

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

Representation Letter

In connection with the Consolidated Financial Statements of Affiliated Enterprises of MICRO-STAR INTERNATIONAL CO., LTD. and its subsidiaries (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2025 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of MICRO-STAR INTERNATIONAL CO., LTD. and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10. Additionally, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, MICRO-STAR INTERNATIONAL CO., LTD. and its subsidiaries do not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,

MICRO-STAR INTERNATIONAL CO., LTD.

By

Joseph Hsu, Chairman

March 12, 2026

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying consolidated balance sheets of MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES (the "Group") as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

Recognition of sales revenue generated from own-brand products

Description

Please refer to Note 4(28) for accounting policies on revenue recognition, Note 6(21) for details of operating revenue. Other than international brands, the Group sells its products to customers in various countries. The Group also actively develops own-brand products. The recognition of sales revenue generated from own-brand products is critical to the Group's consolidated financial statements. Therefore, it was identified as a key audit matter.

How our audit addressed the matter

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

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

Estimation of allowance for inventory valuation losses

Description

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

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

How our audit addressed the matter

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

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

Other matter –Reference to audits of other auditors

We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method that are included in the consolidated financial statements. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on reports of the other auditors. Total assets of the above-mentioned entities (including investments accounted for under the equity method) amounted to NT\$28,716,445 thousand and NT\$20,401,427 thousand as of December 31, 2025 and 2024, constituting 24% and 21% of consolidated total assets, respectively. Sales revenue of the above-mentioned entities amounted to NT\$58,259,531 thousand and NT\$49,411,674 thousand for the years ended December 31, 2025 and 2024, constituting 25% and 25% of consolidated total sales revenue, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of MICRO-STAR INTERNATIONAL CO., LTD. as at and for the years ended December 31, 2025 and 2024.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

Yu, Chih-Fan

Yu, Cheng-Fu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2026

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 Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

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

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 31,086,286	26	\$ 23,043,395	24
1110	Financial assets at fair value through profit or loss - current	6(2)	164,075	-	345,383	-
1136	Current financial assets at amortised cost	6(4)	-	-	1,000,456	1
1170	Accounts receivable, net	6(5)	26,756,654	22	23,360,372	24
1200	Other receivables		408,572	-	98,145	-
1220	Current income tax assets		38,181	-	110,461	-
130X	Inventories, net	6(6)	47,765,409	40	36,857,905	38
1410	Prepayments	6(7)	2,382,203	2	2,385,695	3
11XX	Total current assets		<u>108,601,380</u>	<u>90</u>	<u>87,201,812</u>	<u>90</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	88,396	-	87,977	-
1535	Non-current financial assets at amortised cost	6(4) and 8	573,134	1	599,613	1
1600	Property, plant and equipment	6(8) and 8	8,974,900	7	6,531,860	7
1755	Right-of-use assets	6(9)	919,660	1	943,669	1
1760	Investment property - net	6(11)	49,098	-	38,849	-
1840	Deferred income tax assets	6(27)	1,502,764	1	1,096,187	1
1900	Other non-current assets		245,274	-	120,515	-
15XX	Total non-current assets		<u>12,353,226</u>	<u>10</u>	<u>9,418,670</u>	<u>10</u>
1XXX	Total assets		<u>\$ 120,954,606</u>	<u>100</u>	<u>\$ 96,620,482</u>	<u>100</u>

(Continued)

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

	Liabilities and Equity	Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(13)	\$ 4,500,000	4	\$ -	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)	261,314	-	264,849	-
2130	Current contract liabilities	6(21)	1,253,681	1	203,938	-
2170	Accounts payable		36,419,677	30	28,710,338	30
2200	Other payables	6(14)	7,631,934	7	7,250,495	8
2230	Current income tax liabilities		1,180,711	1	382,885	-
2250	Provision for liabilities - current	6(17)	1,261,151	1	1,285,826	1
2280	Current lease liabilities		351,706	-	388,074	1
2320	Long-term liabilities, current portion	6(15)	25,043	-	-	-
2365	Refund liabilities- current		5,802,315	5	4,017,530	4
2399	Other current liabilities, others		187,395	-	147,882	-
21XX	Total current liabilities		<u>58,874,927</u>	<u>49</u>	<u>42,651,817</u>	<u>44</u>
	Non-current liabilities					
2540	Long-term borrowings	6(15)	6,291,828	5	-	-
2570	Deferred income tax liabilities	6(27)	144,804	-	23,721	-
2580	Non-current lease liabilities		532,237	1	512,183	1
2640	Net defined benefit liability, non-current	6(16)	76,539	-	88,605	-
2670	Other non-current liabilities, others		431,882	-	470,102	-
25XX	Total non-current liabilities		<u>7,477,290</u>	<u>6</u>	<u>1,094,611</u>	<u>1</u>
2XXX	Total liabilities		<u>66,352,217</u>	<u>55</u>	<u>43,746,428</u>	<u>45</u>
	Equity attributable to owners of parent					
	Share capital	6(18)				
3110	Share capital - common stock		8,448,562	7	8,448,562	9
	Capital surplus	6(19)				
3200	Capital surplus		806,619	-	806,029	1
	Retained earnings	6(20)				
3310	Legal reserve		10,465,854	9	9,781,123	10
3320	Special reserve		469,324	-	877,405	1
3350	Unappropriated retained earnings		34,679,735	29	33,430,259	34
	Other equity interest					
3400	Other equity interest		(267,705)	-	(469,324)	-
31XX	Equity attributable to owners of the parent		<u>54,602,389</u>	<u>45</u>	<u>52,874,054</u>	<u>55</u>
3XXX	Total equity		<u>54,602,389</u>	<u>45</u>	<u>52,874,054</u>	<u>55</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 120,954,606</u>	<u>100</u>	<u>\$ 96,620,482</u>	<u>100</u>

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

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	Items	Notes	Year ended December 31			
			2025		2024	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(21)	\$ 230,196,431	100	\$ 197,871,915	100
5000	Operating costs	6(6)(25)	(204,983,825)	(89)	(173,676,730)	(88)
5900	Net operating margin		<u>25,212,606</u>	<u>11</u>	<u>24,195,185</u>	<u>12</u>
	Operating expenses	6(25)				
6100	Selling expenses		(11,905,180)	(5)	(10,062,805)	(5)
6200	General and administrative expenses		(1,716,649)	(1)	(1,806,003)	(1)
6300	Research and development expenses		(5,219,959)	(2)	(5,139,124)	(2)
6450	Expected credit profit (loss)	12(2)	17,337	-	(69,810)	-
6000	Total operating expenses		<u>(18,824,451)</u>	<u>(8)</u>	<u>(17,077,742)</u>	<u>(8)</u>
6900	Operating profit		<u>6,388,155</u>	<u>3</u>	<u>7,117,443</u>	<u>4</u>
	Non-operating income and expenses					
7100	Interest income	6(4)(22)	525,481	-	468,378	-
7010	Other income	6(23)	510,196	-	675,421	-
7020	Other gains and losses	6(24)	(264,251)	-	291,318	-
7050	Finance costs		(135,356)	-	(44,289)	-
7000	Total non-operating income and expenses		<u>636,070</u>	<u>-</u>	<u>1,390,828</u>	<u>-</u>
7900	Profit before income tax		<u>7,024,225</u>	<u>3</u>	<u>8,508,271</u>	<u>4</u>
7950	Income tax expense	6(27)	(1,276,411)	(1)	(1,715,499)	(1)
8200	Profit for the year		<u>\$ 5,747,814</u>	<u>2</u>	<u>\$ 6,792,772</u>	<u>3</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial gain on defined benefit plan	6(16)	\$ 3,241	-	\$ 68,174	-
8316	Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	419	-	986	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	(732)	-	(13,831)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		<u>2,928</u>	<u>-</u>	<u>55,329</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		<u>201,284</u>	<u>-</u>	<u>407,291</u>	<u>-</u>
8360	Components of other comprehensive income that will be reclassified to profit or loss		<u>201,284</u>	<u>-</u>	<u>407,291</u>	<u>-</u>
8300	Total other comprehensive income for the year		<u>\$ 204,212</u>	<u>-</u>	<u>\$ 462,620</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>\$ 5,952,026</u>	<u>2</u>	<u>\$ 7,255,392</u>	<u>3</u>
	Profit attributable to:					
8610	Owners of the parent		<u>\$ 5,747,814</u>	<u>2</u>	<u>\$ 6,792,772</u>	<u>3</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		<u>\$ 5,952,026</u>	<u>2</u>	<u>\$ 7,255,392</u>	<u>3</u>
	Earnings per share (in dollars)	6(28)				
9750	Basic earnings per share		<u>\$ 6.80</u>		<u>\$ 8.04</u>	
9850	Diluted earnings per share		<u>\$ 6.75</u>		<u>\$ 8.00</u>	

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

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent											
	Capital surplus					Retained earnings			Other equity interest			Total equity
	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		
<u>2024</u>												
Balance at January 1, 2024	\$ 8,448,562	\$ 628,134	\$ 130,592	\$ 2,222	\$ 44,460	\$ 9,027,956	\$ 703,121	\$ 32,072,622	(\$ 825,417)	(\$ 51,988)	\$ 50,180,264	
Profit for the year	-	-	-	-	-	-	-	6,792,772	-	-	6,792,772	
Other comprehensive income	-	-	-	-	-	-	-	54,539	407,291	790	462,620	
Total comprehensive income	-	-	-	-	-	-	-	6,847,311	407,291	790	7,255,392	
Appropriation of 2023 earnings	6(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	-	-	-	621	-	-	-	-	-	-	621	
Balance at December 31, 2024	\$ 8,448,562	\$ 628,134	\$ 130,592	\$ 2,843	\$ 44,460	\$ 9,781,123	\$ 877,405	\$ 33,430,259	(\$ 418,126)	(\$ 51,198)	\$ 52,874,054	
<u>2025</u>												
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 year	-	-	-	-	-	-	-	5,747,814	-	-	5,747,814	
Other comprehensive income	-	-	-	-	-	-	-	2,593	201,284	335	204,212	
Total comprehensive income	-	-	-	-	-	-	-	5,750,407	201,284	335	5,952,026	
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 December 31, 2025	\$ 8,448,562	\$ 628,134	\$ 130,592	\$ 3,433	\$ 44,460	\$ 10,465,854	\$ 469,324	\$ 34,679,735	(\$ 216,842)	(\$ 50,863)	\$ 54,602,389	

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

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 7,024,225	\$ 8,508,271
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including right-of-use assets and investment properties)	6(25)	1,391,360	1,343,285
Amortization	6(25)	632	482
Expected credit (reversal) loss	12(2)	(17,337)	69,810
Net loss (gain) on financial assets and liabilities at fair value through profit or loss		215,663	(101,928)
Interest expense		135,356	44,289
Interest income	6(22)	(525,481)	(468,378)
Gain on disposal of property, plant and equipment	6(24)	(59,635)	(21,210)
Impairment loss recognised in profit or loss, property, plant and equipment	6(8)(12)(24)	57,495	-
(Gain) loss on lease modification	6(9)	(152)	44
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(29,608)	(25,646)
Notes receivable, net		-	61,660
Accounts receivable		(3,377,003)	(3,172,829)
Other receivables		(310,680)	114,927
Inventories, net		(10,907,504)	(3,462,902)
Prepayments		3,375	(166,864)
Other non-current assets		(116,605)	17,470
Changes in operating liabilities			
Current contract liabilities		1,049,743	1,357
Accounts payable		7,709,339	4,275,158
Other payables		412,554	365,776
Provision for liabilities - current		(24,675)	9,134
Refund liabilities- current		1,784,785	82,245
Other current liabilities, others		39,513	62,548
Net defined benefit liability		(8,825)	(7,672)
Other non-current liabilities		(154,857)	3,973
Cash inflow generated from operations		4,291,678	7,533,000
Interest received		530,530	464,410
Interest paid		(128,711)	(44,108)
Income tax paid		(722,059)	(2,951,986)
Net cash flows from operating activities		<u>3,971,438</u>	<u>5,001,316</u>

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MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		\$ -	(\$ 933,130)
Proceeds from disposal of financial assets at amortised cost		1,026,935	-
Acquisition of property, plant and equipment	6(29)	(3,553,147)	(2,306,920)
Proceeds from disposal of property, plant and equipment		105,077	73,822
Decrease (increase) in refundable deposits		9,714	(14,547)
Acquisition of investment properties	6(11)	-	(902)
Net cash flows used in investing activities		(2,411,421)	(3,181,677)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(30)	4,500,000	-
Proceeds from long-term borrowings	6(30)	6,331,480	-
Repayment of long-term borrowings	6(30)	(14,609)	-
Repayment of the principal portion of lease liabilities	6(30)	(439,805)	(376,178)
Increase in guarantee deposits received	6(30)	116,637	78,666
Cash dividends paid	6(20)	(4,224,281)	(4,562,223)
Due to donated assets received		590	621
Net cash flows from (used in) financing activities		6,270,012	(4,859,114)
Effect of exchange rate		212,862	310,348
Net increase (decrease) in cash and cash equivalents		8,042,891	(2,729,127)
Cash and cash equivalents at beginning of year	6(1)	23,043,395	25,772,522
Cash and cash equivalents at end of year	6(1)	\$ 31,086,286	\$ 23,043,395

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

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 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 March 12, 2026.

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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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

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

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

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

New Standards, Interpretations and Amendments	Effective date by 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 (Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

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

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

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with 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:

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

- (c) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (d) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

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

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

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

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

For the year ended December 31, 2025, aside from the subsidiaries namely, MSI (LA), MSI COMPUTER (CAYMAN), MSI (KOREA) and MSI (MHK) which were audited by other auditors, the remaining subsidiaries were audited by the Group's appointed auditors.

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

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

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

Note C: On June 3, 2025, this subsidiary has been approved for establishment.

Note D: On June 23, 2025, this subsidiary has been approved for establishment.

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

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

E. Significant restrictions: None.

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

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

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

B. Translation of foreign operations

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

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;
 - (b) Assets that are held primarily for the purpose of trading;
 - (c) Assets that are expected to be realised within twelve months after the reporting period;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled in the normal operating cycle;
- (b) Liabilities that are held primarily for the purpose of trading;
- (c) Liabilities that are due to be settled within twelve months after the reporting period;
- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

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

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

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

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

- (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
- (b) The assets' contractual cash flows represents solely payments of principal and interest.

- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment.

Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

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

(10) Accounts receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

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

(12) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leasing arrangements (lessor) – Operating leases

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

(14) Inventories

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

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

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

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

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

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

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(17) Investment property

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

(18) Impairment of non-financial assets

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

(19) 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.

(20) Accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and those are resulting from operating and non-operating activities.

B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

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

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

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

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

(22) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(23) Provisions

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

B. Under the Climate Change Response Act and its regulations in the ROC, carbon fees levied are not applicable under IFRIC 21, 'Levies' but are recognised and measured in accordance with IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. If the estimated annual emissions are probable to exceed the threshold for levying, liabilities in relation to emission fees are estimated and accrued based on the proportion of emissions already incurred to the estimated annual emissions in the interim financial statements.

(24) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

C. Termination benefits

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

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

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

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

(25) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(26) Share capital

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

(27) Dividends

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

(28) Revenue recognition

A. Sales of goods

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

B. Incremental costs of obtaining a contract

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

(29) Operating segments

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

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

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

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 4,976	\$ 8,715
Checking accounts and demand deposits	15,053,139	12,860,787
Time deposits	16,028,171	10,173,893
Total	<u>\$ 31,086,286</u>	<u>\$ 23,043,395</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The Group's time deposits with maturity periods over three months or pledged to others are reclassified as "financial assets at amortised cost." Details of financial assets at amortised cost are provided in Notes 6(4) and 8.

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

<u>Asset items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Financial assets mandatorily measured at fair value through profit or loss		
Stock of publicly traded or listed companies	\$ 157,904	\$ 127,462
Derivatives – Forward exchange contract	8,766	266,703
	<u>166,670</u>	<u>394,165</u>
Evaluation adjustment	(2,595)	(48,782)
Total	<u>\$ 164,075</u>	<u>\$ 345,383</u>

<u>Liability items</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Financial liabilities held for trading		
Derivatives – Forward exchange contract	\$ 75,614	\$ 13,049
Derivatives – Foreign exchange swap	185,700	251,800
Total	<u>\$ 261,314</u>	<u>\$ 264,849</u>

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

	<u>2025</u>	<u>2024</u>
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 38,738	(\$ 23,316)
Derivatives	(242,569)	(522,509)
	<u>(\$ 203,831)</u>	<u>(\$ 545,825)</u>

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

			December 31, 2025	
Derivative Financial Assets	Contract Amount Notional Principal (In thousands)		Contract period	
Forward exchange contracts	GBP	7,000	2025.09.18~2026.03.24	
"	CAD	3,000	2025.12.30~2026.02.24	
"	KRW	5,737,000	2025.12.30~2026.02.13	
"	EUR	25,000	2025.09.24~2026.01.26	
			December 31, 2025	
Derivative Financial Liabilities	Contract Amount Notional Principal (In thousands)		Contract period	
Forward exchange contracts	CNY	551,161	2025.10.15~2026.03.31	
"	GBP	11,000	2025.10.17~2026.03.02	
"	AUD	10,100	2025.10.30~2026.02.24	
"	CAD	10,000	2025.12.01~2026.02.10	
"	KRW	19,002,350	2025.12.24~2026.01.30	
"	SEK	7,017	2025.10.27~2026.01.16	
"	EUR	74,000	2025.10.15~2026.03.09	
"	USD	20,000	2025.12.29~2026.02.26	
Foreign exchange swap	USD	330,000	2025.10.13~2026.04.01	
			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	

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

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

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

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

Items	December 31, 2025	December 31, 2024
Non-current items:		
Equity instruments		
Unlisted stocks	\$ 151,975	\$ 151,975
Valuation adjustment	(63,579)	(63,998)
Total	\$ 88,396	\$ 87,977

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

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

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

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

(4) Financial assets at amortised cost

Items	December 31, 2025	December 31, 2024
Current items:		
Time deposits maturing within three months to a year	\$ -	\$ 1,000,456
Non-current items:		
Pledge bank deposits	\$ 569,577	\$ 562,965
Others	3,557	36,648
Total	\$ 573,134	\$ 599,613

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

	2025	2024
Interest income	\$ 73,536	\$ 52,922

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accounts receivable	\$ 26,878,788	\$ 23,502,115
Less: Allowance for doubtful accounts	(122,134)	(141,743)
	<u>\$ 26,756,654</u>	<u>\$ 23,360,372</u>

A. The ageing analysis of accounts receivable:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
Not past due	\$ 17,965,739	\$ 15,622,763
1 to 75 days	8,505,029	7,210,007
76 to 365 days	393,447	668,934
Over 365 days	14,573	411
	<u>\$ 26,878,788</u>	<u>\$ 23,502,115</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2025 and 2024, accounts receivable were all from contracts with customers. And as of January 1, 2024, the balance of receivables 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 December 31, 2025 and 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).

(6) Inventories

	<u>December 31, 2025</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 13,849,212	(\$ 170,026)	\$ 13,679,186
Work-in-process	2,037,376	(1,039)	2,036,337
Finished goods	32,895,514	(845,628)	32,049,886
	<u>\$ 48,782,102</u>	<u>(\$ 1,016,693)</u>	<u>\$ 47,765,409</u>
	<u>December 31, 2024</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 11,265,282	(\$ 180,336)	\$ 11,084,946
Work-in-process	1,496,168	(1,784)	1,494,384
Finished goods	24,966,632	(688,057)	24,278,575
	<u>\$ 37,728,082</u>	<u>(\$ 870,177)</u>	<u>\$ 36,857,905</u>

The cost of inventories recognised as expense for the period:

	2025	2024
Cost of inventories recognised as expense	\$ 204,983,825	\$ 173,676,730
Loss on decline in market value	153,488	69,040

(7) Prepayments

	December 31, 2025	December 31, 2024
Overpaid tax for offsetting the future tax payable	\$ 1,005,657	\$ 1,135,415
Office supplies	970,337	878,894
Prepayment for goods	19,695	15,962
Others	386,514	355,424
	<u>\$ 2,382,203</u>	<u>\$ 2,385,695</u>

(8) Property, plant and equipment

	2025					Construction in progress and equipment to be inspected	Total
	Land	Buildings	Machineries	Others			
At January 1							
Cost	\$ 2,983,931	\$ 6,734,538	\$ 5,114,788	\$ 2,521,386	\$ 109,533		\$ 17,464,176
Accumulated depreciation and impairment	-	(5,287,454)	(3,633,706)	(2,011,156)	-		(10,932,316)
	<u>\$ 2,983,931</u>	<u>\$ 1,447,084</u>	<u>\$ 1,481,082</u>	<u>\$ 510,230</u>	<u>\$ 109,533</u>		<u>\$ 6,531,860</u>
Balance at January 1	\$ 2,983,931	\$ 1,447,084	\$ 1,481,082	\$ 510,230	\$ 109,533		\$ 6,531,860
Additions	1,296,218	820,281	478,475	286,070	631,299		3,512,343
Disposals	-	-	(38,082)	(7,360)	-		(45,442)
Reclassifications	(929)	(514)	2,530	42,288	(75,436)		(32,061)
Depreciation charge	-	(144,211)	(557,506)	(237,870)	-		(939,587)
Impairment loss	-	(57,495)	-	-	-		(57,495)
Net exchange differences	3,052	2,386	13	(296)	127		5,282
Balance at December 31	<u>\$ 4,282,272</u>	<u>\$ 2,067,531</u>	<u>\$ 1,366,512</u>	<u>\$ 593,062</u>	<u>\$ 665,523</u>		<u>\$ 8,974,900</u>
At December 31							
Cost	\$ 4,282,272	\$ 7,531,678	\$ 5,404,355	\$ 2,764,134	\$ 665,523		\$ 20,647,962
Accumulated depreciation and impairment	-	(5,464,147)	(4,037,843)	(2,171,072)	-		(11,673,062)
	<u>\$ 4,282,272</u>	<u>\$ 2,067,531</u>	<u>\$ 1,366,512</u>	<u>\$ 593,062</u>	<u>\$ 665,523</u>		<u>\$ 8,974,900</u>

2024

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

A. The information on property, plant and equipment provided as collateral is detailed in Note 8.

B. Impairment information about the property, plant and equipment is provided in Note 6(12).

(9) Leasing arrangements – lessee

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

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2025	December 31, 2024
	Carrying amount	Carrying amount
Land	\$ 51,028	\$ 52,754
Buildings	790,050	819,784
Machinery and equipment	21,265	7,163
Other equipment	57,317	63,968
	<u>\$ 919,660</u>	<u>\$ 943,669</u>

	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 1,868	\$ 1,920
Buildings	416,057	352,429
Machinery and equipment	5,156	3,707
Other equipment	25,346	22,237
	<u>\$ 448,427</u>	<u>\$ 380,293</u>

C. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$138,507 and \$540,019, respectively.

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

	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 30,172	\$ 18,740
Expense on leases of low-value or short-term assets	95,658	37,422
Expense on variable lease payments	12,855	14,575
Gain (loss) on lease modification	152 (44)

E. Apart from the cash outflow relating to the lease expense mentioned above in Note 6(9)D., information about the principal repayment of lease liability for the years ended December 31, 2025 and 2024 are provided in Note 6(30).

(10) Leasing arrangements – lessor

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

B. The Group recognised rental income based on operating lease contracts for the years ended December 31, 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:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Less than 1 year	\$ 39,040	\$ 44,618
Between 1 and 5 years	13,325	28,255
	<u>\$ 52,365</u>	<u>\$ 72,873</u>

(11) Investment property

	<u>2025</u>	<u>2024</u>
	<u>Buildings</u>	<u>Buildings</u>
At January 1		
Cost	\$ 531,202	\$ 532,630
Accumulated depreciation	(492,353)	(498,435)
	<u>\$ 38,849</u>	<u>\$ 34,195</u>
Balance at January 1	\$ 38,849	\$ 34,195
Additions	-	902
Reclassifications	13,561	4,721
Depreciation charge	(3,346)	(2,152)
Net exchange differences	34	1,183
Balance at December 31	<u>\$ 49,098</u>	<u>\$ 38,849</u>
At December 31		
Cost	\$ 606,563	\$ 531,202
Accumulated depreciation	(557,465)	(492,353)
	<u>\$ 49,098</u>	<u>\$ 38,849</u>

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

	<u>2025</u>	<u>2024</u>
Rental income from the lease of the investment property	<u>\$ 50,868</u>	<u>\$ 52,381</u>
Direct operating expenses arising from the investment property	<u>\$ 16,559</u>	<u>\$ 11,416</u>

B. As of December 31, 2025 and 2024, the fair value of the Group's investments in property amounting to \$1,302,649 and \$1,192,016, respectively, as derived from market prices in the nearby area, are under Level 2 fair value measurement.

(12) Impairment of non-financial assets

In the year 2025, due to the planned demolition and reconstruction of the subsidiary MSI(NL)'s factory, the Group assessed that the facility no longer had any value in use, and the entire carrying amount was recognized as an impairment loss of \$57,495, which was recorded in the current period's profit and loss.

December 31, 2024: None.

(13) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	<u>\$ 4,500,000</u>	1.718%~1.830%	None

December 31, 2024: None.

(14) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Accrued salary and bonus	\$ 2,408,669	\$ 2,221,707
Accrued freight and import export expense	1,785,976	1,765,645
Advertising expenses payable	949,652	867,146
Directors' remuneration and employees' compensation	569,500	701,100
Accrued molding expense	273,680	292,941
Other accrued expenses	1,644,457	1,401,956
	<u>\$ 7,631,934</u>	<u>\$ 7,250,495</u>

(15) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2025</u>
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	<u>1,116,871</u>
				6,316,871
Less: Current portion				(25,043)
				<u>\$ 6,291,828</u>

December 31, 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 amounts recognised in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligations	\$ 529,645	\$ 501,747
Fair value of plan assets	(453,106)	(413,142)
Net defined benefit liability	<u>\$ 76,539</u>	<u>\$ 88,605</u>

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

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>2025</u>			
Balance at January 1	\$ 501,747	(\$ 413,142)	\$ 88,605
Current service cost	2,492	-	2,492
Interest expense (income)	<u>8,028</u>	<u>(6,610)</u>	<u>1,418</u>
	<u>512,267</u>	<u>(419,752)</u>	<u>92,515</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(28,132)	(28,132)
Change in financial assumptions	9,837	-	9,837
Experience adjustments	<u>15,054</u>	<u>-</u>	<u>15,054</u>
	<u>24,891</u>	<u>(28,132)</u>	<u>(3,241)</u>
Pension fund contribution	-	(12,735)	(12,735)
Paid pension	<u>(7,513)</u>	<u>7,513</u>	<u>-</u>
Balance at December 31	<u>\$ 529,645</u>	<u>(\$ 453,106)</u>	<u>\$ 76,539</u>

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

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	<u>2025</u>	<u>2024</u>
Discount rate	1.30%	1.60%
Future salary increases	2.75%	2.75%

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

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2025</u>				
Effect on present value of defined benefit obligation	(\$ 8,219)	\$ 8,446	\$ 7,171	(\$ 7,025)
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligation	(\$ 8,461)	\$ 8,710	\$ 7,524	(\$ 7,358)

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

- (f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2026 amount to \$12,615.
- (g) As of December 31, 2025, the weighted average duration of the retirement plan is 7 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	105,565
1-2 year(s)		47,707
2-3 years		32,668
3-4 years		39,828
4-5 years		29,528
6-10 years		174,764
Over 10 years		146,160
	\$	<u>576,220</u>

B. Defined contribution pension plans

- (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The Company's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(c) 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 years ended December 31, 2025 and 2024 were \$538,641 and \$477,560, respectively.

(17) Provisions for liabilities

Warranty	2025	2024
At January 1	\$ 1,285,826	\$ 1,276,692
Additional provisions	944,404	991,427
Used during the period	(969,399)	(982,336)
Exchange differences	320	43
At December 31	<u>\$ 1,261,151</u>	<u>\$ 1,285,826</u>

Analysis of total provisions:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current	<u>\$ 1,261,151</u>	<u>\$ 1,285,826</u>

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 December 31, 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 reaches 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 as 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.

- F. The appropriations of 2025 earnings had been resolved at the Board of Directors’ meeting on March 12, 2026 as follows:

	<u>2025</u>	
	<u>Amount</u>	<u>Dividends per share (in NT dollar)</u>
Legal reserve	\$ 575,041	
Special reserve reversal	(201,619)	
Cash dividend	3,548,396	\$ 4.20

As of the date of this financial report, the appropriations of 2025 earnings has not been resolved at the stockholders’ meeting.

(21) Operating revenue

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

<u>2025</u>	<u>Computer and IT segment</u>	<u>Other</u>	<u>Total</u>
Timing of revenue recognition			
At a point in time	<u>\$ 230,154,104</u>	<u>\$ 42,327</u>	<u>\$ 230,196,431</u>
<u>2024</u>	<u>Computer and IT segment</u>	<u>Other</u>	<u>Total</u>
Timing of revenue recognition			
At a point in time	<u>\$ 197,834,598</u>	<u>\$ 37,317</u>	<u>\$ 197,871,915</u>

- B. Contract liabilities

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Contract liabilities – advance sales receipts	<u>\$ 1,253,681</u>	<u>\$ 203,938</u>	<u>\$ 202,581</u>

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

	<u>2025</u>	<u>2024</u>
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Advance sales receipts	<u>\$ 177,728</u>	<u>\$ 177,211</u>

(22) Interest income

	2025	2024
Interest income from bank deposits	\$ 451,945	\$ 415,456
Interest income from financial assets measured at amortised cost	73,536	52,922
	<u>\$ 525,481</u>	<u>\$ 468,378</u>

(23) Other income

	2025	2024
Rental revenue	\$ 50,868	\$ 52,381
Others	459,328	623,040
	<u>\$ 510,196</u>	<u>\$ 675,421</u>

(24) Other gains and losses

	2025	2024
Net currency exchange gains	\$ 143,803	\$ 870,839
Losses on financial assets and liabilities at fair value through profit or loss	(203,831)	(545,825)
Net gains on disposal of property, plant and equipment	59,635	21,210
Impairment loss on property, plant and equipment	(57,495)	-
Other expenses	(206,363)	(54,906)
	<u>(\$ 264,251)</u>	<u>\$ 291,318</u>

(25) Expenses by nature

	2025	2024
Employee benefit expense	\$ 11,848,287	\$ 10,953,037
Depreciation charges	1,391,360	1,343,285
Amortisation charges	632	482
	<u>\$ 13,240,279</u>	<u>\$ 12,296,804</u>

(26) Employee benefit expense

	2025	2024
Wages and salaries	\$ 10,102,000	\$ 9,403,273
Labor and health insurance fees	710,264	642,036
Pension costs	542,551	482,244
Other personnel expenses	493,472	425,484
Total	<u>\$ 11,848,287</u>	<u>\$ 10,953,037</u>

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 6%~10% for employees' compensation (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 years ended December 31, 2025 and 2024, employees' remuneration were accrued at \$518,900 and \$639,500, respectively; while directors' remuneration were accrued at \$50,600 and \$61,600, respectively. The aforementioned amounts were recognised in salary expenses.

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

	2025	2024
Current tax:		
Current tax on profits for the period	\$ 1,415,083	\$ 1,211,596
Prior year income tax underestimation	147,554	112,203
Total current tax	1,562,637	1,323,799
Deferred tax:		
Origination and reversal of temporary differences	(286,226)	391,700
Total deferred tax	(286,226)	391,700
Income tax expense	\$ 1,276,411	\$ 1,715,499

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

	2025	2024
Remeasurement of defined benefit obligations	(\$ 648)	(\$ 13,635)
Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	(84)	(196)
	(\$ 732)	(\$ 13,831)

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

B. Reconciliation between income tax expense and accounting profit

	2025		2024	
Tax calculated based on profit before tax and statutory tax rate (Note)	\$	1,787,064	\$	2,158,342
Effect from items disallowed by tax regulation		24,892		62,530
Temporary differences not recognised as deferred tax liabilities	(314,142)	(400,554)
Effect from investment tax credits	(407,119)	(285,126)
Prior year income tax underestimation		147,554		112,203
Effect of different tax rates in countries in which the group operates	(68,023)		33,273
Tax on undistributed earnings		107,868		94,698
Other	(1,683)	(59,867)
Income tax expense	\$	<u>1,276,411</u>	\$	<u>1,715,499</u>

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

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

	2025			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
-Deferred tax assets:				
Unrealised gross profit	\$ 473,586	\$ 287,204	\$ -	\$ 760,790
Loss on inventory	193,900	41,371	-	235,271
Remeasurement of defined benefit obligations	14,917	-	(648)	14,269
Unrealised exchange loss	-	-	-	-
Unrealised loss on financial assets at fair value through other comprehensive income	12,800	-	(84)	12,716
Allowance for bad debts excess tax limitation	15,520	5,403	-	20,923
Unrealised loss on financial assets (liabilities) at fair value through profit or loss	-	50,509	-	50,509
Others	<u>385,464</u>	<u>22,822</u>	<u>-</u>	<u>408,286</u>
Subtotal	<u>1,096,187</u>	<u>407,309</u>	<u>(732)</u>	<u>1,502,764</u>
-Deferred tax liabilities:				
Unrealised exchange gain	(17,970)	(103,670)	-	(121,640)
Unrealised gain on financial assets (liabilities) at fair value through profit or loss	(371)	371	-	-
Others	<u>(5,380)</u>	<u>(17,784)</u>	<u>-</u>	<u>(23,164)</u>
Subtotal	<u>(23,721)</u>	<u>(121,083)</u>	<u>-</u>	<u>(144,804)</u>
Total	<u>\$ 1,072,466</u>	<u>\$ 286,226</u>	<u>(\$ 732)</u>	<u>\$ 1,357,960</u>

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

- D. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2025 and 2024, the amounts of temporary difference unrecognised as deferred tax liabilities were \$14,253,317 and \$12,605,698, respectively.
- E. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.
- F. The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.
- G. The Group's exposure to Pillar Two income taxes arising from the Pillar Two legislation is as follows:

The Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). Pillar Two legislation was enacted in Netherlands, France, United Kingdom, Japan, Australia, Germany, South Korea and Canada, the jurisdiction in which some subsidiaries are incorporated, and came into effect from January 1, 2025. The Group has no related current tax exposure as of December 31, 2025. Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between its GloBE Anti-Base Erosion Model Rules (GloBE Rules) effective tax rate per jurisdiction and the 15% minimum rate.

(28) Earnings per share

	2025		
	<u>Amount after tax</u>	<u>Retroactively adjusted weighted-average outstanding ordinary shares (in thousands)</u>	<u>Earnings per share (in NT dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 5,747,814	844,856	\$ 6.80
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 5,747,814	844,856	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	6,110	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 5,747,814	850,966	\$ 6.75
	2024		
	<u>Amount after tax</u>	<u>Retroactively adjusted weighted-average outstanding ordinary shares (in thousands)</u>	<u>Earnings per share (in NT dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 6,792,772	844,856	\$ 8.04
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 6,792,772	844,856	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	4,365	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 6,792,772	849,221	\$ 8.00

(29) Supplemental cash flow information

A. Investing activities with partial cash payments

	<u>2025</u>	<u>2024</u>
Purchase of property, plant and equipment	\$ 3,512,343	\$ 2,227,640
Add: Opening balance of payable on equipment	78,367	157,647
Less: Ending balance of payable on equipment	(37,563)	(78,367)
Cash paid during the year ended December 31	<u>\$ 3,553,147</u>	<u>\$ 2,306,920</u>

B. Financing activities with no cash flow effects

	<u>2025</u>	<u>2024</u>
Purchase of right-of-use assets	\$ 138,507	\$ 540,019
Less: Additional lease liabilities during the period	(138,507)	(540,019)
Cash paid during the year ended December 31	<u>\$ -</u>	<u>\$ -</u>

(30) Changes in liabilities from financing activities

	<u>2025</u>				
	<u>Short-term borrowings</u>	<u>Long-term borrowings (including maturing within one year)</u>	<u>Lease liabilities (current/ non-current)</u>	<u>Guarantee deposits received</u>	<u>Liabilities from financing activities-gross</u>
At January 1	\$ -	\$ -	\$ 900,257	\$ 315,245	\$ 1,215,502
Changes in cash flow from financing activities	4,500,000	6,316,871	(439,805)	116,637	10,493,702
Impact of changes in foreign exchange rate	-	-	24,860	-	24,860
Changes in other non-cash items	-	-	398,631	-	398,631
At December 31	<u>\$4,500,000</u>	<u>\$ 6,316,871</u>	<u>\$ 883,943</u>	<u>\$431,882</u>	<u>\$ 12,132,695</u>

2024

	Short-term borrowings	Long-term borrowings (including maturing within one year)	Lease liabilities (current/ non-current)	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	\$ -	\$ -	\$ 672,450	\$ 236,579	\$ 909,029
Changes in cash flow from financing activities	-	-	(376,178)	78,666	(297,512)
Impact of changes in foreign exchange rate	-	-	19,654	-	19,654
Changes in other non-cash items	-	-	584,331	-	584,331
At December 31	\$ -	\$ -	\$ 900,257	\$ 315,245	\$ 1,215,502

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

None.

(2) Significant related party transactions

None.

(3) Key management compensation

	2025	2024
Short-term employee benefits	\$ 453,282	\$ 498,693
Post-employment benefits	2,348	1,993
	\$ 455,630	\$ 500,686

8. PLEDGED ASSETS

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

Asset items	Book value		Purpose
	December 31, 2025	December 31, 2024	
Non-current financial assets at amortised cost	\$ 569,577	\$ 562,965	Performance security guarantee
Property, plant and equipment	2,049,356	-	For guarantee of long-term loans
	\$ 2,618,933	\$ 562,965	

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 Group 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:

	December 31, 2025	
	<u>Total contract price</u>	<u>Unpaid balance</u>
Property, plant and equipment	\$ 5,540,000	\$ 5,015,521

December 31, 2024: None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

A. The Company's Board of Directors' meeting has resolved the appropriations of 2025 earnings on March 12, 2026, please refer to Note 6(20).

B. On January 30, 2026, the Board of Directors of the subsidiary MSI(NL) approved the construction of an office building on the subsidiary's own land. The total contract amount of this development is EUR 16,500 thousand, exclusive of taxes.

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 (short-term borrowings, financial liabilities at fair value through profit or loss - current, accounts payable, other payables, long-term borrowings and lease liabilities (current/non-current)) are provided in the consolidated balance sheet and Note 6 for details.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at amortised cost		
Guarantee deposits paid	\$ <u>88,548</u>	\$ <u>98,262</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Guarantee deposits received	\$ <u>431,882</u>	\$ <u>315,245</u>

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

December 31, 2025			
(Foreign currency: functional currency)	Foreign Currency Amount (In thousands)	Exchange rate	Book Value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	\$ 536,075	31.4300	\$ 16,848,825
EUR: NTD	83,127	36.9000	3,067,399
USD: CNY	86,503	6.9907	2,718,802
CAD: USD	32,241	0.7299	739,611
GBP: NTD	16,089	42.3300	681,041
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	867,284	31.4300	27,258,743
USD: CNY	309,504	6.9907	9,727,696
EUR: NTD	34,260	36.9000	1,264,201
December 31, 2024			
(Foreign currency: functional currency)	Foreign Currency Amount (In thousands)	Exchange rate	Book Value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NTD	\$ 368,025	32.7850	\$ 12,065,713
USD: CNY	99,664	7.3213	3,267,478
EUR: NTD	70,768	34.1400	2,416,026
CNY: NTD	203,179	4.4780	909,837
KRW: NTD	36,063,245	0.0222	800,604
CAD: USD	27,699	0.6961	632,084
AUD: NTD	27,127	20.3900	553,112
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD: NTD	529,097	32.7850	17,346,460
USD: CNY	407,551	7.3213	13,361,553
EUR: NTD	15,457	34.1400	527,705

- vi. The exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024 are provided in Note 6(24).
- vii. Analysis of foreign currency market risk arising from significant foreign exchange variation:

				2025	
				Sensitivity analysis	
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss (before tax)	Effect on other comprehensive income		
<u>Financial assets</u>					
<u>Monetary items</u>					
USD: NTD	1%	\$ 168,488	\$ -		
EUR: NTD	1%	30,674	-		
USD: CNY	1%	27,188	-		
CAD: USD	1%	7,396	-		
GBP: NTD	1%	6,810	-		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD: NTD	1%	272,587	-		
USD: CNY	1%	97,277	-		
EUR: NTD	1%	12,642	-		
				2024	
				Sensitivity analysis	
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss (before tax)	Effect on other comprehensive income		
<u>Financial assets</u>					
<u>Monetary items</u>					
USD: NTD	1%	\$ 120,657	\$ -		
USD: CNY	1%	32,675	-		
EUR: NTD	1%	24,160	-		
CNY: NTD	1%	9,098	-		
KRW: NTD	1%	8,006	-		
CAD: USD	1%	6,321	-		
AUD: NTD	1%	5,531	-		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD: NTD	1%	173,465	-		
USD: CNY	1%	133,616	-		
EUR: NTD	1%	5,277	-		

Price risk

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

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

- ii. The Group has investments in equity securities. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2025 and 2024 would have increased/decreased by \$1,242 and \$629, 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 \$707 and \$704, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- 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 and short-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 had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2025 and 2024 would have increased/decreased by \$86,535 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 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) accrual impairment loss	(17,337)	69,810
Write-offs	(330)	(28,162)
Effect of foreign exchange	(1,942)	3,936
At December 31	<u>\$ 122,134</u>	<u>\$ 141,743</u>

- vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's internal balance sheet ratio targets and external regulatory or legal requirements.

- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. Except for the following table, others are maturing within one year, and the undiscounted contractual cash flow is equivalent to the consolidated balance sheet.

Other undiscounted contractual cash flow of non-derivative financial liabilities are as follows:

Non-derivative financial liabilities:

December 31, 2025	Less than 1 year	Between 1 to 2 years	Between 2 to 3 years	Over 3 years
Short-term borrowings	\$ 4,507,006	\$ -	\$ -	\$ -
Lease liabilities	373,539	263,207	164,812	129,944
Long-term borrowings	170,106	168,790	1,687,802	4,857,983
Other financial liabilities	11,664	39,453	842	379,923

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

- 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(11).

- C. Financial instruments not measured at fair value

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

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

December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
-Equity securities	\$ 155,309	\$ -	\$ -	\$ 155,309
-Forward exchange contract	-	8,766	-	8,766
Financial assets at fair value through other comprehensive income				
-Equity securities	-	-	88,396	88,396
Total	<u>\$ 155,309</u>	<u>\$ 8,766</u>	<u>\$ 88,396</u>	<u>\$ 252,471</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
-Forward exchange contract	\$ -	\$ 75,614	\$ -	\$ 75,614
-Foreign exchange swap	-	185,700	-	185,700
	<u>\$ -</u>	<u>\$ 261,314</u>	<u>\$ -</u>	<u>\$ 261,314</u>
December 31, 2024				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
-Equity securities	\$ 78,680	\$ -	\$ -	\$ 78,680
-Forward exchange contract	-	266,703	-	266,703
Financial assets at fair value through other comprehensive income				
-Equity securities	-	-	87,977	87,977
Total	<u>\$ 78,680</u>	<u>\$ 266,703</u>	<u>\$ 87,977</u>	<u>\$ 433,360</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
-Forward exchange contract	\$ -	\$ 13,049	\$ -	\$ 13,049
-Foreign exchange swap	-	251,800	-	251,800
	<u>\$ -</u>	<u>\$ 264,849</u>	<u>\$ -</u>	<u>\$ 264,849</u>

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 years ended December 31, 2025 and 2024, there were no transfer between Level 1 and Level 2.
- G. For the years ended December 31, 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 December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 88,396	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

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: Please refer to table 1.
- C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- 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 3.
- E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 4.
- F. Derivative financial instruments transactions: Please refer to Note 6(2).
- G. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

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

(3) Information on investments in Mainland China

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

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

(3) Reconciliation for segment income

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

(4) Information on products and services

Revenue from external customers is mainly from the sales of computer and peripherals and related components. Related information is provided in Note 6(21).

(5) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	2025		2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Asia	\$ 100,334,128	\$ 7,166,157	\$ 85,587,210	\$ 6,604,177
Europe	60,251,724	667,494	51,127,868	666,525
America	63,163,035	2,353,155	55,081,320	359,097
Others	6,447,544	2,126	6,075,517	5,094
	<u>\$ 230,196,431</u>	<u>\$ 10,188,932</u>	<u>\$ 197,871,915</u>	<u>\$ 7,634,893</u>

(6) Major customer information

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

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

For the year ended December 31, 2025

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 1

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/guarantee amount as of December 31, 2025 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2025 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	MICRO-STAR INTERNATIONAL CO., LTD.	INDOMSI	2	\$ 10,920,478	\$ 125,720	\$ 125,720	\$ -	\$ -	0.23%	\$ 27,301,195	Y	N	N	
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (SHANGHAI)	2	10,920,478	449,600	449,600	-	-	0.82%	27,301,195	Y	N	Y	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1)The Company is '0'.
- (2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1)Having business relationship.
- (2)The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3)The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4)The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5)Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6)Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7)Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

According to the company's "Procedures for External Endorsements and Guarantees," the total amount of external endorsements and guarantees must not exceed 50% of the net value in the most recent financial report.

The total amount for a single entity must not exceed 20% of the net value in the most recent financial report. The calculation is as follows:

- (1)\$54,602,389 X 50% = \$27,301,195
- (2)\$54,602,389 X 20% = \$10,920,478

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

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)
December 31, 2025

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 2

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 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	20,000	\$ 27,313	-	\$ 27,313	-
MSI (HOLDING)	Adidas ordinary shares	-	Financial assets at fair value through profit or loss - current	3,000	18,714	-	18,714	-
MSI (HOLDING)	Hermes International ordinary shares	-	Financial assets at fair value through profit or loss - current	300	23,491	-	23,491	-
MSI (HOLDING)	Deutsche Post ordinary shares	-	Financial assets at fair value through profit or loss - current	30,000	30,620	-	30,620	-
MSI (HOLDING)	SANOFI ordinary shares	-	Financial assets at fair value through profit or loss - current	8,000	24,419	-	24,419	-
MSI (HOLDING)	SAP ordinary shares	-	Financial assets at fair value through profit or loss - current	4,000	30,752	-	30,752	-
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	88,396	-	88,396	-

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
For the year ended December 31, 2025

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 3

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	(\$ 50,355,285)	(22)	60~100 days	-	-	\$ 20,832,798	34	-
MICRO-STAR INTERNATIONAL CO., LTD.	MYSTAR	Second-tier Subsidiary	Sales	(3,605,004)	(2)	30~100 days	-	-	731,642	1	-
MICRO-STAR INTERNATIONAL CO., LTD.	MSI (KOREA)	Second-tier Subsidiary	Sales	(5,876,540)	(3)	40~70 days	-	-	265,917	-	-
MICRO-STAR INTERNATIONAL CO., LTD.	MSI (SHANGHAI)	Second-tier Subsidiary	Sales	(17,568,253)	(8)	40~70 days	-	-	2,820,491	5	-
MICRO-STAR INTERNATIONAL CO., LTD.	MSI COMPUTER (SHENZHEN)	Second-tier Subsidiary	Purchase	105,260,708	50	90-150 days	Note 1	Note 1	(19,282,553)	(36)	Note 4
MICRO-STAR INTERNATIONAL CO., LTD.	MSI ELECTRONICS (KUNSHAN)	Second-tier Subsidiary	Purchase	46,833,656	22	90-150 days	Note 1	Note 1	(9,289,512)	(18)	Note 4
MSI (LA)	RAIDEALS	Affiliated company	Sales	(229,181)	-	40-70 days	-	-	556	-	-

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

Note 2: Balances after elimination in conformity with regulations.

Note 3: Corresponding transactions are not disclosed.

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

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
December 31, 2025

Expressed in thousands of NTD

(Except as otherwise indicated)

Table 4

Creditor	Counterparty	Relationship with the counterparty	Balance as of December 31, 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	\$ 20,832,798	2.71	\$ -	-	\$ 5,132,322	\$ -	
MICRO-STAR INTERNATIONAL CO., LTD.	MYSTAR	Second-tier Subsidiary	731,642	6.79	-	-	375,030	-	
MICRO-STAR INTERNATIONAL CO., LTD.	MSI (KOREA)	Second-tier Subsidiary	265,917	34.64	-	-	475,050	-	
MICRO-STAR INTERNATIONAL CO., LTD.	MSI (SHANGHAI)	Second-tier Subsidiary	2,820,491	5.84	-	-	883,190	-	
MICRO-STAR INTERNATIONAL CO., LTD.	INDOMSI	Subsidiary	222,392	-	-	-	66,486	-	
MICRO-STAR INTERNATIONAL CO., LTD.	MSI COMPUTER (SHENZHEN)	Second-tier Subsidiary	10,810,376	-	-	-	6,230,683	-	
MICRO-STAR INTERNATIONAL CO., LTD.	MSI ELECTRONICS (KUNSHAN)	Second-tier Subsidiary	10,548,739	-	-	-	4,731,834	-	
MSI (PACIFIC)	MICRO-STAR INTERNATIONAL CO., LTD.	Ultimate parent company	244,697	-	-	-	-	-	
MSI COMPUTER (SHENZHEN)	MICRO-STAR INTERNATIONAL CO., LTD.	Ultimate parent company	19,282,553	5.72	-	-	8,520,188	-	
MSI ELECTRONICS (KUNSHAN)	MICRO-STAR INTERNATIONAL CO., LTD.	Ultimate parent company	9,289,512	4.17	-	-	5,512,355	-	
MSI (B.V.I.)	MSI (PACIFIC)	Parent Company	146,880	-	-	-	-	-	

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 reporting periods

For the year ended December 31, 2025

Expressed in thousands of NTD

(Except as otherwise indicated)

Table 5

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	\$ 5,876,540	Note 2	2.55%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (LA)	Parent company to subsidiary	Sales	50,355,285	Note 2	21.87%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MYSTAR	Parent company to second-tier subsidiary	Sales	3,605,004	Note 2	1.57%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (SHANGHAI)	Parent company to second-tier subsidiary	Sales	17,568,253	Note 2	7.63%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (KOREA)	Parent company to second-tier subsidiary	Accounts receivable	265,917	Note 2	0.22%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (LA)	Parent company to subsidiary	Accounts receivable	20,832,798	Note 2	17.22%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MYSTAR	Parent company to second-tier subsidiary	Accounts receivable	731,642	Note 2	0.60%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (EUROPE)	Parent company to second-tier subsidiary	Accounts receivable	92,444	Note 2	0.08%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (SHANGHAI)	Parent company to second-tier subsidiary	Accounts receivable	2,820,491	Note 2	2.33%
0	MICRO-STAR INTERNATIONAL CO., LTD.	INDOMSI	Parent company to subsidiary	Accounts receivable	222,392	Note 2	0.18%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI COMPUTER (SHENZHEN)	Parent company to second-tier subsidiary	Accounts receivable	10,810,376	Note 3	8.94%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI ELECTRONICS (KUNSHAN)	Parent company to second-tier subsidiary	Accounts receivable	10,548,739	Note 3	8.72%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI COMPUTER (SHENZHEN)	Parent company to second-tier subsidiary	Purchase	105,260,708	Note 3	45.73%

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	Purchase	\$ 46,833,656	Note 3	20.35%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI COMPUTER (SHENZHEN)	Parent company to second-tier subsidiary	Accounts payable	19,282,553	Note 3	15.94%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI ELECTRONICS (KUNSHAN)	Parent company to second-tier subsidiary	Accounts payable	9,289,512	Note 3	7.68%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (EUROPE)	Parent company to second-tier subsidiary	Manufacturing and operating expense	623,329	Note 2	0.27%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MYSTAR	Parent company to second-tier subsidiary	Manufacturing and operating expense	195,723	Note 2	0.09%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (MHK)	Parent company to second-tier subsidiary	Manufacturing and operating expense	220,630	Note 2	0.10%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (POLSKA)	Parent company to second-tier subsidiary	Manufacturing and operating expense	296,447	Note 2	0.13%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (RUSSIA)	Parent company to second-tier subsidiary	Manufacturing and operating expense	144,384	Note 2	0.06%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (LA)	Parent company to subsidiary	Manufacturing and operating expense	455,870	Note 2	0.20%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (SARL)	Parent company to second-tier subsidiary	Manufacturing and operating expense	172,961	Note 2	0.08%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (JAPAN)	Parent company to subsidiary	Manufacturing and operating expense	239,593	Note 2	0.10%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (KOREA)	Parent company to second-tier subsidiary	Manufacturing and operating expense	107,293	Note 2	0.05%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (UK)	Parent company to second-tier subsidiary	Manufacturing and operating expense	167,107	Note 2	0.07%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (CANADA)	Parent company to subsidiary	Manufacturing and operating expense	64,892	Note 2	0.03%

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 (HOLDING)	Parent company to subsidiary	Manufacturing and operating expense	\$ 250,490	Note 2	0.11%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (AUSTRALIA)	Parent company to subsidiary	Manufacturing and operating expense	145,719	Note 2	0.06%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (ITALY)	Parent company to second-tier subsidiary	Manufacturing and operating expense	84,725	Note 2	0.04%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (IBERIA)	Parent company to second-tier subsidiary	Manufacturing and operating expense	95,861	Note 2	0.04%
0	MICRO-STAR INTERNATIONAL CO., LTD.	INDOMSI	Parent company to subsidiary	Manufacturing and operating expense	94,021	Note 2	0.04%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (SEE TURKEY)	Parent company to second-tier subsidiary	Manufacturing and operating expense	98,725	Note 2	0.04%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (SHANGHAI)	Parent company to second-tier subsidiary	Manufacturing and operating expense	227,642	Note 2	0.10%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (LA)	Parent company to subsidiary	Other payables	61,953	Note 2	0.05%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (SARL)	Parent company to second-tier subsidiary	Other payables	58,921	Note 2	0.05%
0	MICRO-STAR INTERNATIONAL CO., LTD.	MSI (EUROPE)	Parent company to second-tier subsidiary	Other payables	74,974	Note 2	0.06%
1	MSI (PACIFIC)	MICRO ELECTRONICS	Subsidiary to second-tier subsidiary	Other payables	97,817	Note 3	0.08%
1	MSI (PACIFIC)	MSI (B.V.I.)	Subsidiary to second-tier subsidiary	Other payables	146,880	Note 3	0.12%
1	MSI (PACIFIC)	MICRO-STAR INTERNATIONAL CO., LTD.	Subsidiary to parent	Other receivables	244,697	Note 3	0.20%
3	MSI (LA)	RAIDEALS	Subsidiary to second-tier subsidiary	Sales	229,181	Note 2	0.10%

Note 1: Balances after elimination in conformity with regulations.

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

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

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

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Information on investees (not including investees in Mainland China)

For the year ended December 31, 2025

Expressed in thousands of NTD

(Except as otherwise indicated)

Table 6

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 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	\$ 56,037	\$ 286,339	\$ 286,339	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	23,558	4,534	4,534	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	26,737	3,908	3,908	Direct subsidiary
MICRO-STAR INTERNATIONAL CO., LTD.	MSI (PACIFIC)	Cayman Islands	Holding company	1,511,382	1,511,382	30,204,118	100.00	13,688,422	1,194,286	1,323,992	Direct subsidiary
MICRO-STAR INTERNATIONAL CO., LTD.	MSI (HOLDING)	Netherlands	Holding company	45,724	45,724	424,000	100.00	997,379	(785)	(785)	Direct subsidiary
MICRO-STAR INTERNATIONAL CO., LTD.	MSI COMPUTER (CAYMAN)	Cayman Islands	Holding company	99,093	99,093	50,000	100.00	135,337	1,871	1,871	Direct subsidiary (Note 3)
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	18,910	3,742	3,742	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	(33,053)	(53,488)	(53,488)	Direct subsidiary
MICRO-STAR INTERNATIONAL CO., LTD.	MSI (INDONESIA)	Indonesia	Sales support of computers and electronic components	31,009	-	164,835	99.90	31,537	532	532	Direct subsidiary
MSI (PACIFIC)	MSI (KOREA)	South Korea	Sales and after-sales service of computers and electronic components	24,374	24,374	80,000	100.00	501,530	76,319	-	Indirect subsidiary (Note 3)
MSI (PACIFIC)	MSI (B.V.I.)	British Virgin Island	Holding company	1,784,681	1,784,681	47,465,071	100.00	8,865,274	667,242	-	Indirect subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
MSI (PACIFIC)	MICRO ELECTRONICS	British Virgin Island	Holding company	\$ 1,168,593	\$ 1,168,593	33,315,472	100.00	\$ 5,474,849	\$ 396,247	\$ -	Indirect subsidiary
MSI (PACIFIC)	MEGA COMPUTER	Hong Kong	Sales support of computers and electronic components	-	-	1	100.00	-	2	-	Indirect subsidiary (Note 2)
MSI (PACIFIC)	MSI (MHK)	Hong Kong	Sales support of computers and electronic components	-	-	1	100.00	51,850	6,548	-	Indirect subsidiary (Note 3)
MSI (PACIFIC)	INDOMSI	India	Sales and after-sales service of computers and electronic components	-	-	10	-	-	(53,488)	-	Indirect subsidiary
MSI (PACIFIC)	MSI (INDONESIA)	Indonesia	Sales support of computers and electronic components	31	-	165	0.10	31	532	-	Indirect subsidiary
MSI (PACIFIC)	RAIDEALS	U.S.A	Sales of computers and electronic components	1,523	1,523	-	100.00	3,069	211	-	Indirect subsidiary
MSI (HOLDING)	MYSTAR	Netherlands	Sales and sales support of computers and electronic components	71,353	71,353	-	100.00	199,056	8,448	-	Indirect subsidiary
MSI (HOLDING)	MSI (RUSSIA)	Russia	Sales support and after-sales service of computers and electronic components	68,258	68,258	-	99.00	39,713	(7,300)	-	Indirect subsidiary
MSI (HOLDING)	MSI (POLSKA)	Poland	Sales support and after-sales service of computers and electronic components	46,077	46,077	-	99.00	60,451	3,346	-	Indirect subsidiary
MSI (HOLDING)	MSI (SARL)	France	Sales support of computers and electronic components	26,646	26,646	-	100.00	59,193	9,887	-	Indirect subsidiary
MSI (HOLDING)	MSI (UK)	Britan	Sales support of computers and electronic components	37,226	37,226	-	100.00	45,002	2,411	-	Indirect subsidiary
MSI (HOLDING)	MSI (TURKEY)	Turkey	Sales support of computers and electronic components	3,229	3,229	-	99.00	(36)	-	-	Indirect subsidiary (Note 2)
MSI (HOLDING)	MSI (ITALY)	Italy	Sales support of computers and electronic components	2,153	2,153	-	100.00	16,984	2,506	-	Indirect subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
MSI (HOLDING)	MSI (EUROPE)	Netherlands	Logistics services of computers and electronic components	\$ 123,615	\$ 71,910	-	100.00	\$ 178,309	\$ 7,074	\$ -	Indirect subsidiary
MSI (HOLDING)	MSI (IBERIA)	Spain	Sales support of computers and electronic components	5,177	5,177	-	100.00	22,105	3,458	-	Indirect subsidiary
MSI (EUROPE)	MSI (RUSSIA)	Russia	Sales support and after-sales service of computers and electronic components	689	689	-	1.00	590	(7,300)	-	Indirect subsidiary
MSI (EUROPE)	MSI (POLSKA)	Poland	Sales support and after-sales service of computers and electronic components	467	467	-	1.00	189	3,346	-	Indirect subsidiary
MSI (EUROPE)	MSI (TURKEY)	Turkey	Sales support of computers and electronic components	33	33	-	1.00	28	-	-	Indirect subsidiary (Note 2)
MSI (EUROPE)	MSI (SEE TURKEY)	Turkey	Sales support of computers and electronic components	51	51	-	100.00	(1,536)	368	-	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=31.43NTD;1EUR=36.9NTD on December 31, 2025 and average rate with 1USD=31.1852NTD;1EUR=35.1684NTD for the year ended December 31, 2025.

Note 2: As of December 31, 2025, the liquidation process has not been completed.

Note 3: The entity was audited by other independent auditors.

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China - Basic information
For the year ended December 31, 2025

Expressed in thousands of NTD

Table 7

(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 year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee as of December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 2)	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 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	\$ 667,186	100.00	\$ 667,186	\$ 8,699,158	\$ -	-
MSI ELECTRONICS (KUNSHAN)	Manufacture and after-sales service of computers, and electronic components	1,772,675	Note 1	1,772,675	-	-	1,772,675	396,246	100.00	396,246	5,364,024	-	-
SHENZHEN MEGA INFORMATION	After-sales service of computers, and electronic components	23,940	Note 1	23,940	-	-	23,940	(165)	100.00	(165)	24,299	-	-
MSI (SHANGHAI)	Sales and after-sales service of computers and electronic components	29,275	Note 1	-	-	-	-	40,188	100.00	40,188	(3,796)	-	Note 3
MSI TECH SOLUTIONS (KUNSHAN)	Manufacture of computers, and electronic components	8,334	Note 1	-	-	-	-	(2)	100.00	(2)	8,990	-	Note 4

Investment amount approved by the

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	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	\$ 32,761,433

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: The amount of CNY \$2,000 thousand was remitted by the Company's Second-tier Subsidiary, MSI ELECTRONICS (KUNSHAN), to MSI TECH SOLUTIONS (KUNSHAN).

Note 5: 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 6: 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=31.43NTD on December 31, 2025; and average rate with 1USD=31.1852NTD for the year ended December 31, 2025.

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China - Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in third areas
For the year ended December 31, 2025

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 8

Investee in Mainland China	Sales/ (Purchase)		Property transaction		Accounts receivable/ (payable)		Amount of endorsements/guarantees secured with collaterals		Accommodation of funds				Others
	Amount	%	Amount	%	Balance as of December 31, 2025	%	Balance as of December 31, 2025	Purpose	Ceiling amount	Balance as of December 31, 2025	Interest rate range	Interest expense	
MSI COMPUTER (SHENZHEN)	\$ -	-	\$ -	-	\$ 10,810,376	18	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
MSI ELECTRONICS (KUNSHAN)	-	-	-	-	10,548,739	17	-	-	-	-	-	-	-
MSI COMPUTER (SHENZHEN)	(105,260,708)	(50)	-	-	(19,282,553)	(36)	-	-	-	-	-	-	-
MSI ELECTRONICS (KUNSHAN)	(46,833,656)	(22)	-	-	(9,289,512)	(18)	-	-	-	-	-	-	-
MSI (SHANGHAI)	17,568,253	8	-	-	2,820,491	5	-	-	-	-	-	-	-