MICRO-STAR INTERNATIONAL CO., LTD.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

JUNE 30, 2025 AND 2024

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.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

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

Introduction

We have reviewed the accompanying consolidated balance sheets of MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES (the "Group") as at June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As explained in Note 4(3), the financial statements of certain insignificant consolidated subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT$29,779,896 thousand and NT$29,575,170 thousand, constituting 25% and 29% of the consolidated total assets, and total liabilities of NT$20,226,233 thousand and NT$15,308,436 thousand, constituting 28% and 29% of the consolidated total liabilities as at June 30, 2025 and 2024, and total comprehensive income of NT$509,733 thousand, NT$449,539, NT$988,615 thousand and NT$1,035,087 thousand, constituting (140%), 20%, 91% and 21% of the consolidated total comprehensive income for the three months and six months then ended.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six months then ended in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Other matter – Review reports of other independent auditors

We did not review the financial statements of certain consolidated subsidiaries. Those financial statements were reviewed by other independent auditors, whose reports thereon have been furnished to us, and our report expressed herein, insofar as it relates to the amounts included in the financial statements and the information disclosed in Note 13 was based solely on the review reports of other independent auditors. These consolidated subsidiaries reflect total assets of NT$18,187,885 thousand and NT$17,856,920 thousand, constituting 15% and 17% of the consolidated total assets as at June 30, 2025 and 2024, and total operating revenues of NT$12,710,869 thousand, NT$10,867,152 thousand, NT$23,268,256 thousand and NT$20,594,455 thousand, constituting 21%, 23%, 20% and 22% of the consolidated total operating revenues for the three months and six months then ended.

Yu, Chih-Fan   Yu, Cheng-Fu

For and on behalf of PricewaterhouseCoopers, Taiwan

August 8, 2025

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
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	June 30, 2025 AMOUNT	%	December 31, 2024 AMOUNT	%	June 30, 2024 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 20,958,970	17	$ 23,043,395	24	$ 18,281,114	18
1110	Financial assets at fair value through profit or loss - current	6(2)	1,057,385	1	345,383	-	174,124	-
1136	Current financial assets at amortised cost	6(4)	7,700,429	6	1,000,456	1	5,100,473	5
1170	Accounts receivable, net	6(5)	31,708,827	26	23,360,372	24	24,281,456	24
1200	Other receivables	6(6)	481,395	-	98,145	-	618,220	1
1220	Current income tax assets		26,248	-	110,461	-	161,574	-
130X	Inventories, net	6(7)	45,168,583	38	36,857,905	38	42,058,434	41
1410	Prepayments	6(8)	2,086,793	2	2,385,695	3	2,221,326	2
11XX	**Total current assets**		109,188,630	90	87,201,812	90	92,896,721	91
	Non-current assets							
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	87,977	-	87,977	-	86,991	-
1535	Non-current financial assets at amortised cost	6(4) and 8	524,565	1	599,613	1	710,070	1
1600	Property, plant and equipment	6(9) and 8	8,378,292	7	6,531,860	7	6,710,933	6
1755	Right-of-use assets	6(10)	991,439	1	943,669	1	708,882	1
1760	Investment property - net	6(12)	30,166	-	38,849	-	30,167	-
1840	Deferred income tax assets		1,414,508	1	1,096,187	1	1,342,595	1
1900	Other non-current assets		112,340	-	120,515	-	124,480	-
15XX	**Total non-current assets**		11,539,287	10	9,418,670	10	9,714,118	9
1XXX	**Total assets**		$ 120,727,917	100	$ 96,620,482	100	$ 102,610,839	100

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MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	June 30, 2025 AMOUNT	%	December 31, 2024 AMOUNT	%	June 30, 2024 AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(13)	$ -	-	$ -	-	$ 3,000,000	3
2120	Financial liabilities at fair value through profit or loss - current	6(2)	282,422	-	264,849	-	75,473	-
2130	Current contract liabilities	6(21)	245,629	-	203,938	-	132,909	-
2150	Notes payable		-	-	-	-	120	-
2170	Accounts payable		43,403,357	36	28,710,338	30	28,585,153	28
2200	Other payables	6(14)	11,606,186	10	7,250,495	8	11,854,708	12
2230	Current income tax liabilities		836,228	1	382,885	-	1,152,957	1
2250	Provision for liabilities - current	6(17)	1,272,270	1	1,285,826	1	1,290,694	1
2280	Current lease liabilities		377,983	-	388,074	1	350,449	-
2320	Long-term liabilities, current portion	6(15)	23,346	-	-	-	-	-
2365	Refund liabilities- current		5,301,179	5	4,017,530	4	4,595,543	5
2399	Other current liabilities, others		155,814	-	147,882	-	130,540	-
21XX	**Total current liabilities**		63,504,414	53	42,651,817	44	51,168,546	50
	Non-current liabilities							
2540	Long-term borrowings	6(15)	6,229,508	5	-	-	-	-
2570	Deferred income tax liabilities		144,700	-	23,721	-	53,823	-
2580	Non-current lease liabilities		578,269	1	512,183	1	313,858	-
2640	Net defined benefit liability, non-current		84,274	-	88,605	-	160,649	-
2670	Other non-current liabilities, others		451,001	-	470,102	-	325,848	1
25XX	**Total non-current liabilities**		7,487,752	6	1,094,611	1	854,178	1
2XXX	**Total liabilities**		70,992,166	59	43,746,428	45	52,022,724	51
	Equity attributable to owners of parent							
	Share capital	6(18)						
3110	Share capital - common stock		8,448,562	7	8,448,562	9	8,448,562	8
	Capital surplus	6(19)						
3200	Capital surplus		806,619	1	806,029	1	806,033	1
	Retained earnings	6(20)						
3310	Legal reserve		10,465,854	9	9,781,123	10	9,781,123	9
3320	Special reserve		469,324	-	877,405	1	877,405	1
3350	Unappropriated retained earnings		31,349,275	25	33,430,259	34	31,182,447	30
	Other equity interest							
3400	Other equity interest		(1,803,883)	(1)	(469,324)	-	(507,455)	-
31XX	**Equity attributable to owners of the parent**		49,735,751	41	52,874,054	55	50,588,115	49
3XXX	**Total equity**		49,735,751	41	52,874,054	55	50,588,115	49
3X2X	**Total liabilities and equity**		$ 120,727,917	100	$ 96,620,482	100	$ 102,610,839	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
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Three months ended June 30				Six months ended June 30			
			2025		2024		2025		2024	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(21)	$ 61,316,631	100	$ 46,672,024	100	$ 114,856,981	100	$ 94,298,558	100
5000	Operating costs	6(7)(25)	(54,501,919)	(89)	(40,424,114)	(87)	(102,545,990)	(89)	(82,010,964)	(87)
5900	Net operating margin		6,814,712	11	6,247,910	13	12,310,991	11	12,287,594	13
	Operating expenses	6(25)								
6100	Selling expenses		(3,060,678)	(5)	(2,385,610)	(5)	(5,877,713)	(5)	(4,568,468)	(5)
6200	General and administrative expenses		(429,697)	(1)	(535,714)	(1)	(822,580)	(1)	(935,523)	(1)
6300	Research and development expenses		(1,265,707)	(2)	(1,242,994)	(2)	(2,588,704)	(2)	(2,355,276)	(2)
6450	Expected credit profit	12(2)	4,931	-	121,926	-	53,406	-	6,346	-
6000	Total operating expenses		(4,751,151)	(8)	(4,042,392)	(8)	(9,235,591)	(8)	(7,852,921)	(8)
6900	Operating profit		2,063,561	3	2,205,518	5	3,075,400	3	4,434,673	5
	Non-operating income and expenses									
7100	Interest income	6(4)(22)	134,658	-	130,825	-	257,001	-	231,942	-
7010	Other income	6(23)	105,651	-	259,901	1	170,869	-	382,013	-
7020	Other gains and losses	6(24)	(372,945)	-	125,842	-	(283,581)	-	668,486	1
7050	Finance costs		(20,576)	-	(5,903)	-	(28,547)	-	(10,021)	-
7000	Total non-operating income and expenses		(153,212)	-	510,665	1	115,742	-	1,272,420	1
7900	**Profit before income tax**		1,910,349	3	2,716,183	6	3,191,142	3	5,707,093	6
7950	Income tax expense	6(27)	(567,547)	(1)	(608,843)	(1)	(771,195)	(1)	(1,107,594)	(1)
8200	**Profit for the period**		$ 1,342,802	2	$ 2,107,340	5	$ 2,419,947	2	$ 4,599,499	5
	Other comprehensive income									
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations		($ 1,707,223)	(3)	$ 104,677	-	($ 1,334,559)	(1)	$ 369,950	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		(1,707,223)	(3)	104,677	-	(1,334,559)	(1)	369,950	-
8300	**Total other comprehensive income (loss) for the period**		($ 1,707,223)	(3)	$ 104,677	-	($ 1,334,559)	(1)	$ 369,950	-
8500	**Total comprehensive income (loss) for the period**		($ 364,421)	(1)	$ 2,212,017	5	$ 1,085,388	1	$ 4,969,449	5
	Profit attributable to:									
8610	Owners of the parent		$ 1,342,802	2	$ 2,107,340	5	$ 2,419,947	2	$ 4,599,499	5
	Comprehensive income (loss) attributable to:									
8710	Owners of the parent		($ 364,421)	(1)	$ 2,212,017	5	$ 1,085,388	1	$ 4,969,449	5
	Earnings per share (in dollars)	6(28)								
9750	Basic earnings per share		$ 1.59		$ 2.49		$ 2.86		$ 5.44	
9850	Diluted earnings per share		$ 1.59		$ 2.49		$ 2.85		$ 5.42	

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
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent										
			Capital Surplus				Retained Earnings			Other equity interest		
	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	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
2024												
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 six months ended June 30, 2024		-	-	-	-	-	-	-	4,599,499	-	-	4,599,499
Other comprehensive income for the six months ended June 30, 2024		-	-	-	-	-	-	-	-	369,950	-	369,950
Total comprehensive income		-	-	-	-	-	-	-	4,599,499	369,950	-	4,969,449
Appropriation of 2023 earnings	6(20)											
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		-	-	-	625	-	-	-	-	-	-	625
Balance at June 30, 2024		$ 8,448,562	$ 628,134	$ 130,592	$ 2,847	$ 44,460	$ 9,781,123	$ 877,405	$ 31,182,447	($ 455,467)	($ 51,988)	$ 50,588,115
2025												
Balance at January 1, 2025		$ 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
Profit for the six months ended June 30, 2025		-	-	-	-	-	-	-	2,419,947	-	-	2,419,947
Other comprehensive loss for the six months ended June 30, 2025		-	-	-	-	-	-	-	-	(1,334,559)	-	(1,334,559)
Total comprehensive income (loss)		-	-	-	-	-	-	-	2,419,947	(1,334,559)	-	1,085,388
Appropriation of 2024 earnings	6(20)											
Legal reserve		-	-	-	-	-	684,731	-	(684,731)	-	-	-
Special reserve		-	-	-	-	-	-	(408,081)	408,081	-	-	-
Cash dividends		-	-	-	-	-	-	-	(4,224,281)	-	-	(4,224,281)
Due to donated assets received		-	-	-	590	-	-	-	-	-	-	590
Balance at June 30, 2025		$ 8,448,562	$ 628,134	$ 130,592	$ 3,433	$ 44,460	$ 10,465,854	$ 469,324	$ 31,349,275	($ 1,752,685)	($ 51,198)	$ 49,735,751

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

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 3,191,142	$ 5,707,093
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including right-of-use assets and investment properties)	6(25)	689,361	660,791
Amortization	6(25)	313	219
Expected credit reversal	12(2)	(53,406)	(6,346)
Gain on financial assets and liabilities at fair value through profit or loss		(706,123)	(118,850)
Interest expense		28,547	10,021
Interest income	6(22)	(257,001)	(231,942)
Gain on disposal of property, plant and equipment	6(24)	(57,347)	(94)
Gain on lease modification	6(10)	(124)	(23)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		12,564	(26,074)
Notes receivable, net		-	61,660
Accounts receivable		(8,288,029)	(4,419,713)
Other receivables		(379,827)	(4,223)
Inventories, net		(8,310,678)	(8,663,431)
Prepaymens		298,785	(2,495)
Other non-current assets		12,389	1,734
Changes in operating liabilities			
Current contract liabilities		41,691	(69,672)
Notes payable		-	120
Accounts payable		14,693,019	4,149,973
Other payables		108,515	382,334
Provision for liabilities - current		(13,556)	14,002
Refund liabilities- current		1,283,649	660,258
Other current liabilities, others		7,932	45,206
Net defined benefit liability		(4,331)	(3,802)
Other non-current liabilities		(12,056)	(77,012)
Cash inflow (outflow) generated from operations		2,285,429	(1,930,266)
Interest received		248,107	229,204
Interest paid		(19,487)	(9,864)
Income tax paid		(419,778)	(1,826,763)
Net cash flows from (used in) operating activities		2,094,271	(3,537,689)

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MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30 2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost		($ 6,624,925)	($ 5,143,604)
Acquisition of property, plant and equipment	6(29)	(2,491,134)	(1,929,826)
Proceeds from disposal of property, plant and equipment		89,154	474
Decrease (increase) in refundable deposits		4,442	(3,594)
Acquisition of investment properties	6(12)	-	(165)
Net cash flows used in investing activities		(9,022,463)	(7,076,715)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(30)	-	3,000,000
Increase in long-term borrowings	6(30)	6,252,854	-
Repayment of the principal portion of lease liabilities	6(30)	(216,099)	(180,055)
(Decrease) increase in guarantee deposits received	6(30)	(7,045)	15,397
Due to donated assets received		590	625
Net cash flows from financing activities		6,030,300	2,835,967
Effect of exchange rate		(1,186,533)	287,029
Net decrease in cash and cash equivalents		(2,084,425)	(7,491,408)
Cash and cash equivalents at beginning of period	6(1)	23,043,395	25,772,522
Cash and cash equivalents at end of period	6(1)	$ 20,958,970	$ 18,281,114

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
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(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 August 8, 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 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting 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.

(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 the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of 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
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
Annual Improvements to IFRS Accounting Standards—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.

Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’

A. 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.

B. 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.

C. 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:

   (a) The practical ability to withdraw, stop or cancel the payment instruction;

   (b) The practical ability to access the cash used for settlement; and

   (c) Significant settlement risk.

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.

(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 International Accounting Standards Board
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 International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in Financial Statements'	January 1, 2027
IFRS 19,'Subsidiaries without public accountability: disclosures'	January 1, 2027

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.

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

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(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 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") 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:

The basis for preparation of consolidated financial statements are consistent with the consolidated financial statements for the year ended December 31, 2024.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiaries	Main business activities	Ownership(%) 2025/6/30	2024/12/31	2024/6/30	Note
MICRO-STAR INTERNATIONAL CO., LTD.	MICRO-STAR NETHERLANDS HOLDING B.V. [MSI (HOLDING)]	Holding company	100	100	100	
〃	MSI COMPUTER CORP. [MSI (LA)]	Sales and after-sales service of computers and electronic components	100	100	100	
〃	MSI PACIFIC INTERNATIONAL HOLDING CO., LTD. [MSI (PACIFIC)]	Holding company	100	100	100	
〃	MSI COMPUTER JAPAN CO., LTD. [MSI (JAPAN)]	Sales support and after-sales service of computers and electronic components	100	100	100	
〃	MSI COMPUTER (AUSTRALIA) PTY. LTD. [MSI (AUSTRALIA)]	〃	100	100	100	
〃	MSI COMPUTER (CAYMAN) CO., LTD. [MSI COMPUTER (CAYMAN)]	Holding company	100	100	100	
〃	MICRO-STAR CANADA LTD. [MSI (CANADA)]	Sales support and after-sales service of computers and electronic components	100	100	100	

Name of investor	Name of subsidiaries	Main business activities	Ownership(%) 2025/6/30	2024/12/31	2024/6/30	Note
MICRO-STAR INTERNATIONAL CO., LTD.	INDOMSI COMPUTERS PRIVATE LTD. [INDOMSI]	Sales and after-sales service of computers and electronic components	100	100	100	
〃	PT MSI COMPUTER INDONESIA [MSI (INDONESIA)]	Sales support of computers and electronic components	-	-	-	C
MSI (HOLDING)	MYSTAR COMPUTER B.V. [MYSTAR]	Sales and sales support of computers and electronic components	100	100	100	
〃	MSI COMPUTER SARL [MSI (SARL)]	Sales support of computers and electronic components	100	100	100	
〃	MSI COMPUTER (UK) LTD. [MSI (UK)]	〃	100	100	100	
〃	MSI POLSKA SP. Z O. O. [MSI (POLSKA)]	Sales support and after-sales services of computers and electronic components	99	99	99	
〃	MSI COMPUTER EUROPE B.V. [MSI (EUROPE)]	Sales and logistics services of computers and electronic components	100	100	100	
〃	LLC MSI COMPUTER [MSI (RUSSIA)]	Sales support and after-sales service of computers and electronic components	99	99	99	
〃	MSI COMPUTER TECHNOLOGIES LIMITED COMPANY [MSI (TURKEY)]	Sales support of computers and electronic components	99	99	99	A
〃	MSI ITALY S.R.L. [MSI (ITALY)]	〃	100	100	100	
〃	MSI IBERIA S.L. [MSI (IBERIA)]	〃	100	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	1	
〃	LLC MSI COMPUTER [MSI (RUSSIA)]	〃	1	1	1	

Name of investor	Name of subsidiaries	Main business activities	Ownership(%) 2025/6/30	2024/12/31	2024/6/30	Note
MSI (EUROPE)	MSI COMPUTER TECHNOLOGIES LIMITED COMPANY [MSI (TURKEY)]	Sales support of computers and electronic components	1	1	1	A
〃	MSI SEE TURKEY DOMESTIC AND FOREIGN TRADE LIMITED COMPANY [MSI (SEE TURKEY)]	〃	100	100	100	B
MSI (PACIFIC)	MSI KOREA CO., LTD. [MSI (KOREA)]	Sales and after-sales service of computers and electronic components	100	100	100	
〃	MICRO-STAR INTERNATIONAL (B.V.I.) HOLDING CO., LTD. [MSI (B.V.I.)]	Holding company	100	100	100	
〃	MICRO ELECTRONICS HOLDING CO., LTD. [MICRO ELECTRONICS]	〃	100	100	100	
〃	MEGA COMPUTER CO., LTD. [MEGA COMPUTER]	Sales support of computers and electronic components	100	100	100	
〃	MHK INTERNATIONAL CO., LTD. [MSI (MHK)]	〃	100	100	100	
〃	MSI (SHANGHAI) CO., LTD. [MSI (SHANGHAI)]	Sales and after-sales service of computers and electronic components	100	100	100	
〃	SHENZHEN MEGA INFORMATION CO., LTD. [SHENZHEN MEGA INFORMATION]	After-sales service of computers, and electronic components	100	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	100	
〃	PT MSI COMPUTER INDONESIA [MSI (INDONESIA)]	Sales support of computers and electronic components	-	-	-	C

Name of investor	Name of subsidiaries	Main business activities	Ownership(%) 2025/6/30	2024/12/31	2024/6/30	Note
MICRO ELECTRONICS	MSI ELECTRONICS (KUNSHAN) CO., LTD. [MSI ELECTRONICS (KUNSHAN)]	Manufacture and after-sales service of computers, and electronic components	100	100	100	
MSI (B.V.I.)	MSI COMPUTER (SHENZHEN) CO., LTD. [MSI COMPUTER (SHENZHEN)]	Manufacture and after-sales service of computers, and electronic components	100	100	100	
MSI ELECTRONICS (KUNSHAN)	MSI TECH SOLUTIONS (KUNSHAN) CO., LTD. [MSI TECH SOLUTIONS (KUNSHAN)]	Manufacture of computers, and electronic components	-	-	-	D

The financial statements for the six months ended June 30, 2025 and 2024, aside from the subsidiary, MSI (LA) was audited by other independent auditors, the remaining subsidiaries were not reviewed by the independent auditors as the entity did not meet the definition of significant subsidiary.

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:On June 3, 2025, this subsidiary has been approved its establishment, investment of actual capital has not been made as of June 30, 2025.

Note D:On June 23, 2025, this subsidiary has been approved its establishment, investment of actual capital has not been made as of June 30, 2025.

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) 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 and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(5) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

There have been no significant changes as of June 30, 2025. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand and revolving funds	$ 8,256	$ 8,715	$ 6,410
Checking accounts and demand deposits	13,168,606	12,860,787	13,086,854
Time deposits	7,782,108	10,173,893	5,187,850
Total	$ 20,958,970	$ 23,043,395	$ 18,281,114

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

Asset items	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets mandatorily measured at fair value through profit or loss			
Stock of publicly traded or listed companies	$ 116,935	$ 127,462	$ 129,591
Derivatives – Forward exchange contract	906	266,703	72,247
Derivatives – Foreign exchange swap	984,334	-	-
	1,102,175	394,165	201,838
Evaluation adjustment	(44,790)	(48,782)	(27,714)
Total	$ 1,057,385	$ 345,383	$ 174,124

Liability items	June 30, 2025	December 31, 2024	June 30, 2024
Financial liabilities held for trading			
Derivatives – Forward exchange contract	$ 282,422	$ 13,049	$ 8,368
Derivatives – Foreign exchange swap	-	251,800	67,105
Total	$ 282,422	$ 264,849	$ 75,473

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

	For the three months ended June 30,	
	2025	2024
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	$ 2,694	($ 6,915)
Derivatives	1,186,199	(226,507)
	$ 1,188,893	($ 233,422)

	For the six months ended June 30,	
	2025	2024
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	$ 5,159	($ 1,314)
Derivatives	726,381	(387,749)
	$ 731,540	($ 389,063)

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:

	June 30, 2025		
Derivative Financial Assets	Contract Amount Notional Principal (In thousands)		Contract period
Forward exchange contracts	GBP	2,000	2025.06.27~2025.10.23
〃	AUD	2,000	2025.06.17~2025.10.01
〃	CAD	7,000	2025.06.17~2025.10.27
〃	SEK	2,832	2025.06.17~2025.08.18
Foreign exchange swap	USD	435,000	2025.03.20~2025.10.24

	June 30, 2025		
Derivative Financial Liabilities	Contract Amount Notional Principal (In thousands)		Contract period
Forward exchange contracts	CNY	1,084,562	2025.03.28~2025.10.16
〃	GBP	30,500	2025.03.17~2025.10.16
〃	AUD	35,000	2025.03.17~2025.10.16
〃	CAD	13,000	2025.05.16~2025.08.25
〃	KRW	31,371,060	2025.05.21~2025.08.29
〃	SEK	29,617	2025.05.06~2025.08.01
〃	EUR	135,000	2025.02.24~2025.10.08

	December 31, 2024		
Derivative Financial Assets	Contract Amount Notional Principal (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		
Derivative Financial Liabilities	Contract Amount Notional Principal (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

Derivative Financial Assets	June 30, 2024 Contract Amount Notional Principal (In thousands)		Contract period
Forward exchange contracts	CNY	503,613	2024.03.29~2024.09.24
〃	GBP	18,500	2024.04.09~2024.10.08
〃	AUD	7,000	2024.05.20~2024.10.01
〃	CAD	10,000	2024.05.28~2024.08.26
〃	SEK	20,001	2024.05.27~2024.08.01
〃	EUR	75,000	2024.03.21~2024.10.16

Derivative Financial Liabilities	June 30, 2024 Contract Amount Notional Principal (In thousands)		Contract period
Forward exchange contracts	CNY	71,940	2024.06.27~2024.10.16
〃	GBP	8,100	2024.03.27~2024.08.16
〃	AUD	19,000	2024.04.08~2024.10.16
Foreign exchange swap	USD	387,000	2024.05.07~2024.10.16

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	June 30, 2025	December 31, 2024	June 30, 2024
Non-current items:			
Equity instruments			
Unlisted stocks	$ 151,975	$ 151,975	$ 151,975
Valuation adjustment	(63,998)	(63,998)	(64,984)
Total	$ 87,977	$ 87,977	$ 86,991

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	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Time deposits maturing within three months to a year	$ 7,700,429	$ 1,000,456	$ 5,100,473
Non-current items:			
Pledge bank deposits	$ 521,353	$ 562,965	$ 688,986
Others	3,212	36,648	21,084
Total	$ 524,565	$ 599,613	$ 710,070

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

	For the three months ended June 30,	
	2025	2024
Interest income	$ 9,280	$ 17,469

	For the six months ended June 30,	
	2025	2024
Interest income	$ 15,230	$ 27,657

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) Accounts receivable

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	$ 31,790,145	$ 23,502,115	$ 24,374,383
Less: Allowance for doubtful accounts	(81,318)	(141,743)	(92,927)
	$ 31,708,827	$ 23,360,372	$ 24,281,456

A. The ageing analysis of accounts receivable:

	June 30, 2025	December 31, 2024	June 30, 2024
	Accounts receivable	Accounts receivable	Accounts receivable
Not past due	$ 23,732,258	$ 15,622,763	$ 18,683,722
1 to 75 days	7,767,051	7,210,007	5,377,071
76 to 365 days	273,002	668,934	267,418
Over 365 days	17,834	411	25,279
	$ 31,790,145	$ 23,502,115	$ 24,353,490

The above ageing analysis was based on past due date.

B. As of June 30, 2025, December 31, 2024 and June 30, 2024, accounts receivable were all from contracts with customers. And as of January 1, 2024, the balance of receivables (include notes receivable) from contracts with customers amounted to $20,315,149.

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 June 30, 2025, December 31, 2024 and June 30, 2024, 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 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).

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets at fair value through other comprehensive income	$ -	$ -	$ 42,340
Financial assets at fair value through profit or loss	-	-	20,893
	$ -	$ -	$ 63,233

(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:

June 30, 2025 and December 31, 2024: None.

June 30, 2024

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Amount advanced	Amount available for advance	Interest rate of amount advanced
Mega International Commercial Bank	$ 361,904	$ 361,904	$ -	$ -	-
Taishin International Bank	40,875	40,875	-	-	-

As of June 30, 2024, the Group has retention for the factoring of accounts receivable (shown as "Other receivables") amounting to $402,779.

(7) Inventories

	June 30, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 13,229,130	($ 220,443)	$ 13,008,687
Work-in-process	2,110,982	(3,753)	2,107,229
Finished goods	30,861,414	(808,747)	30,052,667
	$ 46,201,526	($ 1,032,943)	$ 45,168,583

	December 31, 2024		
	Cost	Allowance for 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
	$ 37,728,082	($ 870,177)	$ 36,857,905

	June 30, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 12,872,577	($ 185,594)	$ 12,686,983
Work-in-process	1,495,897	(3,896)	1,492,001
Finished goods	28,632,350	(752,900)	27,879,450
	$ 43,000,824	($ 942,390)	$ 42,058,434

The cost of inventories recognised as expense for the period:

	For the three months ended June 30,	
	2025	2024
Cost of inventories recognised as expense	$ 54,501,919	$ 40,424,114
Loss on decline in market value	115,138	23,779

	For the six months ended June 30,	
	2025	2024
Cost of inventories recognised as expense	$ 102,545,990	$ 82,010,964
Loss on decline in market value	192,326	143,304

(8) Prepayments

	June 30, 2025	December 31, 2024	June 30, 2024
Office supplies	$ 941,585	$ 878,894	$ 984,610
Overpaid tax for offsetting the future tax payable	818,781	1,135,415	888,480
Prepayment for goods	18,376	15,962	13,877
Others	308,051	355,424	334,359
	$ 2,086,793	$ 2,385,695	$ 2,221,326

(9) Property, plant and equipment

	2025					
	Land	Buildings	Machineries	Others	Construction in progress and equipment to be inspected	Total
At January 1						
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)
	$ 2,983,931	$ 1,447,084	$ 1,481,082	$ 510,230	$ 109,533	$ 6,531,860
Balance at January 1	$ 2,983,931	$ 1,447,084	$ 1,481,082	$ 510,230	$ 109,533	$ 6,531,860
Additions	1,208,374	712,688	315,738	184,256	85,003	2,506,059
Disposals	-	-	(27,235)	(4,572)	-	(31,807)
Reclassifications	-	7,301	(1,721)	18,421	(28,954)	(4,953)
Depreciation charge	-	(69,714)	(278,995)	(119,104)	-	(467,813)
Net exchange differences	(5,554)	(32,053)	(91,988)	(22,704)	(2,755)	(155,054)
Balance at June 30	$ 4,186,751	$ 2,065,306	$ 1,396,881	$ 566,527	$ 162,827	$ 8,378,292
At June 30						
Cost	$ 4,186,751	$ 7,099,133	$ 4,885,608	$ 2,501,599	$ 162,827	$ 18,835,918
Accumulated depreciation	-	(5,033,827)	(3,488,727)	(1,935,072)	-	(10,457,626)
	$ 4,186,751	$ 2,065,306	$ 1,396,881	$ 566,527	$ 162,827	$ 8,378,292

	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)
	$ 1,462,933	$ 1,404,105	$ 1,814,632	$ 508,020	$ 48,949	$ 5,238,639
Balance at January 1	$ 1,462,933	$ 1,404,105	$ 1,814,632	$ 508,020	$ 48,949	$ 5,238,639
Additions	1,516,103	39,949	132,002	84,657	102,736	1,875,447
Disposals	-	-	(36)	(344)	-	(380)
Reclassifications	-	39,717	969	2,177	(38,689)	4,174
Depreciation charge	-	(66,954)	(296,078)	(113,970)	-	(477,002)
Net exchange differences	4,168	12,308	42,056	11,442	81	70,055
Balance at June 30	$ 2,983,204	$ 1,429,125	$ 1,693,545	$ 491,982	$ 113,077	$ 6,710,933
At June 30						
Cost	$ 2,983,204	$ 6,612,103	$ 5,146,883	$ 2,445,226	$ 113,077	$ 17,300,493
Accumulated depreciation	-	(5,182,978)	(3,453,338)	(1,953,244)	-	(10,589,560)
	$ 2,983,204	$ 1,429,125	$ 1,693,545	$ 491,982	$ 113,077	$ 6,710,933

(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:

	June 30, 2025	December 31, 2024	June 30, 2024
	Carrying amount	Carrying amount	Carrying amount
Land	$ 47,313	$ 52,754	$ 53,323
Buildings	879,779	819,784	604,721
Machinery and equipment	13,842	7,163	5,217
Other equipment	50,505	63,968	45,621
	$ 991,439	$ 943,669	$ 708,882

	For the three months ended June 30,	
	2025	2024
	Depreciation charge	Depreciation charge
Land	$ 460	$ 480
Buildings	99,843	85,858
Machinery and equipment	860	832
Other equipment	6,052	5,058
	$ 107,215	$ 92,228

	For the six months ended June 30,	
	2025	2024
	Depreciation charge	Depreciation charge
Land	$ 946	$ 950
Buildings	205,157	170,298
Machinery and equipment	1,690	1,635
Other equipment	12,350	9,963
	$ 220,143	$ 182,846

C. For the three months and six months ended June 30, 2025 and 2024, the additions to right-of-use assets were $14,614, $74,384, $77,359 and $138,048, respectively.

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

	For the three months ended June 30,			
	2025		2024	
Items affecting profit or loss				
Interest expense on lease liabilities	$	7,260	$	4,039
Expense on leases of low-value or short-term assets		56,294		12,434
Expense on variable lease payments		2,478		3,403
Gain on lease modification		-		2

	For the six months ended June 30,			
	2025		2024	
Items affecting profit or loss				
Interest expense on lease liabilities	$	15,229	$	8,137
Expense on leases of low-value or short-term assets		69,919		23,070
Expense on variable lease payments		6,450		7,752
Gain on lease modification		124		23

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 three months and six months ended June 30, 2025 and 2024 are provided in Note 6(30).

(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 three months and six months ended June 30, 2025 and 2024, respectively.
None of these included variable lease payments. Information is provided in Note 6(23).

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

	June 30, 2025		December 31, 2024		June 30, 2024	
Less than 1 year	$	32,677	$	44,618	$	40,719
Between 1 and 5 years		9,218		28,255		33,004
	$	41,895	$	72,873	$	73,723

(12) Investment property

	2025	2024
	Buildings	Buildings
At January 1		
Cost	$ 531,202	$ 532,630
Accumulated depreciation	(492,353)	(498,435)
	$ 38,849	$ 34,195
Balance at January 1	$ 38,849	$ 34,195
Additions	-	165
Reclassifications	(4,016)	(4,174)
Depreciation charge	(1,405)	(943)
Net exchange differences	(3,262)	924
Balance at June 30	$ 30,166	$ 30,167
At June 30		
Cost	$ 438,064	$ 525,814
Accumulated depreciation	(407,898)	(495,647)
	$ 30,166	$ 30,167

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

	For the three months ended June 30,	
	2025	2024
Rental income from the lease of the investment property	$ 11,946	$ 13,360
Direct operating expenses arising from the investment property	$ 2,777	$ 2,519

	For the six months ended June 30,	
	2025	2024
Rental income from the lease of the investment property	$ 24,745	$ 25,734
Direct operating expenses arising from the investment property	$ 5,832	$ 4,986

B. As of June 30, 2025, December 31, 2024 and June 30, 2024, the fair value of the Group's investments in property amounting to $996,255, $1,192,016 and $1,329,979, respectively, as derived from market prices in the nearby area, are under Level 2 fair value measurement.

(13) Short-term borrowings

Type of borrowings	June 30, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 3,000,000	1.62%~1.718%	None

June 30, 2025 and December 31, 2024: None.

(14) Other payables

	June 30, 2025	December 31, 2024	June 30, 2024
Dividend payable	$ 4,224,281	$ -	$ 4,562,223
Accrued salary and bonus	1,944,803	2,221,707	1,952,817
Accrued freight and import export expense	1,937,146	1,765,645	1,486,094
Directors' remuneration and employees' compensation	935,000	701,100	1,221,900
Advertising expenses payable	780,032	867,146	1,184,866
Accrued molding expense	259,930	292,941	233,284
Other accrued expenses	1,524,994	1,401,956	1,213,524
	$ 11,606,186	$ 7,250,495	$ 11,854,708

(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	June 30, 2025
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from May 28, 2025 to May 15,2030; interest is repayable monthly. Principal is repayable in monthly installments from May 28, 2028.	1.55%~ 1.75%	None	$ 5,200,000
Secured borrowings	Borrowing period is from May 15, 2025 to May 14, 2030; principal and interest are repayable monthly in installments of USD 66,400; remaining principal is repayable at maturity.	3 months SOFR+ 0.95%	Note 8	1,052,854
				6,252,854
Less: Current portion				(23,346)
				$ 6,229,508

December 31, 2024 and June 30, 2024: None.

(16) 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 pension costs under defined contribution pension plans of the Group for the three months and six months ended June 30, 2025 and 2024 were $977, $1,171, $1,955 and $2,342, respectively.

(c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026 amount to $12,413.

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) Other overseas subsidiaries of the Group contributed pension under local regulations.

(d) The pension costs under defined contribution pension plans of the Group for the three months and six months ended June 30, 2025 and 2024 were $130,977, $116,404, $267,870 and $229,551, respectively.

(17) Provisions for liabilities

Warranty	2025	2024
At January 1	$ 1,285,826	$ 1,276,692
Additional provisions	464,246	511,814
Used during the period	(478,146)	(497,840)
Exchange differences	344	28
At June 30	$ 1,272,270	$ 1,290,694

Analysis of total provisions:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	$ 1,272,270	$ 1,285,826	$ 1,290,694

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

(18) Share capital

As of June 30, 2025, 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.

(19) 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.

(20) 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; however, if the legal reserve reach the amount of paid-in capital, this limitation does not apply. Then 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 2024 and 2023, as approved by the shareholders' meetings on June 10, 2025 and June 14, 2024, respectively, are as follows:

	2024		2023	
	Amount	Dividends per share (in NT dollar)	Amount	Dividends per share (in NT dollar)
Legal reserve	$ 684,731		$ 753,167	
Special reserve (reversal) accrual	(408,081)		174,284	
Cash dividend	4,224,281	$ 5.00	4,562,223	$ 5.40

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.

(21) Operating revenue

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

For the three months ended June 30, 2025	Computer and IT segment	Other	Total
Timing of revenue recognition			
At a point in time	$ 61,313,108	$ 3,523	$ 61,316,631

For the three months ended June 30, 2024	Computer and IT segment	Other	Total
Timing of revenue recognition			
At a point in time	$ 46,661,085	$ 10,939	$ 46,672,024

For the six months ended June 30, 2025	Computer and IT segment	Other	Total
Timing of revenue recognition			
At a point in time	$ 114,843,863	$ 13,118	$ 114,856,981

For the six months ended June 30, 2024	Computer and IT segment	Other	Total
Timing of revenue recognition			
At a point in time	$ 94,281,243	$ 17,315	$ 94,298,558

B. Contract liabilities

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

	June 30, 2025	December 31, 2024
Contract liabilities – advance sales receipts	$ 245,629	$ 203,938
	June 30, 2024	January 1, 2024
Contract liabilities – advance sales receipts	$ 132,909	$ 202,581

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

	For the three months ended June 30,	
	2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Advance sales receipts	$ 20,866	$ 5,996

	For the six months ended June 30,	
	2025	2024
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Advance sales receipts	$ 153,691	$ 163,585

(22) Interest income

	For the three months ended June 30,	
	2025	2024
Interest income from bank deposits	$ 125,378	$ 113,356
Interest income from financial assets measured at amortised cost	9,280	17,469
	$ 134,658	$ 130,825

	For the six months ended June 30,	
	2025	2024
Interest income from bank deposits	$ 241,771	$ 204,285
Interest income from financial assets measured at amortised cost	15,230	27,657
	$ 257,001	$ 231,942

(23) Other income

	For the three months ended June 30,	
	2025	2024
Rental revenue	$ 11,946	$ 13,360
Others	93,705	246,541
	$ 105,651	$ 259,901

	For the six months ended June 30,	
	2025	2024
Rental revenue	$ 24,745	$ 25,734
Others	146,124	356,279
	$ 170,869	$ 382,013

(24) Other gains and losses

	For the three months ended June 30,	
	2025	2024
Net currency exchange (losses) gains	($ 1,574,632)	$ 371,770
Gains (losses) on financial assets and liabilities at fair value through profit or loss	1,188,893	(233,422)
Net gains on disposal of property, plant and equipment	11,024	187
Other revenues (expenses)	1,770	(12,693)
	($ 372,945)	$ 125,842

	For the six months ended June 30,	
	2025	2024
Net currency exchange (losses) gains	($ 988,873)	$ 1,089,426
Gains (losses) on financial assets and liabilities at fair value through profit or loss	731,540	(389,063)
Net gains on disposal of property, plant and equipment	57,347	94
Other expenses	(83,595)	(31,971)
	($ 283,581)	$ 668,486

(25) Expenses by nature

	For the three months ended June 30,	
	2025	2024
Employee benefit expense	$ 2,962,591	$ 2,884,021
Depreciation charges	339,121	334,323
Amortisation charges	154	111
	$ 3,301,866	$ 3,218,455

	For the six months ended June 30,	
	2025	2024
Employee benefit expense	$ 5,802,090	$ 5,571,697
Depreciation charges	689,361	660,791
Amortisation charges	313	219
	$ 6,491,764	$ 6,232,707

(26) Employee benefit expense

	For the three months ended June 30,	
	2025	2024
Wages and salaries	$ 2,531,148	$ 2,490,435
Labor and health insurance fees	176,796	169,687
Pension costs	131,954	117,575
Other personnel expenses	122,693	106,324
Total	$ 2,962,591	$ 2,884,021

	For the six months ended June 30,	
	2025	2024
Wages and salaries	$ 4,941,773	$ 4,823,638
Labor and health insurance fees	349,252	311,157
Pension costs	269,825	231,893
Other personnel expenses	241,240	205,009
Total	$ 5,802,090	$ 5,571,697

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 (not less than 10% of the employee remuneration allocated to the entry-level employees) and shall not be higher than 1% for directors' remuneration.

B. For the three months and six months ended June 30, 2025 and 2024, employees' remuneration were accrued at $121,200, $223,500, $213,000 and $445,500, respectively; while directors' remuneration were accrued at $11,000, $20,690, $20,900 and $42,900, 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 six months ended June 30, 2025.

Employees' compensation and directors' remuneration of 2024 as resolved at the meeting of Board of Directors were in agreement with those amounts recognised in the 2024 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.

(27) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the three months ended June 30,	
	2025	2024
Current tax:		
Current tax on profits for the period	$ 784,061	$ 496,851
Prior year income tax underestimation (overestimation)	8,898	(25,460)
Total current tax	792,959	471,391
Deferred tax:		
Origination and reversal of temporary differences	(225,412)	137,452
Total deferred tax	(225,412)	137,452
Income tax expense	$ 567,547	$ 608,843

	For the six months ended June 30,	
	2025	2024
Current tax:		
Current tax on profits for the period	$ 959,970	$ 971,752
Prior year income tax underestimation (overestimation)	8,567	(53,383)
Total current tax	968,537	918,369
Deferred tax:		
Origination and reversal of temporary differences	(197,342)	189,225
Total deferred tax	(197,342)	189,225
Income tax expense	$ 771,195	$ 1,107,594

(b) The income tax charge relating to components of other comprehensive income: None.

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

B. The Company’s income tax returns through 2022 have been assessed and approved by the Tax Authority.

C. The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

D. 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 June 30, 2025. Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion Model Rules (GloBE Rules) effective tax rate per jurisdiction and the 15% minimum rate.

(28) Earnings per share

	For the three months ended June 30, 2025		
	Amount after tax	Retroactively adjusted weighted-average outstanding ordinary shares (in thousands)	Earnings per share (in NT dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,342,802	844,856	$ 1.59
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,342,802	844,856	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,484	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,342,802	846,340	$ 1.59

	For the three months ended June 30, 2024		
	Amount after tax	Retroactively adjusted weighted-average outstanding ordinary shares (in thousands)	Earnings per share (in NT dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,107,340	844,856	$ 2.49
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,107,340	844,856	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,256	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 2,107,340	846,112	$ 2.49

	For the six months ended June 30, 2025		
	Amount after tax	Retroactively adjusted weighted-average outstanding ordinary shares (in thousands)	Earnings per share (in NT dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,419,947	844,856	$ 2.86
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,419,947	844,856	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,918	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 2,419,947	847,774	$ 2.85

	For the six months ended June 30, 2024		
	Amount after tax	Retroactively adjusted weighted-average outstanding ordinary shares (in thousands)	Earnings per share (in NT dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 4,599,499	844,856	$ 5.44
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 4,599,499	844,856	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	4,263	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 4,599,499	849,119	$ 5.42

(29) Supplemental cash flow information

A. Investing activities with partial cash payments

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Purchase of property, plant and equipment	$ 2,506,059	$ 1,875,447
Add: Opening balance of payable on equipment	78,367	157,647
Less: Ending balance of payable on equipment	(93,292)	(103,268)
Cash paid during the six months ended June 30	$ 2,491,134	$ 1,929,826

B. Financing activities with no cash flow effects

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Purchase of right-of-use assets	$ 77,359	$ 138,048
Less: Additional lease liabilities during the period	(77,359)	(138,048)
Cash paid during the six months ended June 30	$ -	$ -

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Cash dividends declared but not yet to be paid	$ 4,224,281	$ 4,562,223

(30) Changes in liabilities from financing activities

2025	Short-term borrowings	Long-term borrowings	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	$ -	$ -	$ 900,257	$315,245	$ 1,215,502
Changes in cash flow from financing activities	-	6,252,854	(216,099)	(7,045)	6,029,710
Impact of changes in foreign exchange rate	-	-	(17,240)	-	(17,240)
Changes in other non-cash items	-	-	289,334	-	289,334
At June 30	$ -	$6,252,854	$ 956,252	$308,200	$ 7,517,306

2024	Short-term borrowings	Long-term borrowings	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	3,000,000	-	(180,055)	15,397	2,835,342
Impact of changes in foreign exchange rate	-	-	19,883	-	19,883
Changes in other non-cash items	-	-	152,029	-	152,029
At June 30	$3,000,000	$ -	$ 664,307	$251,976	$ 3,916,283

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

None.

(2) Significant related party transactions

None.

(3) Key management compensation

	For the three months ended June 30,	
	2025	2024
Salaries and other employee benefits	$ 125,565	$ 162,364

	For the six months ended June 30,	
	2025	2024
Salaries and other employee benefits	$ 241,698	$ 302,009

8. PLEDGED ASSETS

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

	Book value			
Asset items	June 30, 2025	December 31, 2024	June 30, 2024	Purpose
Non-current financial assets at amortised cost	$ 521,353	$ 562,965	$ 688,986	Performance security guarantee
Property, plant and equipment	1,910,472	-	-	For guarantee of long-term loans
	$ 2,431,825	$ 562,965	$ 688,986	

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:

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	June 30, 2025	
	Total contract price	Unpaid balance
Property, plant and equipment	$ 5,540,000	$ 5,511,520

	December 31, 2024	
	Total contract price	Unpaid balance
Property, plant and equipment	$ 3,560,000	$ 3,560,000

June 30, 2024: None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

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, notes payable, accounts payable, other payables, short-term borrowings, long-term borrowings, lease liabilities (current/non-current)) are provided in the consolidated balance sheet and Note 6 for details.

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets			
Financial assets at amortised cost			
Guarantee deposits paid	$ 93,820	$ 98,262	$ 87,309
Financial liabilities			
Financial liabilities at amortised cost			
Guarantee deposits received	$ 308,200	$ 315,245	$ 251,976

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:

	June 30, 2025		
(Foreign currency: functional currency)	Foreign Currency Amount	Exchange rate	Book Value (NTD)
Financial assets			
Monetary items			
USD: NTD	$ 607,965	29.3000	$ 17,813,389
USD: CNY	105,223	7.1621	3,083,029
EUR: NTD	83,556	34.3500	2,870,132
AUD: NTD	37,605	19.1400	719,755
GBP: NTD	12,101	40.1600	485,990
CAD: NTD	22,380	21.4300	479,593
JPY: NTD	2,049,238	0.2034	416,815
CAD: USD	17,734	0.7314	380,035
Financial liabilities			
Monetary items			
USD: NTD	990,203	29.3000	29,012,948
USD: CNY	529,136	7.1621	15,503,675
EUR: NTD	22,100	34.3500	759,146

(Foreign currency: functional currency)	December 31, 2024 Foreign Currency Amount	Exchange rate	Book Value (NTD)
Financial assets			
Monetary items			
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
Financial liabilities			
Monetary items			
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

(Foreign currency: functional currency)	June 30, 2024 Foreign Currency Amount	Exchange rate	Book Value (NTD)
Financial assets			
Monetary items			
USD: NTD	$ 371,386	32.4500	$ 12,051,479
USD: CNY	82,751	7.3003	2,685,269
EUR: NTD	57,547	34.7100	1,997,439
CNY: NTD	215,648	4.4450	958,555
AUD: NTD	23,240	21.5200	500,128
JPY: NTD	2,409,815	0.2017	486,060
KRW: NTD	16,688,620	0.0235	392,183
Financial liabilities			
Monetary items			
USD: NTD	608,511	32.4500	19,746,193
USD: CNY	361,091	7.3003	11,717,404
EUR: NTD	22,154	34.7100	768,953

vi. The exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2025 and 2024 are provided in Note 6(24).

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

(Foreign currency: functional currency)	For the six months ended June 30, 2025		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss (before tax)	Effect on other comprehensive income
Financial assets			
Monetary items			
USD: NTD	1%	$ 178,134	$ -
USD: CNY	1%	30,830	-
EUR: NTD	1%	28,701	-
AUD: NTD	1%	7,198	-
GBP: NTD	1%	4,860	-
CAD: NTD	1%	4,796	-
JPY: NTD	1%	4,168	-
CAD: USD	1%	3,800	-
Financial liabilities			
Monetary items			
USD: NTD	1%	290,129	-
USD: CNY	1%	155,037	-
EUR: NTD	1%	7,591	-

(Foreign currency: functional currency)	For the six months ended June 30, 2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss (before tax)	Effect on other comprehensive income
Financial assets			
Monetary items			
USD: NTD	1%	$ 120,515	$ -
USD: CNY	1%	26,853	-
EUR: NTD	1%	19,974	-
CNY: NTD	1%	9,586	-
AUD: NTD	1%	5,001	-
JPY: NTD	1%	4,861	-
KRW: NTD	1%	3,922	-
Financial liabilities			
Monetary items			
USD: NTD	1%	197,462	-
USD: CNY	1%	117,174	-
EUR: NTD	1%	7,690	-

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 six months ended June 30, 2025 and 2024 would have increased/decreased by $577 and $ 815, 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.

<u>Cash flow and fair value interest rate risk</u>

i. 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.

ii. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 2025, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and US Dollars.

iii. If the borrowing interest rate of US dollars had increased/decreased by 1% with all other variables held constant, profit, net of tax for the six months ended June 30, 2025 and 2024 would have increased/decreased by $25,011 and $0, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(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	
	2025	2024
At January 1	$ 141,743	$ 96,159
Reversal impairment loss	(53,406)	(6,346)
Effect of foreign exchange	(7,019)	3,114
At June 30	$ 81,318	$ 92,927

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:

June 30, 2025	Less than 1 year	Between 1 to 2 years	Between 2 to 3 years	Over 3 years
Lease liabilities	$ 399,629	$ 267,844	$ 189,481	$ 150,710
Long-term borrowings	165,087	163,861	380,934	6,267,258
Other financial liabilities	10,418	21,050	2,570	274,162

Non-derivative financial liabilities:

December 31, 2024	Less than 1 year	Between 1 to 2 years	Between 2 to 3 years	Over 3 years
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:

June 30, 2024	Less than 1 year	Between 1 to 2 years	Between 2 to 3 years	Over 3 years
Short-term borrowings	$ 3,004,657	$ -	$ -	$ -
Lease liabilities	353,395	208,383	69,682	42,655
Other financial liabilities	811	100,538	591	150,036

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, notes payable, other payables, short-term borrowings, long-term borrowings 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:

June 30, 2025	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
-Equity securities	$ 72,145	$ -	$ -	$ 72,145
-Forward exchange contract	-	906	-	906
-Foreign exchange swap	-	984,334	-	984,334
Financial assets at fair value through other comprehensive income				
-Equity securities	-	-	87,977	87,977
Total	$ 72,145	$ 985,240	$ 87,977	$ 1,145,362
Liabilities:				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
-Forward exchange contract	$ -	$ 282,422	$ -	$ 282,422

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
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	$ 78,680	$ 266,703	$ 87,977	$ 433,360
Liabilities:				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
-Forward exchange contract	$ -	$ 13,049	$ -	$ 13,049
-Foreign exchange swap	-	251,800	-	251,800
	$ -	$ 264,849	$ -	$ 264,849

June 30, 2024	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
-Equity securities	$ 101,877	$ -	$ -	$ 101,877
-Forward exchange contract	-	72,247	-	72,247
Financial assets at fair value through other comprehensive income				
-Equity securities	-	-	86,991	86,991
Total	$ 101,877	$ 72,247	$ 86,991	$ 261,115
Liabilities:				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
-Forward exchange contract	$ -	$ 8,368	$ -	$ 8,368
-Foreign exchange swap	-	67,105	-	67,105
	$ -	$ 75,473	$ -	$ 75,473

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

(a) 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.

(b) 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 six months ended June 30, 2025 and 2024, there were no transfer between Level 1 and Level 2.

G. For the six months ended June 30, 2025 and 2024, 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. 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 June 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 87,977	Market approach	Discount for lack of market ability	25%	The higher the discount for lack of market ability, the lower the fair value

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 87,977	Market approach	Discount for lack of market ability	25%	The higher the discount for lack of market ability, the lower the fair value

	Fair value at June 30, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 86,991	Market approach	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 significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.

D. 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 2.

E. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 3.

F. Derivative financial instruments transactions: Please refer to Note 6(2).

G. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

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

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.

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

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

June 30, 2025

Expressed in thousands of NTD

Table 1

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of June 30, 2025				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	$31,577	-	$31,577	-
MSI (HOLDING)	Kering ordinary shares	-	Financial assets at fair value through profit or loss - current	3,000	19,019	-	19,019	-
MSI (HOLDING)	Volkswagen Preferential ordinary shares	-	Financial assets at fair value through profit or loss - current	7,000	21,549	-	21,549	-
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

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

For the six months ended June 30, 2025

Expressed in thousands of NTD

Table 2

(Except as otherwise indicated)

Transaction company (Note 3)	Name of the counter party (Note 3)	Relationship with the counterparty	Description of the transaction				Description and reasons of difference in transaction terms compared to third party transactions		Accounts or notes receivable (payable)		Footnote
			Purchases/(Sales)	Amount (Note 2)	% of total purchase (sale)	Credit terms	Unit price	Credit terms	Balance (Note 2)	% of total accounts or notes receivable/(payable)	
MICRO-STAR INTERNATIONAL CO., LTD.	MSI (LA)	Subsidiary	Sales	($ 19,785,304)	(18)	60~100 days	-	-	$ 13,522,549	21	-
MICRO-STAR INTERNATIONAL CO., LTD.	MYSTAR	Second-tier Subsidiary	Sales	(1,633,834)	(1)	30~100 days	-	-	547,203	1	-
MICRO-STAR INTERNATIONAL CO., LTD.	MSI (KOREA)	Second-tier Subsidiary	Sales	(3,119,188)	(3)	40~70 days	-	-	427,642	1	-
MICRO-STAR INTERNATIONAL CO., LTD.	MSI (SHANGHAI)	Second-tier Subsidiary	Sales	(10,653,566)	(10)	40~70 days	-	-	4,829,028	8	-
MICRO-STAR INTERNATIONAL CO., LTD.	MSI (EUROPE)	Second-tier Subsidiary	Sales	(414,560)	-	7-30 days	-	-	192,669	-	-
MICRO-STAR INTERNATIONAL CO., LTD.	MSI COMPUTER (SHENZHEN)	Second-tier Subsidiary	Purchase	55,423,131	31	90-150 days	Note 1	Note 1	(23,872,413)	(38)	Note 4
MICRO-STAR INTERNATIONAL CO., LTD.	MSI ELECTRONICS (KUNSHAN)	Second-tier Subsidiary	Purchase	26,761,733	15	90-150 days	Note 1	Note 1	(13,507,369)	(21)	Note 4
MSI (LA)	RAIDEALS	Affiliated company	Sales	(161,321)	(1)	40-70 days	-	-	2,823	-	-

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

June 30, 2025

Expressed in thousands of NTD

Table 3

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as of June 30, 2025	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	$ 13,522,549	2.65	$ -	-	$ 2,089,649	$ -	
MICRO-STAR INTERNATIONAL CO., LTD.	MYSTAR	Second-tier Subsidiary	547,203	7.45	-	-	264,670	-	
MICRO-STAR INTERNATIONAL CO., LTD.	MSI (EUROPE)	Subsidiary	192,669	6.80	-	-	171,729	-	
MICRO-STAR INTERNATIONAL CO., LTD.	MSI (KOREA)	Second-tier Subsidiary	427,642	24.90	-	-	252,989	-	
MICRO-STAR INTERNATIONAL CO., LTD.	MSI (SHANGHAI)	Second-tier Subsidiary	4,829,028	5.31	-	-	1,366,005	-	
MICRO-STAR INTERNATIONAL CO., LTD.	INDOMSI	Subsidiary	206,329	0.17	-	-	22,023	-	
MICRO-STAR INTERNATIONAL CO., LTD.	MSI COMPUTER (SHENZHEN)	Second-tier Subsidiary	13,646,511	-	-	-	6,724,583	-	Note
MICRO-STAR INTERNATIONAL CO., LTD.	MSI ELECTRONICS (KUNSHAN)	Second-tier Subsidiary	13,050,786	-	-	-	2,090,664	-	Note
MSI (PACIFIC)	MICRO-STAR INTERNATIONAL CO., LTD.	Ultimate parent company	228,114	-	-	-	-	-	
MSI COMPUTER (SHENZHEN)	MICRO-STAR INTERNATIONAL CO., LTD.	Ultimate parent company	23,872,413	5.35	-	-	7,569,751	-	
MSI ELECTRONICS (KUNSHAN)	MICRO-STAR INTERNATIONAL CO., LTD.	Ultimate parent company	13,507,369	4.01	-	-	3,112,830	-	
MSI (B.V.I.)	MSI (PACIFIC)	Parent Company	136,926	-	-	-	-	-	

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 six months ended June 30, 2025

Expressed in thousands of NTD

Table 4

(Except as otherwise indicated)

Number	Company name (Note 4)	Counterparty (Note 4)	Relationship	Transaction			
				General ledger account	Amount (Note 1)	Transaction terms	Percentage of consolidated total operating revenues or total assets
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (KOREA)	Parent company to second-tier subsidiary	Sales	$ 3,119,188	Note 2	2.72%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (LA)	Parent company to subsidiary	Sales	19,785,304	Note 2	17.23%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MYSTAR	Parent company to second-tier subsidiary	Sales	1,633,834	Note 2	1.42%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (EUROPE)	Parent company to second-tier subsidiary	Sales	414,560	Note 2	0.36%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (SHANGHAI)	Parent company to second-tier subsidiary	Sales	10,653,566	Note 2	9.28%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (KOREA)	Parent company to second-tier subsidiary	Accounts receivable	427,642	Note 2	0.35%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (LA)	Parent company to subsidiary	Accounts receivable	13,522,549	Note 2	11.20%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MYSTAR	Parent company to second-tier subsidiary	Accounts receivable	547,203	Note 2	0.45%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (EUROPE)	Parent company to second-tier subsidiary	Accounts receivable	192,669	Note 2	0.16%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (SHANGHAI)	Parent company to second-tier subsidiary	Accounts receivable	4,829,028	Note 2	4.00%
0	MICRO-STAR INTERNATIONAL CO., LTD.	INDOMSI	Parent company to subsidiary	Accounts receivable	206,329	Note 2	0.17%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI COMPUTER (SHENZHEN)	Parent company to second-tier subsidiary	Accounts receivable	13,646,511	Note 3	11.30%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI ELECTRONICS (KUNSHAN)	Parent company to second-tier subsidiary	Accounts receivable	13,050,786	Note 3	10.81%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI COMPUTER (SHENZHEN)	Parent company to second-tier subsidiary	Purchase	55,423,131	Note 3	48.25%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI ELECTRONICS (KUNSHAN)	Parent company to second-tier subsidiary	Purchase	26,761,733	Note 3	23.30%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI COMPUTER (SHENZHEN)	Parent company to second-tier subsidiary	Accounts payable	23,872,413	Note 3	19.77%

Number	Company name (Note 4)	Counterparty (Note 4)	Relationship	Transaction			
				General ledger account	Amount (Note 1)	Transaction terms	Percentage of consolidated total operating revenues or total assets
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI ELECTRONICS (KUNSHAN)	Parent company to second-tier subsidiary	Accounts payable	$ 13,507,369	Note 3	11.19%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (EUROPE)	Parent company to second-tier subsidiary	Manufacturing and operating expense	295,790	Note 2	0.26%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MYSTAR	Parent company to second-tier subsidiary	Manufacturing and operating expense	101,429	Note 2	0.09%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (MHK)	Parent company to second-tier subsidiary	Manufacturing and operating expense	106,925	Note 2	0.09%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (POLSKA)	Parent company to second-tier subsidiary	Manufacturing and operating expense	144,485	Note 2	0.13%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (RUSSIA)	Parent company to second-tier subsidiary	Manufacturing and operating expense	65,423	Note 2	0.06%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (LA)	Parent company to subsidiary	Manufacturing and operating expense	232,088	Note 2	0.20%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (SARL)	Parent company to second-tier subsidiary	Manufacturing and operating expense	84,173	Note 2	0.07%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (JAPAN)	Parent company to subsidiary	Manufacturing and operating expense	99,366	Note 2	0.09%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (KOREA)	Parent company to second-tier subsidiary	Manufacturing and operating expense	58,410	Note 2	0.05%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (UK)	Parent company to second-tier subsidiary	Manufacturing and operating expense	81,916	Note 2	0.07%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (HOLDING)	Parent company to subsidiary	Manufacturing and operating expense	122,934	Note 2	0.11%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (AUSTRALIA)	Parent company to subsidiary	Manufacturing and operating expense	69,528	Note 2	0.06%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (LA)	Parent company to subsidiary	Other payables	59,882	Note 2	0.05%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (SARL)	Parent company to second-tier subsidiary	Other payables	53,586	Note 2	0.04%
1	MSI (PACIFIC)	MICRO ELECTRONICS	Subsidiary to second-tier subsidiary	Other payables	91,188	Note 3	0.08%
1	MSI (PACIFIC)	MSI (B.V.I.)	Subsidiary to second-tier subsidiary	Other payables	136,926	Note 3	0.11%
1	MSI (PACIFIC)	MICRO-STAR INTERNATIONAL CO., LTD.	Subsidiary to parent	Other receivables	228,114	Note 3	0.19%
3	MSI (LA)	RAIDEALS	Subsidiary to second-tier subsidiary	Sales	161,321	Note 2	0.14%

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 six months ended June 30, 2025

Expressed in thousands of NTD

Table 5

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2025			Net profit (loss) of the investee for the six months ended June 30, 2025	Investment income (loss) recognised by the Company for the six months ended June 30, 2025	Footnote
				Balance as at June 30, 2025	Balance as at December 31, 2024	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	$ 1,253,253	$ 258,468	41,825,458	100.00	$ 1,466,415	$ 706,875	$ 706,875	Direct subsidiary (Note 3)
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	19,281	2,275	2,275	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	25,569	1,914	1,914	Direct subsidiary
MICRO-STAR INTERNATIONAL CO., LTD.	MSI (PACIFIC)	Cayman Islands	Holding company	1,511,382	1,511,382	30,204,118	100.00	12,030,026	982,776	990,161	Direct subsidiary
MICRO-STAR INTERNATIONAL CO., LTD.	MSI (HOLDING)	Netherlands	Holding company	45,724	45,724	424,000	100.00	936,885	9,387	9,387	Direct subsidiary
MICRO-STAR INTERNATIONAL CO., LTD.	MSI COMPUTER (CAYMAN)	Cayman Islands	Holding company	99,093	99,093	50,000	100.00	125,034	684	684	Direct subsidiary
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	15,831	1,860	1,860	Direct subsidiary
MICRO-STAR INTERNATIONAL CO., LTD.	INDOMSI	India	Sales and after-sales service of computers and electronic components	65,214	65,214	16,737,013	100.00	42,116	(10,280)	(10,280)	Direct subsidiary
MICRO-STAR INTERNATIONAL CO., LTD.	MSI (INDONESIA)	Indonesia	Sales support of computers and electronic components	-	-	-	-	-	-	-	Direct subsidiary (Note 4)
MSI (PACIFIC)	MSI (KOREA)	South Korea	Sales and after-sales service of computers and electronic components	24,374	24,374	80,000	100.00	456,085	34,339	-	Indirect subsidiary
MSI (PACIFIC)	MSI (B.V.I.)	British Virgin Island	Holding company	1,784,681	1,784,681	47,465,071	100.00	7,880,098	477,308	-	Indirect subsidiary
MSI (PACIFIC)	MICRO ELECTRONICS	British Virgin Island	Holding company	1,168,593	1,168,593	33,315,472	100.00	4,901,620	314,634	-	Indirect subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2025			Net profit (loss) of the investee for the six months ended June 30, 2025	Investment income (loss) recognised by the Company for the six months ended June 30, 2025	Footnote
				Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
MSI (PACIFIC)	MEGA COMPUTER	Hong Kong	Sales support of computers and electronic components	$ -	$ -	1	100.00	$ 3,015	($ 155)	$ -	Indirect subsidiary
MSI (PACIFIC)	MSI (MHK)	Hong Kong	Sales support of computers and electronic components	-	-	1	100.00	44,676	2,804	-	Indirect subsidiary
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	2,753	98	-	Indirect subsidiary
MSI (PACIFIC)	MSI (INDONESIA)	Indonesia	Sales support of computers and electronic components	-	-	-	-	-	-	-	Direct subsidiary (Note 4)
MSI (HOLDING)	MYSTAR	Netherlands	Sales and sales support of computers and electronic components	71,353	71,353	-	100.00	172,597	(4,508)	-	Indirect subsidiary
MSI (HOLDING)	MSI (RUSSIA)	Russia	Sales support and after-sales service of computers and electronic components	68,258	68,258	-	99.00	39,036	(5,447)	-	Indirect subsidiary
MSI (HOLDING)	MSI (POLSKA)	Poland	Sales support and after-sales service of computers and electronic components	46,077	46,077	-	99.00	55,183	2,421	-	Indirect subsidiary
MSI (HOLDING)	MSI (SARL)	France	Sales support of computers and electronic components	26,646	26,646	-	100.00	47,562	2,143	-	Indirect subsidiary
MSI (HOLDING)	MSI (UK)	Britan	Sales support of computers and electronic components	37,226	37,226	-	100.00	41,213	912	-	Indirect subsidiary
MSI (HOLDING)	MSI (TURKEY)	Turkey	Sales support of computers and electronic components	3,229	3,229	-	99.00	(34)	-	-	Indirect subsidiary (Note 2)
MSI (HOLDING)	MSI (ITALY)	Italy	Sales support of computers and electronic components	2,153	2,153	-	100.00	14,285	934	-	Indirect subsidiary
MSI (HOLDING)	MSI (EUROPE)	Netherlands	Sales and logistics services of computers and electronic components	123,615	71,910	-	100.00	172,850	14,005	-	Indirect subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2025			Net profit (loss) of the investee for the six months ended June 30, 2025	Investment income (loss) recognised by the Company for the six months ended June 30, 2025	Footnote
				Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
MSI (HOLDING)	MSI (IBERIA)	Spain	Sales support of computers and electronic components	$ 5,177	$ 5,177	-	100.00	$ 19,428	$ 2,255	$ -	Indirect subsidiary
MSI (EUROPE)	MSI (RUSSIA)	Russia	Sales support and after-sales service of computers and electronic components	689	689	-	1.00	549	(5,447)	-	Indirect subsidiary
MSI (EUROPE)	MSI (POLSKA)	Poland	Sales support and after-sales service of computers and electronic components	467	467	-	1.00	175	2,421	-	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	51	-	100.00	(999)	852	-	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=29.3NTD;1EUR=34.35NTD on June 30, 2025 and average rate with 1USD=31.8851NTD;1EUR=34.7828NTD for the six months ended June 30, 2025.

Note 2: The subsidiary is liquidated.
Note 3: The entity was audited by other independent auditors.
Note 4: The newly established entity has not yet completed the capital injection process.

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China - Basic information

For the six months ended June 30, 2025

Expressed in thousands of NTD

Table 6

(Except as otherwise indicated)

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, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six months ended June 30, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	Net income of investee as of June 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2025 (Note 2)	Book value of investments in Mainland China as of June 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2025	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	$ 477,298	100.00	$ 477,298	$ 7,725,282	$ -	-
MSI ELECTRONICS (KUNSHAN)	Manufacture and after-sales service of computers, and electronic components	1,772,675	Note 1	1,772,675	-	-	1,772,675	314,655	100.00	314,655	4,798,332	-	-
SHENZHEN MEGA INFORMATION	After-sales service of computers, and electronic components	23,940	Note 1	23,940	-	-	23,940	(128)	100.00	(128)	22,147	-	-
MSI (SHANGHAI)	Sales and after-sales service of computers and electronic components	29,275	Note 1	-	-	-	-	157,973	100.00	157,973	104,018	-	Note 3
MSI TECH SOLUTIONS (KUNSHAN)	Manufacture of computers, and electronic components	-	Note 1	-	-	-	-	-	-	-	-	-	Note 6

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	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	$ 29,841,451

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=29.3NTD on June 30, 2025 and average rate with 1USD=31.8851NTD for the six months ended June 30, 2025.

Note 6: The newly established entity has not yet completed the capital injection process.

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 six months ended June 30, 2025

Expressed in thousands of NTD

Table 7

(Except as otherwise indicated)

Investee in Mainland China	Sales/ (Purchase)		Property transaction		Accounts receivable/ (payable)		Amount of endorsements/guarantees secured with collaterals		Accommodation of funds				Others	Footnote
	Amount	%	Amount	%	Balance as of June 30, 2025	%	Balance as of June 30, 2025	Purpose	Ceiling amount	Balance as of June 30, 2025	Interest rate range	Interest expense		
MSI COMPUTER (SHENZHEN)	$ -	-	$ -	-	$ 13,646,511	21	$ -	-	$ -	$ -	-	$ -	$ -	
MSI ELECTRONICS (KUNSHAN)	-	-	-	-	13,050,786	20	-	-	-	-	-	-	-	
MSI COMPUTER (SHENZHEN)	(55,423,131)	(31)	-	-	(23,872,413)	(38)	-	-	-	-	-	-	-	
MSI ELECTRONICS (KUNSHAN)	(26,761,733)	(15)	-	-	(13,507,369)	(21)	-	-	-	-	-	-	-	
MSI (SHANGHAI)	10,653,566	10	-	-	4,829,028	8	-	-	-	-	-	-	-	