \$ 1,895            |
| Buildings               | 352,429             | 298,200             |
| Machinery and equipment | 3,707               | 3,071               |
| Other equipment         | 22,237              | 20,016              |
|                         | <u>\$ 380,293</u>   | <u>\$ 323,182</u>   |

C. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were \$540,019 and \$370,104, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

|                                                     | <u>2024</u> | <u>2023</u> |
|-----------------------------------------------------|-------------|-------------|
| <u>Items affecting profit or loss</u>               |             |             |
| Interest expense on lease liabilities               | \$ 18,740   | \$ 13,815   |
| Expense on leases of low-value or short-term assets | 37,422      | 73,338      |
| Expense on variable lease payments                  | 14,575      | 12,969      |
| (Loss) gain on lease modification                   | ( 44)       | 99          |

E. Apart from the cash outflow relating to the lease expense mentioned above in Note 6(10)D., information about the principal repayment of lease liability for the years ended December 31, 2024 and 2023 are provided in Note 6(28).

(11) Leasing arrangements – lessor

A. The Group leases buildings. Rental contracts are typically made for periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. The Group recognised rental income based on operating lease contracts for the years ended December 31, 2024 and 2023, respectively.

None of these included variable lease payments. Information is provided in Note 6(21).

C. The maturity analysis of lease payments in the operating lease is as follows:

|                       | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|-----------------------|--------------------------|--------------------------|
| Less than 1 year      | \$ 44,618                | \$ 43,466                |
| Between 1 and 5 years | 28,255                   | 42,707                   |
|                       | <u>\$ 72,873</u>         | <u>\$ 86,173</u>         |

(12) Investment property

|                          | 2024             | 2023             |
|--------------------------|------------------|------------------|
|                          | <u>Buildings</u> | <u>Buildings</u> |
| At January 1             |                  |                  |
| Cost                     | \$ 532,630       | \$ 792,241       |
| Accumulated depreciation | ( 498,435)       | ( 695,893)       |
|                          | <u>\$ 34,195</u> | <u>\$ 96,348</u> |
| Balance at January 1     | \$ 34,195        | \$ 96,348        |
| Additions                | 902              | 204              |
| Reclassifications        | 4,721            | ( 38,472)        |
| Depreciation charge      | ( 2,152)         | ( 22,494)        |
| Net exchange differences | 1,183            | ( 1,391)         |
| Balance at December 31   | <u>\$ 38,849</u> | <u>\$ 34,195</u> |
| At December 31           |                  |                  |
| Cost                     | \$ 531,202       | \$ 532,630       |
| Accumulated depreciation | ( 492,353)       | ( 498,435)       |
|                          | <u>\$ 38,849</u> | <u>\$ 34,195</u> |

A. Rental income from the lease of the investment and direct operating expenses arising from the investment property:

|                                                                | 2024             | 2023             |
|----------------------------------------------------------------|------------------|------------------|
|                                                                |                  |                  |
| Rental income from the lease of the investment property        | <u>\$ 52,381</u> | <u>\$ 67,070</u> |
| Direct operating expenses arising from the investment property | <u>\$ 11,416</u> | <u>\$ 33,317</u> |

B. As of December 31, 2024 and 2023, the fair value of the Group's investments in property amounting to \$1,192,016 and \$1,329,336, respectively, as derived from market prices in the nearby area, are under Level 2 fair value measurement.

(13) Other payables

|                                                     | December 31, 2024   | December 31, 2023   |
|-----------------------------------------------------|---------------------|---------------------|
| Accrued salary and bonus                            | \$ 2,221,707        | \$ 2,111,950        |
| Accrued freight and import export expense           | 1,765,645           | 1,229,715           |
| Advertising expenses payable                        | 867,146             | 1,466,813           |
| Directors' remuneration and employees' compensation | 701,100             | 733,500             |
| Accrued molding expense                             | 292,941             | 250,932             |
| Other accrued expenses                              | 1,401,956           | 1,171,236           |
|                                                     | <u>\$ 7,250,495</u> | <u>\$ 6,964,146</u> |

(14) Pensions

A. Defined benefit pension plans

(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

|                                              | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|----------------------------------------------|--------------------------|--------------------------|
| Present value of defined benefit obligations | \$ 501,747               | \$ 533,307               |
| Fair value of plan assets                    | ( 413,142)               | ( 368,856)               |
| Net defined benefit liability                | <u>\$ 88,605</u>         | <u>\$ 164,451</u>        |

(c) Movements in net defined benefit liabilities are as follows:

|                                                                                        | <u>Present value of<br/>defined benefit<br/>obligations</u> | <u>Fair value of<br/>plan assets</u> | <u>Net defined<br/>benefit liability</u> |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------|------------------------------------------|
| <u>2024</u>                                                                            |                                                             |                                      |                                          |
| Balance at January 1                                                                   | \$ 533,307                                                  | (\$ 368,856)                         | \$ 164,451                               |
| Current service cost                                                                   | 2,710                                                       | -                                    | 2,710                                    |
| Interest expense (income)                                                              | <u>6,400</u>                                                | <u>( 4,426)</u>                      | <u>1,974</u>                             |
|                                                                                        | <u>542,417</u>                                              | <u>( 373,282)</u>                    | <u>169,135</u>                           |
| Remeasurements:                                                                        |                                                             |                                      |                                          |
| Return on plan assets<br>(excluding amounts included in<br>interest income or expense) | -                                                           | ( 32,695)                            | ( 32,695)                                |
| Change in financial assumptions                                                        | ( 14,059)                                                   | -                                    | ( 14,059)                                |
| Experience adjustments                                                                 | <u>( 21,420)</u>                                            | <u>-</u>                             | <u>( 21,420)</u>                         |
|                                                                                        | <u>( 35,479)</u>                                            | <u>( 32,695)</u>                     | <u>( 68,174)</u>                         |
| Pension fund contribution                                                              | -                                                           | ( 12,356)                            | ( 12,356)                                |
| Paid pension                                                                           | <u>( 5,191)</u>                                             | <u>5,191</u>                         | <u>-</u>                                 |
| Balance at December 31                                                                 | <u>\$ 501,747</u>                                           | <u>( \$ 413,142)</u>                 | <u>\$ 88,605</u>                         |

|                                                                                        | Present value of<br>defined benefit<br>obligations | Fair value of<br>plan assets | Net defined<br>benefit liability |
|----------------------------------------------------------------------------------------|----------------------------------------------------|------------------------------|----------------------------------|
| <u>2023</u>                                                                            |                                                    |                              |                                  |
| Balance at January 1                                                                   | \$ 533,958                                         | (\$ 363,970)                 | \$ 169,988                       |
| Current service cost                                                                   | 2,912                                              | -                            | 2,912                            |
| Interest expense (income)                                                              | 6,941                                              | ( 4,731)                     | 2,210                            |
|                                                                                        | <u>543,811</u>                                     | <u>( 368,701)</u>            | <u>175,110</u>                   |
| Remeasurements:                                                                        |                                                    |                              |                                  |
| Return on plan assets<br>(excluding amounts included in<br>interest income or expense) | -                                                  | ( 1,370)                     | ( 1,370)                         |
| Change in financial assumptions                                                        | 3,978                                              | -                            | 3,978                            |
| Experience adjustments                                                                 | ( 1,078)                                           | -                            | ( 1,078)                         |
|                                                                                        | <u>2,900</u>                                       | <u>( 1,370)</u>              | <u>1,530</u>                     |
| Pension fund contribution                                                              | -                                                  | ( 12,189)                    | ( 12,189)                        |
| Paid pension                                                                           | ( 13,404)                                          | 13,404                       | -                                |
| Balance at December 31                                                                 | <u>\$ 533,307</u>                                  | <u>(\$ 368,856)</u>          | <u>\$ 164,451</u>                |

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

- (e) The principal actuarial assumptions used were as follows:

|                         | 2024  | 2023  |
|-------------------------|-------|-------|
| Discount rate           | 1.60% | 1.20% |
| Future salary increases | 2.75% | 2.75% |

Assumptions regarding future mortality experience are set based on the sixth round of empirical life tables of the Taiwan life insurance industry.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

|                                                             | Discount rate  |                | Future salary increases |                |
|-------------------------------------------------------------|----------------|----------------|-------------------------|----------------|
|                                                             | Increase 0.25% | Decrease 0.25% | Increase 0.25%          | Decrease 0.25% |
| <u>December 31, 2024</u>                                    |                |                |                         |                |
| Effect on present value<br>of defined benefit<br>obligation | (\$ 8,461)     | \$ 8,710       | \$ 7,524                | (\$ 7,358)     |
| <u>December 31, 2023</u>                                    |                |                |                         |                |
| Effect on present value<br>of defined benefit<br>obligation | (\$ 9,853)     | \$ 10,163      | \$ 8,845                | (\$ 8,635)     |

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2025 amount to \$12,413.
- (g) As of December 31, 2024, the weighted average duration of the retirement plan is 8 years. The analysis of timing of the future pension payment was as follows:

|               |    |                |
|---------------|----|----------------|
| Within 1 year | \$ | 93,312         |
| 1-2 year(s)   |    | 28,759         |
| 2-3 years     |    | 42,329         |
| 3-4 years     |    | 28,367         |
| 4-5 years     |    | 36,335         |
| 6-10 years    |    | 165,569        |
| Over 10 years |    | 167,522        |
|               | \$ | <u>562,193</u> |

#### B. Defined contribution pension plans

- (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company’s mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

- (c) The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2024 and 2023 were \$477,560 and \$411,608, respectively.

(15) Provisions for liabilities

| Warranty               | 2024                | 2023                |
|------------------------|---------------------|---------------------|
| At January 1           | \$ 1,276,692        | \$ 1,139,739        |
| Additional provisions  | 991,427             | 1,101,137           |
| Used during the period | ( 982,336)          | ( 964,032)          |
| Exchange differences   | 43                  | ( 152)              |
| At December 31         | <u>\$ 1,285,826</u> | <u>\$ 1,276,692</u> |

Analysis of total provisions:

|         | December 31, 2024   | December 31, 2023   |
|---------|---------------------|---------------------|
| Current | <u>\$ 1,285,826</u> | <u>\$ 1,276,692</u> |

The Group gives warranties on computer components and personal computers sold. Provision for warranty is estimated based on historical warranty data.

(16) Share capital

As of December 31, 2024, the Company's authorised capital was \$15,000,000 (including 150,000 thousand shares reserved for convertible bonds issued by the Company and 80,000 thousand shares reserved for employee stock options), and the paid-in capital was \$8,448,562 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

(17) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(18) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses and then 10% of the remaining amount shall be set aside as legal reserve, and set aside or reverse as special reserve. The balance plus unappropriated retained earnings at the beginning of the period shall be appropriated 10%~90% as proposed by the Board of Directors, and authorise the Board of Directors to distribute all or part of the dividends in cash by supermajority vote and report the distribution plan at the stockholders' meeting; or by issuing new stocks and resolved by the stockholders during their meeting.
- B. The Company's dividend policy is summarised below: as the Company operates in a volatile business environment and is in the stable growth stage, except for the Company's future expansion plans, stockholders' interest is taken into consideration.

The Company appropriated dividends in proportion to total number of shares, dividends could be distributed in stock or cash, and cash dividends shall account for at least 30% of the total dividends distributed.

- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- E. The Company's profit distribution plans for the fiscal years 2023 and 2022, as approved by the shareholders' meetings on June 14, 2024, and June 15, 2023, respectively, are as follows:

|                 | 2023       |                                    | 2022       |                                    |
|-----------------|------------|------------------------------------|------------|------------------------------------|
|                 | Amount     | Dividends per share (in NT dollar) | Amount     | Dividends per share (in NT dollar) |
| Legal reserve   | \$ 753,167 |                                    | \$ 999,003 |                                    |
| Special reserve | 174,284    |                                    | ( 198,673) |                                    |
| Cash dividend   | 4,562,223  | \$ 5.40                            | 5,576,051  | \$ 6.60                            |

Information about earnings appropriation of the Company as resolved by Board of Directors is posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

- F. The appropriations of 2024 earnings had been resolved at the Board of Directors' meeting on March 12, 2025 as follows:

|                 | 2024       |                                    |
|-----------------|------------|------------------------------------|
|                 | Amount     | Dividends per share (in NT dollar) |
| Legal reserve   | \$ 684,731 |                                    |
| Special reserve | ( 408,081) |                                    |
| Cash dividend   | 4,224,281  | \$ 5.00                            |

As of the date of this financial report, the appropriations of 2024 earnings has not been resolved at the stockholders' meeting.

(19) Operating revenue

A. The Group derives revenue from the transfer of goods at a point in time in the following major segment:

| 2024                          | Computer and<br>peripherals segment | Other     | Total          |
|-------------------------------|-------------------------------------|-----------|----------------|
| Timing of revenue recognition |                                     |           |                |
| At a point in time            | \$ 197,834,598                      | \$ 37,317 | \$ 197,871,915 |
| 2023                          | Computer and<br>peripherals segment | Other     | Total          |
| Timing of revenue recognition |                                     |           |                |
| At a point in time            | \$ 182,942,411                      | \$ 23,277 | \$ 182,965,688 |

B. Contract liabilities

(a) The Group has recognised the following revenue-related contract liabilities:

|                          | December 31, 2024 | December 31, 2023 | January 1, 2023 |
|--------------------------|-------------------|-------------------|-----------------|
| Contract liabilities     |                   |                   |                 |
| – advance sales receipts | \$ 203,938        | \$ 202,581        | \$ 1,297,414    |

(b) Revenue recognised that was included in the contract liability balance at the beginning of the year:

|                                                                                                             | 2024       | 2023         |
|-------------------------------------------------------------------------------------------------------------|------------|--------------|
| Revenue recognised that was included<br>in the contract liability balance at the<br>beginning of the period |            |              |
| Advance sales receipts                                                                                      | \$ 177,211 | \$ 1,276,651 |

(20) Interest income

|                                                                     | 2024       | 2023       |
|---------------------------------------------------------------------|------------|------------|
| Interest income from bank deposits                                  | \$ 415,456 | \$ 298,040 |
| Interest income from financial assets measured<br>at amortised cost | 52,922     | 158,695    |
|                                                                     | \$ 468,378 | \$ 456,735 |

(21) Other income

|                | 2024       | 2023       |
|----------------|------------|------------|
| Rental revenue | \$ 52,381  | \$ 67,070  |
| Others         | 623,040    | 631,108    |
|                | \$ 675,421 | \$ 698,178 |

(22) Other gains and losses

|                                                                                 | 2024              | 2023                |
|---------------------------------------------------------------------------------|-------------------|---------------------|
| Net currency exchange gains (losses)                                            | \$ 870,839        | (\$ 14,354)         |
| Losses on financial assets and liabilities at fair value through profit or loss | ( 545,825)        | ( 682,368)          |
| Net gains on disposal of property, plant and equipment                          | 21,210            | 31,556              |
| Other expenses                                                                  | ( 54,906)         | ( 95,432)           |
|                                                                                 | <u>\$ 291,318</u> | <u>(\$ 760,598)</u> |

(23) Expenses by nature

|                          | 2024                 | 2023                 |
|--------------------------|----------------------|----------------------|
| Employee benefit expense | \$ 10,953,037        | \$ 10,303,444        |
| Depreciation charges     | 1,343,285            | 1,374,142            |
| Amortisation charges     | 482                  | 535                  |
|                          | <u>\$ 12,296,804</u> | <u>\$ 11,678,121</u> |

(24) Employee benefit expense

|                                 | 2024                 | 2023                 |
|---------------------------------|----------------------|----------------------|
| Wages and salaries              | \$ 9,403,273         | \$ 8,926,309         |
| Labor and health insurance fees | 642,036              | 574,150              |
| Pension costs                   | 482,244              | 416,730              |
| Other personnel expenses        | 425,484              | 386,255              |
| Total                           | <u>\$ 10,953,037</u> | <u>\$ 10,303,444</u> |

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 6%~10% for employees' compensation and shall not be higher than 1% for directors' remuneration.

B. For the years ended December 31, 2024 and 2023, employees' remuneration were accrued at \$639,500 and \$665,300, respectively; while directors' remuneration were accrued at \$61,600 and \$68,200, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on the historical distribution ratio and the profit of the current year for the year ended December 31, 2024.

Employees' compensation and directors' remuneration of 2023 as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2023 financial statements.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(25) Income tax

A. Income tax expense

(a) Components of income tax expense:

|                                                   | 2024         | 2023         |
|---------------------------------------------------|--------------|--------------|
| Current tax:                                      |              |              |
| Current tax on profits for the period             | \$ 1,211,596 | \$ 1,959,206 |
| Prior year income tax underestimation             | 112,203      | 35,780       |
| Total current tax                                 | 1,323,799    | 1,994,986    |
| Deferred tax:                                     |              |              |
| Origination and reversal of temporary differences | 391,700      | (351,195)    |
| Total deferred tax                                | 391,700      | (351,195)    |
| Income tax expense                                | \$ 1,715,499 | \$ 1,643,791 |

(b) The income tax charge relating to components of other comprehensive income:

|                                                                                                                    | 2024        | 2023       |
|--------------------------------------------------------------------------------------------------------------------|-------------|------------|
| Remeasurement of defined benefit obligations                                                                       | (\$ 13,635) | \$ 304     |
| Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income | (196)       | (3,041)    |
|                                                                                                                    | (\$ 13,831) | (\$ 2,737) |

(c) The income tax charged/(credited) to equity during the year: None.

B. Reconciliation between income tax expense and accounting profit

|                                                                         | 2024         | 2023         |
|-------------------------------------------------------------------------|--------------|--------------|
| Tax calculated based on profit before tax and statutory tax rate (Note) | \$ 2,158,342 | \$ 2,164,844 |
| Effect from items disallowed by tax regulation                          | 62,530       | 54,251       |
| Temporary differences not recognised as deferred tax liabilities        | (400,554)    | (400,139)    |
| Effect from investment tax credits                                      | (285,126)    | (366,773)    |
| Prior year income tax underestimation                                   | 112,203      | 35,780       |
| Effect of different tax rates in countries in which the group operates  | 33,273       | (15,399)     |
| Tax on undistributed earnings                                           | 94,698       | 171,530      |
| Other                                                                   | (59,867)     | (303)        |
| Income tax expense                                                      | \$ 1,715,499 | \$ 1,643,791 |

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

|                                                                                              | 2024                |                                 |                                                   |                     |
|----------------------------------------------------------------------------------------------|---------------------|---------------------------------|---------------------------------------------------|---------------------|
|                                                                                              | January 1           | Recognised in<br>profit or loss | Recognised<br>in other<br>comprehensive<br>income | December 31         |
| Temporary differences:                                                                       |                     |                                 |                                                   |                     |
| -Deferred tax assets:                                                                        |                     |                                 |                                                   |                     |
| Unrealised gross profit                                                                      | \$ 703,302          | (\$ 229,716)                    | \$ -                                              | \$ 473,586          |
| Loss on inventory                                                                            | 220,780             | ( 26,880)                       | -                                                 | 193,900             |
| Remeasurement of defined<br>benefit obligations                                              | 28,552              | -                               | ( 13,635)                                         | 14,917              |
| Unrealised exchange loss                                                                     | 144,634             | ( 144,634)                      | -                                                 | -                   |
| Unrealised loss on financial<br>assets at fair value through<br>other comprehensive income   | 12,996              | -                               | ( 196)                                            | 12,800              |
| Allowance for bad debts excess<br>tax limitation                                             | 14,337              | 1,183                           | -                                                 | 15,520              |
| Unrealised loss on financial<br>assets (liabilities) at fair value<br>through profit or loss | 24,678              | ( 24,678)                       | -                                                 | -                   |
| Others                                                                                       | 333,018             | 52,446                          | -                                                 | 385,464             |
| Subtotal                                                                                     | <u>1,482,297</u>    | <u>( 372,279)</u>               | <u>( 13,831)</u>                                  | <u>1,096,187</u>    |
| -Deferred tax liabilities:                                                                   |                     |                                 |                                                   |                     |
| Unrealised exchange gain                                                                     | -                   | ( 17,970)                       | -                                                 | ( 17,970)           |
| Unrealised gain on financial<br>assets (liabilities) at fair value<br>through profit or loss | -                   | ( 371)                          | -                                                 | ( 371)              |
| Others                                                                                       | ( 4,300)            | ( 1,080)                        | -                                                 | ( 5,380)            |
| Subtotal                                                                                     | <u>( 4,300)</u>     | <u>( 19,421)</u>                | <u>-</u>                                          | <u>( 23,721)</u>    |
| Total                                                                                        | <u>\$ 1,477,997</u> | <u>(\$ 391,700)</u>             | <u>(\$ 13,831)</u>                                | <u>\$ 1,072,466</u> |

|                                                                                              | 2023                |                                 |                                                   |                     |
|----------------------------------------------------------------------------------------------|---------------------|---------------------------------|---------------------------------------------------|---------------------|
|                                                                                              | January 1           | Recognised in<br>profit or loss | Recognised<br>in other<br>comprehensive<br>income | December 31         |
| Temporary differences:                                                                       |                     |                                 |                                                   |                     |
| -Deferred tax assets:                                                                        |                     |                                 |                                                   |                     |
| Unrealised gross profit                                                                      | \$ 531,834          | \$ 171,468                      | \$ -                                              | \$ 703,302          |
| Loss on inventory                                                                            | 258,833             | ( 38,053)                       | -                                                 | 220,780             |
| Remeasurement of defined<br>benefit obligations                                              | 28,248              | -                               | 304                                               | 28,552              |
| Unrealised exchange loss                                                                     | 18,156              | 126,478                         | -                                                 | 144,634             |
| Unrealised loss on financial<br>assets at fair value through<br>other comprehensive income   | 16,037              | -                               | ( 3,041)                                          | 12,996              |
| Allowance for bad debts excess<br>tax limitation                                             | 12,100              | 2,237                           | -                                                 | 14,337              |
| Unrealised loss on financial<br>assets (liabilities) at fair value<br>through profit or loss | -                   | 24,678                          | -                                                 | 24,678              |
| Others                                                                                       | 277,025             | 55,993                          | -                                                 | 333,018             |
| Subtotal                                                                                     | <u>1,142,233</u>    | <u>342,801</u>                  | <u>( 2,737)</u>                                   | <u>1,482,297</u>    |
| -Deferred tax liabilities:                                                                   |                     |                                 |                                                   |                     |
| Unrealised gain on financial<br>assets (liabilities) at fair value<br>through profit or loss | ( 6,501)            | 6,501                           | -                                                 | -                   |
| Others                                                                                       | ( 6,193)            | 1,893                           | -                                                 | ( 4,300)            |
| Subtotal                                                                                     | <u>( 12,694)</u>    | <u>8,394</u>                    | <u>-</u>                                          | <u>( 4,300)</u>     |
| Total                                                                                        | <u>\$ 1,129,539</u> | <u>\$ 351,195</u>               | <u>(\$ 2,737)</u>                                 | <u>\$ 1,477,997</u> |

- D. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2024 and 2023, the amounts of temporary difference unrecognised as deferred tax liabilities were \$12,605,698 and \$10,094,033, respectively.
- E. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.
- F. The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.
- G. The Group's exposure to Pillar Two income taxes arising from the Pillar Two legislation is as follows:

The Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). Pillar Two legislation was enacted in Netherlands, France, United Kingdom, Japan, Australia, Germany, South Korea and Canada, the jurisdiction in which some subsidiaries are incorporated, and came into effect from January 1, 2024. The Group has no related current tax exposure as of December 31, 2024. Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between its GloBE Anti-Base Erosion Model Rules (GloBE Rules) effective tax rate per jurisdiction and the 15% minimum rate.

(26) Earnings per share

|                                                                                                                                       | 2024                    |                                                                                                       |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------------------------------------------------------------------|-----------------------------------------------|
|                                                                                                                                       | <u>Amount after tax</u> | <u>Retroactively adjusted<br/>weighted-average<br/>outstanding ordinary<br/>shares (in thousands)</u> | <u>Earnings per share<br/>(in NT dollars)</u> |
| <u>Basic earnings per share</u>                                                                                                       |                         |                                                                                                       |                                               |
| Profit attributable to ordinary<br>shareholders of the parent                                                                         | <u>\$ 6,792,772</u>     | <u>844,856</u>                                                                                        | <u>\$ 8.04</u>                                |
| <u>Diluted earnings per share</u>                                                                                                     |                         |                                                                                                       |                                               |
| Profit attributable to ordinary<br>shareholders of the parent                                                                         | \$ 6,792,772            | 844,856                                                                                               |                                               |
| Assumed conversion of all dilutive<br>potential ordinary shares                                                                       |                         |                                                                                                       |                                               |
| Employees' compensation                                                                                                               | <u>-</u>                | <u>4,365</u>                                                                                          |                                               |
| Profit attributable to ordinary<br>shareholders of the parent plus<br>assumed conversion of all<br>dilutive potential ordinary shares | <u>\$ 6,792,772</u>     | <u>849,221</u>                                                                                        | <u>\$ 8.00</u>                                |
| 2023                                                                                                                                  |                         |                                                                                                       |                                               |
|                                                                                                                                       | 2023                    |                                                                                                       |                                               |
|                                                                                                                                       | <u>Amount after tax</u> | <u>Retroactively adjusted<br/>weighted-average<br/>outstanding ordinary<br/>shares (in thousands)</u> | <u>Earnings per share<br/>(in NT dollars)</u> |
| <u>Basic earnings per share</u>                                                                                                       |                         |                                                                                                       |                                               |
| Profit attributable to ordinary<br>shareholders of the parent                                                                         | <u>\$ 7,532,896</u>     | <u>844,856</u>                                                                                        | <u>\$ 8.92</u>                                |
| <u>Diluted earnings per share</u>                                                                                                     |                         |                                                                                                       |                                               |
| Profit attributable to ordinary<br>shareholders of the parent                                                                         | \$ 7,532,896            | 844,856                                                                                               |                                               |
| Assumed conversion of all dilutive<br>potential ordinary shares                                                                       |                         |                                                                                                       |                                               |
| Employees' compensation                                                                                                               | <u>-</u>                | <u>4,859</u>                                                                                          |                                               |
| Profit attributable to ordinary<br>shareholders of the parent plus<br>assumed conversion of all<br>dilutive potential ordinary shares | <u>\$ 7,532,896</u>     | <u>849,715</u>                                                                                        | <u>\$ 8.87</u>                                |

(27) Supplemental cash flow information

A. Investing activities with partial cash payments

|                                              | 2024                | 2023              |
|----------------------------------------------|---------------------|-------------------|
| Purchase of property, plant and equipment    | \$ 2,227,640        | \$ 774,849        |
| Add: Opening balance of payable on equipment | 157,647             | 72,572            |
| Less: Ending balance of payable on equipment | ( 78,367)           | ( 157,647)        |
| Cash paid during the year ended December 31  | <u>\$ 2,306,920</u> | <u>\$ 689,774</u> |

B. Financing activities with no cash flow effects

|                                                      | 2024        | 2023        |
|------------------------------------------------------|-------------|-------------|
| Purchase of right-of-use assets                      | \$ 540,019  | \$ 370,104  |
| Less: Additional lease liabilities during the period | ( 540,019)  | ( 370,104)  |
| Cash paid during the year ended December 31          | <u>\$ -</u> | <u>\$ -</u> |

(28) Changes in liabilities from financing activities

|                                                | 2024              |                             |                                             |
|------------------------------------------------|-------------------|-----------------------------|---------------------------------------------|
|                                                | Lease liabilities | Guarantee deposits received | Liabilities from financing activities-gross |
| At January 1                                   | \$ 672,450        | \$ 236,579                  | \$ 909,029                                  |
| Changes in cash flow from financing activities | ( 376,178)        | 78,666                      | ( 297,512)                                  |
| Impact of changes in foreign exchange rate     | 19,654            | -                           | 19,654                                      |
| Changes in other non-cash items                | 584,331           | -                           | 584,331                                     |
| At December 31                                 | <u>\$ 900,257</u> | <u>\$ 315,245</u>           | <u>\$ 1,215,502</u>                         |

|                                                | 2024              |                             |                                             |
|------------------------------------------------|-------------------|-----------------------------|---------------------------------------------|
|                                                | Lease liabilities | Guarantee deposits received | Liabilities from financing activities-gross |
| At January 1                                   | \$ 580,683        | \$ 241,993                  | \$ 822,676                                  |
| Changes in cash flow from financing activities | ( 317,354)        | ( 5,414)                    | ( 322,768)                                  |
| Impact of changes in foreign exchange rate     | 4,521             | -                           | 4,521                                       |
| Changes in other non-cash items                | 404,600           | -                           | 404,600                                     |
| At December 31                                 | <u>\$ 672,450</u> | <u>\$ 236,579</u>           | <u>\$ 909,029</u>                           |

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

None.

(2) Significant related party transactions

None.

(3) Key management compensation

|                                      | 2024       | 2023       |
|--------------------------------------|------------|------------|
| Salaries and other employee benefits | \$ 500,686 | \$ 474,790 |

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

| Asset items                                       | Book value           |                      | Purpose                           |
|---------------------------------------------------|----------------------|----------------------|-----------------------------------|
|                                                   | December 31,<br>2024 | December 31,<br>2023 |                                   |
| Non-current financial assets<br>at amortised cost | \$ 562,965           | \$ 660,545           | Performance security<br>guarantee |

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies: Some of the Group's products are under investigation from third parties asserting that the Company has infringed certain patents. Although the Group does not expect that the outcome of any of these legal proceedings will have a material adverse effect on its business operations and finances, the litigation is inherently unpredictable. Therefore, the Group may be involved in a future lawsuit or enter into settlements of claims that could adversely affect its operating results or cash flows within a particular period.

(2) Commitments: The Group's Board of Directors resolved the construction of a factory on company-owned land in Guishan, Taoyuan on November 12, 2024, and resolved the engineering contract on January 17, 2025, with completion expected in the year 2028. Please refer to Note 11.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) The construction of a factory office building on company-owned land has been resolved at the meeting of the Board of Directors on January 17, 2025. The total project cost is approximately \$3,560,000.

(2) The Company's Board of Director's meeting has resolved the appropriations of 2024 earnings on March 12, 2025, please refer to Note 6(18).

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase outstanding shares.

(2) Financial instruments

A. Financial instruments by category

Except for the following table, the Group's financial assets (cash and cash equivalents, financial assets at amortised cost (current/non-current), accounts receivable, other receivables, financial assets at fair value through profit or loss - current, financial assets at fair value through other comprehensive income - non-current and financial liabilities (financial liabilities at fair value through profit or loss - current, accounts payable, other payables, lease liabilities (current/non-current)) are provided in the consolidated balance sheet and Note 6 for details.

|                                         | <u>December 31, 2024</u> | <u>December 31, 2023</u> |
|-----------------------------------------|--------------------------|--------------------------|
| <u>Financial assets</u>                 |                          |                          |
| Financial assets at amortised cost      |                          |                          |
| Guarantee deposits paid                 | \$ 98,262                | \$ 83,715                |
| <u>Financial liabilities</u>            |                          |                          |
| Financial liabilities at amortised cost |                          |                          |
| Guarantee deposits received             | \$ 315,245               | \$ 236,579               |

B. Financial risk management policies

The Group's activities expose it to a variety of financial risks: including market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency.
- iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.
- iv. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).

- v. The Group's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

| December 31, 2024                          |                            |               |                     |
|--------------------------------------------|----------------------------|---------------|---------------------|
| (Foreign currency:<br>functional currency) | Foreign Currency<br>Amount | Exchange rate | Book Value<br>(NTD) |
| <u>Financial assets</u>                    |                            |               |                     |
| <u>Monetary items</u>                      |                            |               |                     |
| USD: NTD                                   | \$ 368,025                 | 32.7850       | \$ 12,065,713       |
| USD: CNY                                   | 99,664                     | 7.3213        | 3,267,478           |
| EUR: NTD                                   | 70,768                     | 34.1400       | 2,416,026           |
| CNY: NTD                                   | 203,179                    | 4.4780        | 909,837             |
| KRW: NTD                                   | 36,063,245                 | 0.0222        | 800,604             |
| CAD: USD                                   | 27,699                     | 0.6961        | 632,084             |
| AUD: NTD                                   | 27,127                     | 20.3900       | 553,112             |
| <u>Financial liabilities</u>               |                            |               |                     |
| <u>Monetary items</u>                      |                            |               |                     |
| USD: NTD                                   | 529,097                    | 32.7850       | 17,346,460          |
| USD: CNY                                   | 407,551                    | 7.3213        | 13,361,553          |
| EUR: NTD                                   | 15,457                     | 34.1400       | 527,705             |
| December 31, 2023                          |                            |               |                     |
| (Foreign currency:<br>functional currency) | Foreign Currency<br>Amount | Exchange rate | Book Value<br>(NTD) |
| <u>Financial assets</u>                    |                            |               |                     |
| <u>Monetary items</u>                      |                            |               |                     |
| USD: NTD                                   | \$ 331,057                 | 30.7050       | \$ 10,165,116       |
| USD: CNY                                   | 99,843                     | 7.0961        | 3,065,691           |
| EUR: NTD                                   | 52,990                     | 33.9800       | 1,800,608           |
| CNY: NTD                                   | 215,698                    | 4.3270        | 933,325             |
| CAD: NTD                                   | 24,138                     | 23.2000       | 560,006             |
| AUD: NTD                                   | 18,359                     | 20.9800       | 385,167             |
| <u>Financial liabilities</u>               |                            |               |                     |
| <u>Monetary items</u>                      |                            |               |                     |
| USD: NTD                                   | 455,173                    | 30.7050       | 13,976,074          |
| USD: CNY                                   | 424,913                    | 7.0961        | 13,046,947          |
| EUR: NTD                                   | 18,980                     | 33.9800       | 644,932             |

- vi. The exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2024 and 2023 are provided in Note 6(22).

- vii. Analysis of foreign currency market risk arising from significant foreign exchange variation:

| (Foreign currency:<br>functional currency) | 2024                   |                                             |                                            |
|--------------------------------------------|------------------------|---------------------------------------------|--------------------------------------------|
|                                            | Sensitivity analysis   |                                             |                                            |
|                                            | Degree of<br>variation | Effect on profit<br>or loss<br>(before tax) | Effect on other<br>comprehensive<br>income |
| <u>Financial assets</u>                    |                        |                                             |                                            |
| <u>Monetary items</u>                      |                        |                                             |                                            |
| USD: NTD                                   | 1%                     | \$ 120,657                                  | \$ -                                       |
| USD: CNY                                   | 1%                     | 32,675                                      | -                                          |
| EUR: NTD                                   | 1%                     | 24,160                                      | -                                          |
| CNY: NTD                                   | 1%                     | 9,098                                       | -                                          |
| KRW: NTD                                   | 1%                     | 8,006                                       | -                                          |
| CAD: USD                                   | 1%                     | 6,321                                       | -                                          |
| AUD: NTD                                   | 1%                     | 5,531                                       | -                                          |
| <u>Financial liabilities</u>               |                        |                                             |                                            |
| <u>Monetary items</u>                      |                        |                                             |                                            |
| USD: NTD                                   | 1%                     | 173,465                                     | -                                          |
| USD: CNY                                   | 1%                     | 133,616                                     | -                                          |
| EUR: NTD                                   | 1%                     | 5,277                                       | -                                          |
| (Foreign currency:<br>functional currency) | 2023                   |                                             |                                            |
|                                            | Sensitivity analysis   |                                             |                                            |
|                                            | Degree of<br>variation | Effect on profit<br>or loss<br>(before tax) | Effect on other<br>comprehensive<br>income |
| <u>Financial assets</u>                    |                        |                                             |                                            |
| <u>Monetary items</u>                      |                        |                                             |                                            |
| USD: NTD                                   | 1%                     | \$ 101,651                                  | \$ -                                       |
| USD: CNY                                   | 1%                     | 30,657                                      | -                                          |
| EUR: NTD                                   | 1%                     | 18,006                                      | -                                          |
| CNY: NTD                                   | 1%                     | 9,333                                       | -                                          |
| CAD: NTD                                   | 1%                     | 5,600                                       | -                                          |
| AUD: NTD                                   | 1%                     | 3,852                                       | -                                          |
| <u>Financial liabilities</u>               |                        |                                             |                                            |
| <u>Monetary items</u>                      |                        |                                             |                                            |
| USD: NTD                                   | 1%                     | 139,761                                     | -                                          |
| USD: CNY                                   | 1%                     | 130,469                                     | -                                          |
| EUR: NTD                                   | 1%                     | 6,449                                       | -                                          |

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

- ii. The Group has investments in equity securities. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by \$629 and \$604, as a result of gain or loss of equity instruments at fair value through profit or loss. Also, other components of equity would have increased/decreased by \$704 and \$696, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

#### Cash flow and fair value interest rate risk

The Group simulates multiple scenarios and analyzes interest rate risk, including considerations for refinancing, renewing existing positions, other available financing and hedging options, to calculate the impact of interest rate fluctuations on earnings. For each scenario, all currencies are subjected to the same interest rate changes. These simulations are only applied to significant interest-bearing liabilities.

#### **(b) Credit risk**

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable, notes receivable and financial assets at amortised cost cash flow based on the agreed terms.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only parties with a rating of investment grade are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The utilisation of credit limits is regularly monitored. Credit risk arises from credit exposures to wholesale and retail customers, including outstanding receivables.
- iii. The Group adopts the assumptions, if the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Group adopts the assumptions, the default occurs when the contract payments are past due over 150 days.

- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
  - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
  - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
  - (iii) Default or delinquency in interest or principal repayments;
  - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group categorizes accounts receivable from customers based on the characteristics of sales regions and applies a simplified method to estimate expected credit losses using a matrix approach. Adjustments are made for forward-looking considerations based on loss rates established from historical and current information for specific periods to estimate the allowance for doubtful accounts. The Group's schedule of changes in the allowance for doubtful accounts using the simplified method is as follows:

|                            | Accounts receivable |                  |
|----------------------------|---------------------|------------------|
|                            | 2024                | 2023             |
| At January 1               | \$ 96,159           | \$ 78,395        |
| Accrual impairment loss    | 69,810              | 17,976           |
| Write-offs                 | ( 28,162)           | -                |
| Effect of foreign exchange | 3,936               | ( 212)           |
| At December 31             | <u>\$ 141,743</u>   | <u>\$ 96,159</u> |

- vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.
- (c) Liquidity risk
- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's internal balance sheet ratio targets and external regulatory or legal requirements.
  - ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. Except for the following table, others are maturing within one year, and the undiscounted contractual cash flow is equivalent to the consolidated balance sheet. Other undiscounted contractual cash flow of non-derivative financial liabilities are as follows:

Non-derivative financial liabilities:

|                             | Less than<br>1 year | Between 1<br>to 2 years | Between 2<br>to 3 years | Over<br>3 years |
|-----------------------------|---------------------|-------------------------|-------------------------|-----------------|
| December 31, 2024           |                     |                         |                         |                 |
| Lease liabilities           | \$ 412,914          | \$ 227,232              | \$ 129,415              | \$ 189,574      |
| Other financial liabilities | 6,841               | 8,773                   | 2,642                   | 296,989         |

Non-derivative financial liabilities:

|                             | Less than<br>1 year | Between 1<br>to 2 years | Between 2<br>to 3 years | Over<br>3 years |
|-----------------------------|---------------------|-------------------------|-------------------------|-----------------|
| December 31, 2023           |                     |                         |                         |                 |
| Lease liabilities           | \$ 313,026          | \$ 232,761              | \$ 91,124               | \$ 44,308       |
| Other financial liabilities | 100                 | 100,681                 | 139                     | 135,659         |

- iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability takes place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

- B. The fair value information of the Group's investments in property is provided in Note 6(12).

- C. Financial instruments not measured at fair value

The Group's cash and cash equivalents, financial assets at amortised cost, accounts receivable, other receivables, guarantee deposits paid, accounts payable, other payables and guarantee deposits received are approximate to their fair values. The transaction value information is provided in Note 12(2)A.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

| December 31, 2024                                                 | <u>Level 1</u>   | <u>Level 2</u>    | <u>Level 3</u>   | <u>Total</u>      |
|-------------------------------------------------------------------|------------------|-------------------|------------------|-------------------|
| Assets:                                                           |                  |                   |                  |                   |
| <u>Recurring fair value measurements</u>                          |                  |                   |                  |                   |
| Financial assets at fair value through profit or loss             |                  |                   |                  |                   |
| -Equity securities                                                | \$ 78,680        | \$ -              | \$ -             | \$ 78,680         |
| -Forward exchange contract                                        | -                | 266,703           | -                | 266,703           |
| Financial assets at fair value through other comprehensive income |                  |                   |                  |                   |
| -Equity securities                                                | -                | -                 | 87,977           | 87,977            |
| Total                                                             | <u>\$ 78,680</u> | <u>\$ 266,703</u> | <u>\$ 87,977</u> | <u>\$ 433,360</u> |
| Liabilities:                                                      |                  |                   |                  |                   |
| <u>Recurring fair value measurements</u>                          |                  |                   |                  |                   |
| Financial liabilities at fair value through profit or loss        |                  |                   |                  |                   |
| -Forward exchange contract                                        | \$ -             | \$ 13,049         | \$ -             | \$ 13,049         |
| -Foreign exchange swap                                            | -                | 251,800           | -                | 251,800           |
|                                                                   | <u>\$ -</u>      | <u>\$ 264,849</u> | <u>\$ -</u>      | <u>\$ 264,849</u> |
| December 31, 2023                                                 | <u>Level 1</u>   | <u>Level 2</u>    | <u>Level 3</u>   | <u>Total</u>      |
| Assets:                                                           |                  |                   |                  |                   |
| <u>Recurring fair value measurements</u>                          |                  |                   |                  |                   |
| Financial assets at fair value through profit or loss             |                  |                   |                  |                   |
| -Equity securities                                                | \$ 75,454        | \$ -              | \$ -             | \$ 75,454         |
| -Forward exchange contract                                        | -                | 1,816             | -                | 1,816             |
| -Foreign exchange swap                                            | -                | 55,890            | -                | 55,890            |
| Financial assets at fair value through other comprehensive income |                  |                   |                  |                   |
| -Equity securities                                                | -                | -                 | 86,991           | 86,991            |
| Total                                                             | <u>\$ 75,454</u> | <u>\$ 57,706</u>  | <u>\$ 86,991</u> | <u>\$ 220,151</u> |
| Liabilities:                                                      |                  |                   |                  |                   |
| <u>Recurring fair value measurements</u>                          |                  |                   |                  |                   |
| Financial liabilities at fair value through profit or loss        |                  |                   |                  |                   |
| -Forward exchange contract                                        | <u>\$ -</u>      | <u>\$ 181,097</u> | <u>\$ -</u>      | <u>\$ 181,097</u> |

E. The methods and assumptions the Group used to measure fair value are as follows:

- The level 1 financial instruments-equity security held by the Group are listed shares, and the market quoted price is determined by the closing price of the security.
- Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.

- (c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (d) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- F. For the years ended December 31, 2024 and 2023, there were no transfer between Level 1 and Level 2.
- G. For the years ended December 31, 2024 and 2023, there were no transfer in or out from Level 3.
- H. The Group entrusts an external evaluation agency to evaluate the fair value classified as Level 3.
- I. For the years ended December 31, 2024 and 2023, there were no transfer between Level 1 and Level 2. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

|                                   |    | Fair value at<br>December 31,<br>2024 | Valuation<br>technique      | Significant<br>unobservable<br>input | Range(weight<br>ed average) | Relationship<br>of inputs to<br>fair value                                   |
|-----------------------------------|----|---------------------------------------|-----------------------------|--------------------------------------|-----------------------------|------------------------------------------------------------------------------|
| Non-derivative equity instrument: |    |                                       |                             |                                      |                             |                                                                              |
| Unlisted shares                   | \$ | 87,977                                | Market comparable companies | Discount for lack of market ability  | 25%                         | The higher the discount for lack of market ability, the lower the fair value |
|                                   |    | Fair value at<br>December 31,<br>2024 | Valuation<br>technique      | Significant<br>unobservable<br>input | Range(weight<br>ed average) | Relationship<br>of inputs to<br>fair value                                   |
| Non-derivative equity instrument: |    |                                       |                             |                                      |                             |                                                                              |
| Unlisted shares                   | \$ | 86,991                                | Market comparable companies | Discount for lack of market ability  | 25%                         | The higher the discount for lack of market ability, the lower the fair value |

- J. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in a different outcome.

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: Please refer to table 2.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 3.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 4.
- I. Derivative financial instruments transactions: Please refer to Note 6(2).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

#### (3) Information on investments in Mainland China

- A. Basic information: Please refer to table 7.
- B. Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas: Please refer to table 8.

#### (4) Major shareholders information

Major shareholders information: Please refer to table 9.

### 14. SEGMENT INFORMATION

#### (1) General information and measurement of segment information

The Group mainly operates computers and peripheral products. The chief operating decision-maker is the Board of Directors, who considers the whole business as a single performance entity, and assesses performance, makes decisions and allocates resources based on financial information. It has identified that the Group has only one reportable operating segment.

#### (2) Information about segment profit or loss, assets and liabilities:

The Group's Board of Directors mainly evaluates the performance of the operating segments based on the Group's quarterly financial statements.

(3) Reconciliation for segment income

The Group is a single reportable segment. The profit and loss, assets and liabilities of the segment are consistent with the profit and loss, assets and liabilities shown in the financial statements, so there is no reconciliation required.

(4) Information on products and services

Revenue from external customers is mainly from the sales of computer and peripherals and related components. Related information is provided in Note 6(19).

(5) Geographical information

Geographical information for the years ended December 31, 2024 and 2023 is as follows:

|         | 2024                  |                     | 2023                  |                     |
|---------|-----------------------|---------------------|-----------------------|---------------------|
|         | Revenue               | Non-current assets  | Revenue               | Non-current assets  |
| Asia    | \$ 85,587,210         | \$ 6,604,177        | \$ 78,225,282         | \$ 5,339,961        |
| Europe  | 51,127,868            | 666,525             | 42,419,955            | 311,168             |
| America | 55,081,320            | 359,097             | 58,021,865            | 458,718             |
| Others  | 6,075,517             | 5,094               | 4,298,586             | 4,406               |
|         | <u>\$ 197,871,915</u> | <u>\$ 7,634,893</u> | <u>\$ 182,965,688</u> | <u>\$ 6,114,253</u> |

(6) Major customer information

The Group had no individual customer whose sales amount accounts for more than 10% of net operating revenue in the consolidated statement of comprehensive income.

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
December 31, 2024

Expressed in thousands of NTD  
(Except as otherwise indicated)

Table 1

| Securities held by                 | Marketable securities                                                  | Relationship with the securities issuer | General ledger account                                                          | As of December 31, 2024 |            |               |            | Footnote |
|------------------------------------|------------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------|-------------------------|------------|---------------|------------|----------|
|                                    |                                                                        |                                         |                                                                                 | Number of shares        | Book value | Ownership (%) | Fair value |          |
| MSI (HOLDING)                      | BAYER ordinary shares                                                  | -                                       | Financial assets at fair value through profit or loss - current                 | 36,000                  | \$23,733   | -             | \$23,733   | -        |
| MSI (HOLDING)                      | Deutsche Post ordinary shares                                          | -                                       | Financial assets at fair value through profit or loss - current                 | 15,000                  | 17,401     | -             | 17,401     | -        |
| MSI (HOLDING)                      | Kering ordinary shares                                                 | -                                       | Financial assets at fair value through profit or loss - current                 | 2,000                   | 16,267     | -             | 16,267     | -        |
| MSI (HOLDING)                      | Volkswagen Preferential ordinary shares                                | -                                       | Financial assets at fair value through profit or loss - current                 | 7,000                   | 21,279     | -             | 21,279     | -        |
| MICRO-STAR INTERNATIONAL CO., LTD. | Now.gg, Inc.(Original Name: BLUESTACK SYSTEMS, INC.) preference shares | -                                       | Financial assets at fair value through other comprehensive income - non current | 516,052                 | 87,977     | -             | 87,977     | -        |

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more  
For the year ended December 31, 2024

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

| Real estate acquired by            | Real estate acquired                                | Date of the event | Transaction amount | Status of payment | Counterparty                     | Relationship with the counterparty | If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below: |                                                          |                                  |        | Basis or reference used in setting the price | Reason for acquisition of real estate and status of the real estate | Other commitments |
|------------------------------------|-----------------------------------------------------|-------------------|--------------------|-------------------|----------------------------------|------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|----------------------------------|--------|----------------------------------------------|---------------------------------------------------------------------|-------------------|
|                                    |                                                     |                   |                    |                   |                                  |                                    | Original owner who sold the real estate to the counterparty                                                           | Relationship between the original owner and the acquirer | Date of the original transaction | Amount |                                              |                                                                     |                   |
| MICRO-STAR INTERNATIONAL CO., LTD. | Land and building in Guishan District, Taoyuan City | Jan.10,2024       | \$ 1,545,800       | Fully paid        | CHUNG CHENG ENTERPRISE CO., LTD. | Non-related parties                | NA                                                                                                                    | NA                                                       | NA                               | NA     | NOTE 1                                       | For operation                                                       | None              |

Note 1: Reference to market quotations and real estate appraisal reports.

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

For the year ended December 31, 2024

Expressed in thousands of NTD

(Except as otherwise indicated)

Table 3

| Transaction company<br>(Note 3)    | Name of the counter party<br>(Note 3) | Relationship with the<br>counterparty | Description of the transaction |                    |                               |              | Description and reasons of<br>difference in transaction terms<br>compared to third party transactions |              | Accounts or notes receivable (payable) |                                                      | Footnote |
|------------------------------------|---------------------------------------|---------------------------------------|--------------------------------|--------------------|-------------------------------|--------------|-------------------------------------------------------------------------------------------------------|--------------|----------------------------------------|------------------------------------------------------|----------|
|                                    |                                       |                                       | Purchases/(Sales)              | Amount<br>(Note 2) | % of total<br>purchase (sale) | Credit terms | Unit price                                                                                            | Credit terms | Balance<br>(Note 2)                    | % of total accounts or<br>notes receivable/(payable) |          |
| MICRO-STAR INTERNATIONAL CO., LTD. | MSI (LA)                              | Subsidiary                            | Sales                          | (\$ 47,198,588)    | (23)                          | 60~100 days  | -                                                                                                     | -            | \$ 16,344,408                          | 30                                                   | -        |
| MICRO-STAR INTERNATIONAL CO., LTD. | MEGA COMPUTER                         | Second-tier Subsidiary                | Sales                          | ( 8,195,153)       | (4)                           | 40~70 days   | -                                                                                                     | -            | -                                      | -                                                    | -        |
| MICRO-STAR INTERNATIONAL CO., LTD. | MYSTAR                                | Second-tier Subsidiary                | Sales                          | ( 2,990,010)       | (1)                           | 30~100 days  | -                                                                                                     | -            | 330,565                                | 1                                                    | -        |
| MICRO-STAR INTERNATIONAL CO., LTD. | MSI (KOREA)                           | Second-tier Subsidiary                | Sales                          | ( 5,519,843)       | (3)                           | 40~70 days   | -                                                                                                     | -            | 73,423                                 | -                                                    | -        |
| MICRO-STAR INTERNATIONAL CO., LTD. | MSI (SHANGHAI)                        | Second-tier Subsidiary                | Sales                          | ( 5,735,538)       | (3)                           | 40~70 days   | -                                                                                                     | -            | 3,200,580                              | 6                                                    | -        |
| MICRO-STAR INTERNATIONAL CO., LTD. | INDOMSI                               | Second-tier Subsidiary                | Sales                          | ( 233,964)         | -                             | 90-150 days  | -                                                                                                     | -            | 235,603                                | -                                                    | -        |
| MICRO-STAR INTERNATIONAL CO., LTD. | MSI (EUROPE)                          | Second-tier Subsidiary                | Sales                          | ( 359,604)         | -                             | 7-30 days    | -                                                                                                     | -            | 51,333                                 | -                                                    | -        |
| MICRO-STAR INTERNATIONAL CO., LTD. | MSI COMPUTER (SHENZHEN)               | Second-tier Subsidiary                | Purchase                       | 92,899,688         | 31                            | 90-150 days  | Note 1                                                                                                | Note 1       | ( 17,527,490)                          | (39)                                                 | Note 4   |
| MICRO-STAR INTERNATIONAL CO., LTD. | MSI ELECTRONICS (KUNSHAN)             | Second-tier Subsidiary                | Purchase                       | 60,519,011         | 20                            | 90-150 days  | Note 1                                                                                                | Note 1       | ( 13,157,418)                          | (30)                                                 | Note 4   |
| MEGA COMPUTER                      | MSI (SHANGHAI)                        | Affiliated company                    | Sales                          | ( 6,803,878)       | (100)                         | 40-70 days   | -                                                                                                     | -            | -                                      | -                                                    | -        |
| MSI (LA)                           | RAIDEALS                              | Affiliated company                    | Sales                          | ( 115,432)         | -                             | 40-70 days   | -                                                                                                     | -            | 3,409                                  | -                                                    | -        |

Note 1: There are no counterparties for comparison and the relevant transactions have been eliminated in the preparation of the consolidated financial statements.

Note 2: Balances after elimination in conformity with regulations.

Note 3: Corresponding transactions are not disclosed.

Note 4: The Group sold materials to the above related parties for processing and repurchased the finished goods. The sales amount of materials and repurchase price of finished goods were offset against each other and shown at net amount in the financial statements.

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
December 31, 2024

Expressed in thousands of NTD  
(Except as otherwise indicated)

Table 4

| Creditor                           | Counterparty                       | Relationship with the counterparty | Balance as of December 31, 2024 | Turnover rate | Overdue receivables |              | Amount collected subsequent to the balance sheet date | Allowance for doubtful accounts | Footnote |
|------------------------------------|------------------------------------|------------------------------------|---------------------------------|---------------|---------------------|--------------|-------------------------------------------------------|---------------------------------|----------|
|                                    |                                    |                                    |                                 |               | Amount              | Action taken |                                                       |                                 |          |
| MICRO-STAR INTERNATIONAL CO., LTD. | MSI (LA)                           | Subsidiary                         | \$ 16,344,408                   | 3.77          | \$ -                | -            | \$ 4,643,305                                          | \$ -                            |          |
| MICRO-STAR INTERNATIONAL CO., LTD. | MYSTAR                             | Second-tier Subsidiary             | 330,565                         | 9.52          | -                   | -            | 302,857                                               | -                               |          |
| MICRO-STAR INTERNATIONAL CO., LTD. | MSI (KOREA)                        | Second-tier Subsidiary             | 73,423                          | -             | -                   | -            | 307,822                                               | -                               |          |
| MICRO-STAR INTERNATIONAL CO., LTD. | MSI (SHANGHAI)                     | Second-tier Subsidiary             | 3,200,580                       | 3.58          | -                   | -            | 954,042                                               | -                               |          |
| MICRO-STAR INTERNATIONAL CO., LTD. | INDOMSI                            | Subsidiary                         | 235,603                         | 1.99          | -                   | -            | -                                                     | -                               |          |
| MICRO-STAR INTERNATIONAL CO., LTD. | MSI COMPUTER (SHENZHEN)            | Second-tier Subsidiary             | 7,495,612                       | -             | -                   | -            | 3,801,324                                             | -                               | Note     |
| MICRO-STAR INTERNATIONAL CO., LTD. | MSI ELECTRONICS (KUNSHAN)          | Second-tier Subsidiary             | 14,543,943                      | -             | -                   | -            | 5,165,775                                             | -                               | Note     |
| MSI (PACIFIC)                      | MICRO-STAR INTERNATIONAL CO., LTD. | Ultimate parent company            | 255,247                         | -             | -                   | -            | -                                                     | -                               |          |
| MSI COMPUTER (SHENZHEN)            | MICRO-STAR INTERNATIONAL CO., LTD. | Ultimate parent company            | 17,527,490                      | 5.39          | -                   | -            | 4,526,726                                             | -                               |          |
| MSI ELECTRONICS (KUNSHAN)          | MICRO-STAR INTERNATIONAL CO., LTD. | Ultimate parent company            | 13,157,418                      | 4.89          | -                   | -            | 5,145,478                                             | -                               |          |
| MSI (B.V.I.)                       | MSI (PACIFIC)                      | Parent Company                     | 153,213                         | -             | -                   | -            | -                                                     | -                               |          |
| MICRO ELECTRONICS                  | MSI (PACIFIC)                      | Parent Company                     | 102,034                         | -             | -                   | -            | -                                                     | -                               |          |

Note: The Group sold materials to the above related parties for processing and repurchased the finished goods. The sales amount of materials and repurchase price of finished goods were offset against each other and shown at net amount in the financial statements.

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES  
Significant inter-company transactions during the year ended December 31, 2024

Expressed in thousands of NTD  
(Except as otherwise indicated)

Table 5

| Number | Company name<br>(Note 4)           | Counterparty<br>(Note 4)  | Relationship                             | Transaction            |                    |                   |                                                                              |
|--------|------------------------------------|---------------------------|------------------------------------------|------------------------|--------------------|-------------------|------------------------------------------------------------------------------|
|        |                                    |                           |                                          | General ledger account | Amount<br>(Note 1) | Transaction terms | Percentage of<br>consolidated total<br>operating revenues or<br>total assets |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (KOREA)               | Parent company to second-tier subsidiary | Sales                  | \$ 5,519,843       | Note 2            | 2.79%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (LA)                  | Parent company to subsidiary             | Sales                  | 47,198,588         | Note 2            | 23.85%                                                                       |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MEGA COMPUTER             | Parent company to second-tier subsidiary | Sales                  | 8,195,153          | Note 2            | 4.14%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MYSTAR                    | Parent company to second-tier subsidiary | Sales                  | 2,990,010          | Note 2            | 1.51%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (EUROPE)              | Parent company to second-tier subsidiary | Sales                  | 359,604            | Note 2            | 0.18%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (SHANGHAI)            | Parent company to second-tier subsidiary | Sales                  | 5,735,538          | Note 2            | 2.90%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | INDOMSI                   | Parent company to subsidiary             | Sales                  | 233,964            | Note 2            | 0.12%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (KOREA)               | Parent company to second-tier subsidiary | Accounts receivable    | 73,423             | Note 2            | 0.08%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (LA)                  | Parent company to subsidiary             | Accounts receivable    | 16,344,408         | Note 2            | 16.92%                                                                       |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MYSTAR                    | Parent company to second-tier subsidiary | Accounts receivable    | 330,565            | Note 2            | 0.34%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (EUROPE)              | Parent company to second-tier subsidiary | Accounts receivable    | 51,333             | Note 2            | 0.05%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (SHANGHAI)            | Parent company to second-tier subsidiary | Accounts receivable    | 3,200,580          | Note 2            | 3.31%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | INDOMSI                   | Parent company to subsidiary             | Accounts receivable    | 235,603            | Note 2            | 0.24%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI COMPUTER (SHENZHEN)   | Parent company to second-tier subsidiary | Accounts receivable    | 7,495,612          | Note 3            | 7.76%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI ELECTRONICS (KUNSHAN) | Parent company to second-tier subsidiary | Accounts receivable    | 14,543,943         | Note 3            | 15.05%                                                                       |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI COMPUTER (SHENZHEN)   | Parent company to second-tier subsidiary | Purchase               | 92,899,688         | Note 3            | 46.95%                                                                       |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI ELECTRONICS (KUNSHAN) | Parent company to second-tier subsidiary | Purchase               | 60,519,011         | Note 3            | 30.58%                                                                       |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI COMPUTER (SHENZHEN)   | Parent company to second-tier subsidiary | Accounts payable       | 17,527,490         | Note 3            | 18.14%                                                                       |

| Number | Company name<br>(Note 4)           | Counterparty<br>(Note 4)  | Relationship                             | Transaction                         |                    |                   |                                                                              |
|--------|------------------------------------|---------------------------|------------------------------------------|-------------------------------------|--------------------|-------------------|------------------------------------------------------------------------------|
|        |                                    |                           |                                          | General ledger account              | Amount<br>(Note 1) | Transaction terms | Percentage of<br>consolidated total<br>operating revenues or<br>total assets |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI ELECTRONICS (KUNSHAN) | Parent company to second-tier subsidiary | Accounts payable                    | 13,157,418         | Note 3            | 13.62%                                                                       |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MEGA COMPUTER             | Parent company to second-tier subsidiary | Manufacturing and operating expense | 135,210            | Note 2            | 0.07%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (EUROPE)              | Parent company to second-tier subsidiary | Manufacturing and operating expense | 457,520            | Note 2            | 0.23%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MYSTAR                    | Parent company to second-tier subsidiary | Manufacturing and operating expense | 186,032            | Note 2            | 0.09%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (MHK)                 | Parent company to second-tier subsidiary | Manufacturing and operating expense | 200,122            | Note 2            | 0.10%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (POLSKA)              | Parent company to second-tier subsidiary | Manufacturing and operating expense | 265,596            | Note 2            | 0.13%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (RUSSIA)              | Parent company to second-tier subsidiary | Manufacturing and operating expense | 133,136            | Note 2            | 0.07%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (LA)                  | Parent company to subsidiary             | Manufacturing and operating expense | 509,183            | Note 2            | 0.26%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (SARL)                | Parent company to second-tier subsidiary | Manufacturing and operating expense | 146,493            | Note 2            | 0.07%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (JAPAN)               | Parent company to subsidiary             | Manufacturing and operating expense | 219,149            | Note 2            | 0.11%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (KOREA)               | Parent company to second-tier subsidiary | Manufacturing and operating expense | 105,617            | Note 2            | 0.05%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (UK)                  | Parent company to second-tier subsidiary | Manufacturing and operating expense | 156,324            | Note 2            | 0.08%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (CANADA)              | Parent company to subsidiary             | Manufacturing and operating expense | 96,472             | Note 2            | 0.05%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (HOLDING)             | Parent company to subsidiary             | Manufacturing and operating expense | 218,944            | Note 2            | 0.11%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (AUSTRALIA)           | Parent company to subsidiary             | Manufacturing and operating expense | 110,902            | Note 2            | 0.06%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (ITALY)               | Parent company to second-tier subsidiary | Manufacturing and operating expense | 77,591             | Note 2            | 0.04%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (IBERIA)              | Parent company to second-tier subsidiary | Manufacturing and operating expense | 79,209             | Note 2            | 0.04%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (SEE TURKEY)          | Parent company to second-tier subsidiary | Manufacturing and operating expense | 65,387             | Note 2            | 0.03%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (LA)                  | Parent company to subsidiary             | Other payables                      | 99,981             | Note 2            | 0.10%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (SARL)                | Parent company to second-tier subsidiary | Other payables                      | 54,117             | Note 2            | 0.06%                                                                        |
| 0      | MICRO-STAR INTERNATIONAL CO., LTD. | MSI (EUROPE)              | Parent company to second-tier subsidiary | Other payables                      | 61,797             | Note 2            | 0.06%                                                                        |
| 1      | MSI (PACIFIC)                      | MICRO ELECTRONICS         | Subsidiary to second-tier subsidiary     | Other payables                      | 102,034            | Note 3            | 0.11%                                                                        |
| 1      | MSI (PACIFIC)                      | MSI (B.V.I.)              | Subsidiary to second-tier subsidiary     | Other payables                      | 153,213            | Note 3            | 0.16%                                                                        |

| Number | Company name<br>(Note 4) | Counterparty<br>(Note 4)              | Relationship                                        | Transaction            |                    |                   |                                                                              |
|--------|--------------------------|---------------------------------------|-----------------------------------------------------|------------------------|--------------------|-------------------|------------------------------------------------------------------------------|
|        |                          |                                       |                                                     | General ledger account | Amount<br>(Note 1) | Transaction terms | Percentage of<br>consolidated total<br>operating revenues or<br>total assets |
| 1      | MSI (PACIFIC)            | MICRO-STAR INTERNATIONAL<br>CO., LTD. | Subsidiary to parent                                | Other receivables      | 255,247            | Note 3            | 0.26%                                                                        |
| 2      | MEGA COMPUTER            | MSI (SHANGHAI)                        | Second-tier subsidiary to<br>second-tier subsidiary | Sales                  | 6,803,878          | Note 2            | 3.44%                                                                        |
| 3      | MSI (LA)                 | RAIDEALS                              | Subsidiary to second-tier<br>subsidiary             | Sales                  | 115,432            | Note 2            | 0.06%                                                                        |

Note 1: Balances after elimination in conformity with regulations.

Note 2: Transaction terms were approximately the same as those to third parties.

Note 3: Determined based on the quantities, contract amount and delivery time.

Note 4: Individual transactions not exceeding \$50,000 and their corresponding transactions are not disclosed.

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Information on investees (not including investees in Mainland China)

For the year ended December 31, 2024

Expressed in thousands of NTD

(Except as otherwise indicated)

Table 6

| Investor                           | Investee              | Location              | Main business activities                                                     | Initial investment amount       |                                 | Shares held as at December 31, 2024 |               |              | Net profit (loss) of the investee for the year ended December 31, 2024 | Investment income (loss) recognised by the Company for the year ended December 31, 2024 | Footnote                     |
|------------------------------------|-----------------------|-----------------------|------------------------------------------------------------------------------|---------------------------------|---------------------------------|-------------------------------------|---------------|--------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------|
|                                    |                       |                       |                                                                              | Balance as at December 31, 2024 | Balance as at December 31, 2023 | Number of shares                    | Ownership (%) | Book value   |                                                                        |                                                                                         |                              |
| MICRO-STAR INTERNATIONAL CO., LTD. | MSI (LA)              | U.S.A                 | Sales and after-sales service of computers and electronic components         | \$ 258,468                      | \$ 258,468                      | 575,458                             | 100.00        | (\$ 448,759) | (\$ 7,964)                                                             | (\$ 7,964)                                                                              | Direct subsidiary (Note 4)   |
| MICRO-STAR INTERNATIONAL CO., LTD. | MSI (AUSTRALIA)       | Australia             | Sales support and after-sales service of computers and electronic components | 57,420                          | 57,420                          | 221,836                             | 100.00        | 18,237       | 2,620                                                                  | 2,620                                                                                   | Direct subsidiary            |
| MICRO-STAR INTERNATIONAL CO., LTD. | MSI (JAPAN)           | Japan                 | Sales support and after-sales service of computers and electronic components | 20,411                          | 20,411                          | 1,400                               | 100.00        | 24,013       | 776                                                                    | 776                                                                                     | Direct subsidiary            |
| MICRO-STAR INTERNATIONAL CO., LTD. | MSI (PACIFIC)         | Cayman Islands        | Holding company                                                              | 1,511,382                       | 1,511,382                       | 30,204,118                          | 100.00        | 12,563,095   | 2,022,890                                                              | 1,925,363                                                                               | Direct subsidiary            |
| MICRO-STAR INTERNATIONAL CO., LTD. | MSI (HOLDING)         | Netherlands           | Holding company                                                              | 45,724                          | 45,724                          | 424,000                             | 100.00        | 912,039      | 77,447                                                                 | 77,447                                                                                  | Direct subsidiary            |
| MICRO-STAR INTERNATIONAL CO., LTD. | MSI COMPUTER (CAYMAN) | Cayman Islands        | Holding company                                                              | 99,093                          | 99,093                          | 50,000                              | 100.00        | 139,199      | 1,101                                                                  | 1,101                                                                                   | Direct subsidiary (Note 4)   |
| MICRO-STAR INTERNATIONAL CO., LTD. | MSI (CANADA)          | Canada                | Sales support and after-sales service of computers and electronic components | 2,150                           | 2,150                           | 100,000                             | 100.00        | 14,979       | 3,515                                                                  | 3,515                                                                                   | Direct subsidiary            |
| MICRO-STAR INTERNATIONAL CO., LTD. | INDOMSI               | India                 | Sales and after-sales service of computers and electronic components         | 65,214                          | 6,137                           | 16,737,013                          | 100.00        | 27,441       | ( 86)                                                                  | ( 86)                                                                                   | Direct subsidiary            |
| MSI (PACIFIC)                      | MSI (KOREA)           | South Korea           | Sales and after-sales service of computers and electronic components         | 24,374                          | 24,374                          | 80,000                              | 100.00        | 432,224      | 71,965                                                                 | -                                                                                       | Indirect subsidiary (Note 4) |
| MSI (PACIFIC)                      | MSI (B.V.I.)          | British Virgin Island | Holding company                                                              | 1,784,681                       | 1,784,681                       | 47,465,071                          | 100.00        | 8,142,772    | 1,219,483                                                              | -                                                                                       | Indirect subsidiary          |
| MSI (PACIFIC)                      | MICRO ELECTRONICS     | British Virgin Island | Holding company                                                              | 1,168,593                       | 1,168,593                       | 33,315,472                          | 100.00        | 5,047,127    | 698,186                                                                | -                                                                                       | Indirect subsidiary          |

| Investor      | Investee        | Location              | Main business activities                                                     | Initial investment amount       |                                 | Shares held as at December 31, 2024 |               |            | Net profit (loss) of the investee for the year ended December 31, 2024 | Investment income (loss) recognised by the Company for the year ended December 31, 2024 | Footnote                     |
|---------------|-----------------|-----------------------|------------------------------------------------------------------------------|---------------------------------|---------------------------------|-------------------------------------|---------------|------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------|
|               |                 |                       |                                                                              | Balance as at December 31, 2024 | Balance as at December 31, 2023 | Number of shares                    | Ownership (%) | Book value |                                                                        |                                                                                         |                              |
| MSI (PACIFIC) | MEGA TECHNOLOGY | British Virgin Island | Holding company                                                              | \$ -                            | \$ 92,819                       | -                                   | -             | \$ -       | \$ -                                                                   | -                                                                                       | Indirect subsidiary (Note 3) |
| MSI (PACIFIC) | MEGA COMPUTER   | Hong Kong             | Sales support of computers and electronic components                         | -                               | -                               | 1                                   | 100.00        | 3,458      | ( 554)                                                                 | -                                                                                       | Indirect subsidiary (Note 4) |
| MSI (PACIFIC) | MSI (MHK)       | Hong Kong             | Sales support of computers and electronic components                         | -                               | -                               | 1                                   | 100.00        | 41,638     | 4,666                                                                  | -                                                                                       | Indirect subsidiary (Note 4) |
| MSI (PACIFIC) | INDOMSI         | India                 | Sales and maintenance of computers and electronic components                 | -                               | -                               | 10                                  | -             | -          | -                                                                      | -                                                                                       | Indirect subsidiary          |
| MSI (PACIFIC) | RAIDEALS        | U.S.A                 | Sales support of computers and electronic components                         | 1,523                           | 1,523                           | -                                   | 100.00        | 2,979      | 192                                                                    | -                                                                                       | Indirect subsidiary          |
| MSI (HOLDING) | MYSTAR          | Netherlands           | Sales support of computers and electronic components                         | 71,353                          | 71,353                          | -                                   | 100.00        | 175,966    | 42,051                                                                 | -                                                                                       | Indirect subsidiary          |
| MSI (HOLDING) | MSI (RUSSIA)    | Russia                | Sales support and after-sales service of computers and electronic components | 68,258                          | 68,258                          | -                                   | 99.00         | 34,230     | 3,232                                                                  | -                                                                                       | Indirect subsidiary          |
| MSI (HOLDING) | MSI (POLSKA)    | Poland                | Sales support and after-sales service of computers and electronic components | 46,077                          | 46,077                          | -                                   | 99.00         | 52,089     | 3,915                                                                  | -                                                                                       | Indirect subsidiary          |
| MSI (HOLDING) | MSI (SARL)      | France                | Sales support of computers and electronic components                         | 26,646                          | 26,646                          | -                                   | 100.00        | 45,168     | 3,966                                                                  | -                                                                                       | Indirect subsidiary          |
| MSI (HOLDING) | MSI (UK)        | Britan                | Sales support of computers and electronic components                         | 37,226                          | 37,226                          | -                                   | 100.00        | 41,334     | 5,303                                                                  | -                                                                                       | Indirect subsidiary          |
| MSI (HOLDING) | MSI (TURKEY)    | Turkey                | Sales support of computers and electronic components                         | 3,229                           | 3,229                           | -                                   | 99.00         | ( 36)      | -                                                                      | -                                                                                       | Indirect subsidiary (Note 2) |
| MSI (HOLDING) | MSI (ITALY)     | Italy                 | Sales support of computers and electronic components                         | 2,153                           | 2,153                           | -                                   | 100.00        | 13,280     | 2,566                                                                  | -                                                                                       | Indirect subsidiary          |
| MSI (HOLDING) | MSI (EUROPE)    | Netherlands           | Logistics services of computers and electronic components                    | 71,910                          | 37,620                          | -                                   | 100.00        | 106,537    | 7,010                                                                  | -                                                                                       | Indirect subsidiary          |

| Investor      | Investee         | Location | Main business activities                                                     | Initial investment amount       |                                 | Shares held as at December 31, 2024 |               |            | Net profit (loss) of the investee for the year ended December 31, 2024 | Investment income (loss) recognised by the Company for the year ended December 31, 2024 | Footnote                     |
|---------------|------------------|----------|------------------------------------------------------------------------------|---------------------------------|---------------------------------|-------------------------------------|---------------|------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------|
|               |                  |          |                                                                              | Balance as at December 31, 2024 | Balance as at December 31, 2023 | Number of shares                    | Ownership (%) | Book value |                                                                        |                                                                                         |                              |
| MSI (HOLDING) | MSI (IBERIA)     | Spain    | Sales support of computers and electronic components                         | \$ 5,177                        | \$ 5,177                        | -                                   | 100.00        | \$ 17,095  | \$ 2,892                                                               | -                                                                                       | Indirect subsidiary          |
| MSI (EUROPE)  | MSI (RUSSIA)     | Russia   | Sales support and after-sales service of computers and electronic components | 689                             | 689                             | -                                   | 1.00          | 546        | 3,232                                                                  | -                                                                                       | Indirect subsidiary          |
| MSI (EUROPE)  | MSI (POLSKA)     | Poland   | Sales support and after-sales service of computers and electronic components | 467                             | 467                             | -                                   | 1.00          | 174        | 3,915                                                                  | -                                                                                       | Indirect subsidiary          |
| MSI (EUROPE)  | MSI (TURKEY)     | Turkey   | Sales support of computers and electronic components                         | 33                              | 33                              | -                                   | 1.00          | 26         | -                                                                      | -                                                                                       | Indirect subsidiary (Note 2) |
| MSI (EUROPE)  | MSI (SEE TURKEY) | Turkey   | Sales support of computers and electronic components                         | 51                              | -                               | -                                   | 100.00        | ( 2,410)   | ( 2,181)                                                               | -                                                                                       | Indirect subsidiary          |

Note 1: The table is presented in New Taiwan dollars. Except for the initial investment amount is valued at historical exchange rate, the others are valued with exchange rate 1USD=32.785NTD;1EUR=34.14NTD on December 31, 2024 and average rate with 1USD=32.0979NTD;1EUR=34.7373NTD for the year ended December 31, 2024.

Note 2: As of December 31, 2024, the liquidation process has not been completed.

Note 3: The subsidiary is liquidated.

Note 4: The entity was audited by other independent auditors.

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China - Basic information

For the year ended December 31, 2024

Expressed in thousands of NTD

(Except as otherwise indicated)

Table 7

| Investee in Mainland China | Main business activities                                                    | Paid-in capital | Investment method | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024 | Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2024 |                         | Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024 | Net income of investee as of December 31, 2024 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the year ended December 31, 2024 (Note 2) | Book value of investments in Mainland China as of December 31, 2024 | Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024 | Footnote |
|----------------------------|-----------------------------------------------------------------------------|-----------------|-------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------|
|                            |                                                                             |                 |                   |                                                                                      | Remitted to Mainland China                                                                                         | Remitted back to Taiwan |                                                                                        |                                                |                                                    |                                                                                                  |                                                                     |                                                                                         |          |
| MSI COMPUTER (SHENZHEN)    | Manufacture and after-sales service of computers, and electronic components | \$ 1,726,857    | Note 1            | \$ 1,726,857                                                                         | \$ -                                                                                                               | \$ -                    | \$ 1,726,857                                                                           | \$ 1,219,346                                   | 100.00                                             | \$ 1,219,346                                                                                     | \$ 7,969,553                                                        | \$ -                                                                                    | -        |
| MSI ELECTRONICS (KUNSHAN)  | Manufacture and after-sales service of computers, and electronic components | 1,772,675       | Note 1            | 1,772,675                                                                            | -                                                                                                                  | -                       | 1,772,675                                                                              | 698,110                                        | 100.00                                             | 698,110                                                                                          | 4,931,531                                                           | -                                                                                       | -        |
| SHENZHEN MEGA INFORMATION  | After-sales service of computers, and electronic components                 | 23,940          | Note 1            | 23,940                                                                               | -                                                                                                                  | -                       | 23,940                                                                                 | ( 190)                                         | 100.00                                             | ( 190)                                                                                           | 24,372                                                              | -                                                                                       | -        |
| MSI (SHANGHAI)             | Sales and after-sales service of computers and electronic components        | 29,275          | Note 1            | -                                                                                    | -                                                                                                                  | -                       | -                                                                                      | 28,504                                         | 100.00                                             | 28,504                                                                                           | ( 47,043)                                                           | -                                                                                       | Note 3   |

| Company name                       | Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024 | Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) | Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA |
|------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| MICRO-STAR INTERNATIONAL CO., LTD. | \$ 3,602,547                                                                           | \$ 3,850,987                                                                                       | \$ 31,724,432                                                                         |

Note 1: The investments were made indirectly through 100% owned subsidiary of the Company.

Note 2: Evaluated based on financial statement not reviewed by other auditors of the investee companies.

Note 3: The amount of US \$1,000 thousand was remitted by the Company's subsidiary, MSI (Pacific), to MSI (SHANGHAI).

Note 4: In pursuance of Shen-Zi Letter No.09704604680 from the Ministry of Economic Affairs dated August 29, 2008. The amended "Regulations for examination of investments and technical cooperation in Mainland Area" sets the limitation for investments in Mainland China to be higher of net book value or 60% of consolidated net book value.

Note 5: The table is presented in New Taiwan dollars. Except for the initial investment amount is valued at historical exchange rate, the others are valued with exchange rate 1USD=32.785NTD on December 31, 2024 and average rate with 1USD=32.0979NTD for the year ended December 31, 2024.

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China - Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in third areas  
For the year ended December 31, 2024

Expressed in thousands of NTD  
(Except as otherwise indicated)

Table 8

| Investee in Mainland<br>China | Amount of endorsements/guarantees |       |                      |   |                                    |       |                                    |         |                        |                                    |                        |                  |        |          |        |
|-------------------------------|-----------------------------------|-------|----------------------|---|------------------------------------|-------|------------------------------------|---------|------------------------|------------------------------------|------------------------|------------------|--------|----------|--------|
|                               | Sales/ (Purchase)                 |       | Property transaction |   | Accounts receivable/ (payable)     |       | secured with collaterals           |         | Accommodation of funds |                                    |                        |                  |        |          |        |
|                               | Amount                            | %     | Amount               | % | Balance as of<br>December 31, 2024 | %     | Balance as of<br>December 31, 2024 | Purpose | Ceiling<br>amount      | Balance as of<br>December 31, 2024 | Interest rate<br>range | Interest expense | Others | Footnote |        |
| MSI COMPUTER (SHENZHEN)       | \$ -                              | -     | \$ -                 | - | \$ 7,495,612                       | 14    | \$ -                               | -       | \$ -                   | \$ -                               | -                      | \$ -             | -      | \$ -     | -      |
| MSI ELECTRONICS (KUNSHAN)     | -                                 | -     | -                    | - | 14,543,943                         | 27    | -                                  | -       | -                      | -                                  | -                      | -                | -      | -        | -      |
| MSI COMPUTER (SHENZHEN)       | ( 92,899,688)                     | ( 31) | -                    | - | ( 17,527,490)                      | ( 39) | -                                  | -       | -                      | -                                  | -                      | -                | -      | -        | -      |
| MSI ELECTRONICS (KUNSHAN)     | ( 60,519,011)                     | ( 20) | -                    | - | ( 13,157,418)                      | ( 30) | -                                  | -       | -                      | -                                  | -                      | -                | -      | -        | -      |
| MSI (SHANGHAI)                | 6,803,878                         | 100   | -                    | - | -                                  | -     | -                                  | -       | -                      | -                                  | -                      | -                | -      | -        | Note 1 |
| MSI (SHANGHAI)                | 5,735,538                         | 3     | -                    | - | 3,200,580                          | 6     | -                                  | -       | -                      | -                                  | -                      | -                | -      | -        |        |

Note 1: MEGA COMPUTER sold to MSI (SHANGHAI).

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Major shareholders information

December 31, 2024

Table 9

| Name of major shareholders               | Shares held as at December 31, 2024 |              |
|------------------------------------------|-------------------------------------|--------------|
|                                          | Number of shares                    | Ownership(%) |
| Cathay Sustainability High Dividend ETF  | 69,428,000                          | 8.22%        |
| Hsu Hsiang                               | 46,883,151                          | 5.55%        |
| Yuanta P-shares Taiwan Dividend Plus ETF | 45,029,953                          | 5.33%        |