

**GIGA-BYTE TECHNOLOGY CO., LTD. AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT**

JUNE 30, 2025 AND 2024

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
JUNE 30, 2025 AND 2024 CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Giga-Byte Technology Co., Ltd.

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

As explained in Notes 4(3) and 6(7), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method were not reviewed by independent auditors. Total assets of these insignificant consolidated subsidiaries and investments accounted for using the equity method amounted to NT\$3,958,420 thousand and NT\$5,121,867 thousand, constituting 3% and 5% of the consolidated total assets as at June 30, 2025 and 2024, respectively, total liabilities amounted to NT\$483,639 thousand and NT\$426,348 thousand, both constituting 1% of the consolidated total liabilities as at June 30, 2025 and 2024, respectively, and the total

comprehensive income amounted to NT\$157,133 thousand, NT\$71,686 thousand, NT\$207,041 thousand and NT\$124,679 thousand, constituting 8%, 2%, 4% and 2% of the consolidated total comprehensive income for the three months and six months then ended, respectively.

Qualified Conclusion

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

Liang, Yi Chang

Chen, Chi-Tung

For and on behalf of PricewaterhouseCoopers, Taiwan

August 14, 2025

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

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

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

Assets			June 30, 2025		December 31, 2024		June 30, 2024				
			AMOUNT	%	AMOUNT	%	AMOUNT	%			
Current assets											
1100	Cash and cash equivalents	6(1)	\$	41,623,558	27	\$	21,499,095	19	\$	16,022,002	15
1110	Financial assets at fair value through profit or loss-current	6(2)		691,209	1		724,931	1		557,328	1
1136	Financial assets at amortized cost-current	6(3)		558,152	-		1,337,084	1		1,028,040	1
1150	Notes receivable, net	6(4)		47	-		4,668	-		3,082	-
1170	Accounts receivable, net	6(4)		40,631,195	26		28,546,444	26		30,488,438	29
1200	Other receivables			1,836,792	1		1,792,160	2		1,357,108	1
130X	Inventories, net	6(5)		55,322,871	36		43,809,525	39		43,798,711	41
1410	Prepayments			3,399,207	2		2,763,060	2		2,349,566	2
1470	Other current assets			8,754	-		8,836	-		278,963	-
11XX	Total current assets			144,071,785	93		100,485,803	90		95,883,238	90
Non-current assets											
1510	Financial assets at fair value through profit or loss-non-current	6(2)		149,450	-		147,679	-		73,709	-
1517	Financial assets at fair value through other comprehensive income-non-current	6(6)		1,305,520	1		1,605,274	2		1,896,798	2
1535	Financial assets at amortized cost-non-current	6(3) and 8		203,798	-		210,225	-		165,539	-
1550	Investments accounted for using equity method	6(7)		782,016	1		747,686	1		512,766	1
1600	Property, plant and equipment, net	6(8)		6,217,147	4		6,426,692	6		6,350,088	6
1755	Right-of-use assets	6(9)		529,356	-		224,285	-		196,851	-
1760	Investment property, net	6(11)		23,054	-		27,053	-		31,925	-
1780	Intangible assets			240,846	-		193,660	-		211,072	-
1840	Deferred income tax assets			1,019,261	1		989,773	1		843,351	1
1900	Other non-current assets			345,043	-		228,778	-		153,716	-
15XX	Total non-current assets			10,815,491	7		10,801,105	10		10,435,815	10
1XXX	Total assets		\$	154,887,276	100	\$	111,286,908	100	\$	106,319,053	100

(Continued)

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

	Liabilities and Equity	Notes	June 30, 2025		December 31, 2024		June 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(12)	\$ 18,000,000	12	\$ 2,000,000	2	\$ 16,182,000	15
2120	Financial liabilities at fair value through profit or loss-current	6(2)	-	-	2,216	-	-	-
2130	Contract liabilities-current	6(21)	14,875,198	10	4,534,401	4	3,992,434	4
2150	Notes payable		25,469	-	24,642	-	20,409	-
2170	Accounts payable		26,792,216	17	17,766,216	16	21,601,818	20
2200	Other payables	6(13)	11,056,852	7	9,393,787	8	8,554,910	8
2230	Current income tax liabilities		2,120,774	1	1,866,521	2	1,187,038	1
2250	Provisions for liabilities - current	6(14)	867,652	1	812,365	1	720,354	1
2280	Lease liabilities-current		146,436	-	88,975	-	84,548	-
2300	Other current liabilities		8,039,378	5	560,913	1	4,750,069	5
21XX	Total current liabilities		<u>81,923,975</u>	<u>53</u>	<u>37,050,036</u>	<u>34</u>	<u>57,093,580</u>	<u>54</u>
	Non-current liabilities							
2530	Bonds payable	6(15)	18,594,969	12	18,403,329	17	9,013,155	8
2570	Deferred income tax liabilities		41,886	-	172,029	-	22,999	-
2580	Lease liabilities-non-current		356,180	-	107,686	-	82,192	-
2600	Other non-current liabilities		426,716	-	473,237	-	643,617	1
25XX	Total non-current liabilities		<u>19,419,751</u>	<u>12</u>	<u>19,156,281</u>	<u>17</u>	<u>9,761,963</u>	<u>9</u>
2XXX	Total liabilities		<u>101,343,726</u>	<u>65</u>	<u>56,206,317</u>	<u>51</u>	<u>66,855,543</u>	<u>63</u>
	Equity attributable to owners of the parent							
	Capital stock	6(18)						
3110	Common stock		6,698,889	4	6,698,889	6	6,356,889	6
	Capital surplus	6(19)						
3200	Capital surplus		14,005,517	9	14,011,469	13	3,993,661	3
	Retained earnings	6(20)						
3310	Legal reserve		8,461,525	6	7,480,218	7	7,480,218	7
3320	Special reserve		426,354	-	426,354	-	426,354	-
3350	Unappropriated retained earnings		23,100,833	15	24,615,353	22	19,787,773	19
	Other equity interest							
3400	Other equity interest		(697,583)	-	450,866	-	624,329	1
31XX	Total equity attributable to owners of the parent		<u>51,995,535</u>	<u>34</u>	<u>53,683,149</u>	<u>48</u>	<u>38,669,224</u>	<u>36</u>
36XX	Non-controlling interests		<u>1,548,015</u>	<u>1</u>	<u>1,397,442</u>	<u>1</u>	<u>794,286</u>	<u>1</u>
3XXX	Total equity		<u>53,543,550</u>	<u>35</u>	<u>55,080,591</u>	<u>49</u>	<u>39,463,510</u>	<u>37</u>
3X2X	Total liabilities and equity		<u>\$ 154,887,276</u>	<u>100</u>	<u>\$ 111,286,908</u>	<u>100</u>	<u>\$ 106,319,053</u>	<u>100</u>

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2025		2024		2025		2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(21)	\$ 102,258,116	100	\$ 73,923,373	100	\$ 168,005,546	100	\$ 129,087,759	100
5000 Operating costs	6(5)(26)(27)	(92,625,170)	(91)	(65,943,292)	(89)	(149,892,289)	(89)	(114,874,312)	(89)
5900 Gross profit		<u>9,632,946</u>	<u>9</u>	<u>7,980,081</u>	<u>11</u>	<u>18,113,257</u>	<u>11</u>	<u>14,213,447</u>	<u>11</u>
Operating expenses	6(26)(27)								
6100 Selling expenses		(2,494,217)	(2)	(2,380,933)	(3)	(4,430,502)	(3)	(4,027,135)	(3)
6200 General and administrative expenses		(1,096,692)	(1)	(962,603)	(2)	(2,144,723)	(1)	(1,818,311)	(2)
6300 Research and development expenses		(960,816)	(1)	(749,123)	(1)	(1,954,205)	(1)	(1,420,304)	(1)
6450 Expected credit gains (losses)	6(26) and 12(2)	<u>211,991</u>	<u>-</u>	<u>(36,869)</u>	<u>-</u>	<u>(51,085)</u>	<u>-</u>	<u>(19,764)</u>	<u>-</u>
6000 Total operating expenses		<u>(4,339,734)</u>	<u>(4)</u>	<u>(4,129,528)</u>	<u>(6)</u>	<u>(8,580,515)</u>	<u>(5)</u>	<u>(7,285,514)</u>	<u>(6)</u>
6900 Operating profit		<u>5,293,212</u>	<u>5</u>	<u>3,850,553</u>	<u>5</u>	<u>9,532,742</u>	<u>6</u>	<u>6,927,933</u>	<u>5</u>
Non-operating revenue and expenses									
7100 Interest income	6(22)	330,805	-	143,969	1	476,400	-	191,889	-
7010 Other income	6(23)	339,679	-	137,373	-	566,013	-	250,390	-
7020 Other gains and losses	6(24)	(1,331,446)	(1)	52,176	-	(1,333,891)	(1)	(379,882)	-
7050 Finance costs	6(25)	(237,830)	-	(145,373)	-	(370,908)	-	(213,207)	-
7060 Share of profit (loss) of associates and joint ventures accounted for using the equity method	6(7)	<u>8,124</u>	<u>-</u>	<u>(1,279)</u>	<u>-</u>	<u>9,698</u>	<u>-</u>	<u>(701)</u>	<u>-</u>
7000 Total non-operating revenue and expenses		<u>(890,668)</u>	<u>(1)</u>	<u>186,866</u>	<u>1</u>	<u>(652,688)</u>	<u>(1)</u>	<u>(151,511)</u>	<u>-</u>
7900 Profit before income tax		4,402,544	4	4,037,419	6	8,880,054	5	6,776,422	5
7950 Income tax expense	6(28)	(1,035,058)	(1)	(760,105)	(1)	(2,120,138)	(1)	(1,426,190)	(1)
8200 Profit for the period		<u>\$ 3,367,486</u>	<u>3</u>	<u>\$ 3,277,314</u>	<u>5</u>	<u>\$ 6,759,916</u>	<u>4</u>	<u>\$ 5,350,232</u>	<u>4</u>

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2025		2024		2025		2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income, net									
Components of other comprehensive income (loss) that will not be reclassified to profit or loss									
8316 Unrealized (loss) gain on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(6)	(\$ 231,633)	-	\$ 88,629	-	(\$ 296,268)	-	(\$ 10,987)	-
8310 Components of other comprehensive (loss) income that will not be reclassified to profit or loss		(231,633)	-	88,629	-	(296,268)	-	(10,987)	-
Components of other comprehensive income that will be reclassified to profit or loss									
8361 Exchange differences arising from translation of foreign operations		(1,084,727)	(1)	103,136	-	(855,052)	(1)	386,144	-
8360 Components of other comprehensive income that will be reclassified to profit or loss		(1,084,727)	(1)	103,136	-	(855,052)	(1)	386,144	-
8300 Other comprehensive (loss) income, net		(\$ 1,316,360)	(1)	\$ 191,765	-	(\$ 1,151,320)	(1)	\$ 375,157	-
8500 Total comprehensive income for the period		<u>\$ 2,051,126</u>	<u>2</u>	<u>\$ 3,469,079</u>	<u>5</u>	<u>\$ 5,608,596</u>	<u>3</u>	<u>\$ 5,725,389</u>	<u>4</u>
Profit attributable to:									
8610 Owners of the parent		\$ 3,049,557	3	\$ 2,961,709	5	\$ 6,165,676	4	\$ 4,985,485	4
8620 Non-controlling interest		317,929	-	315,605	-	594,240	-	364,747	-
Total		<u>\$ 3,367,486</u>	<u>3</u>	<u>\$ 3,277,314</u>	<u>5</u>	<u>\$ 6,759,916</u>	<u>4</u>	<u>\$ 5,350,232</u>	<u>4</u>
Comprehensive income attributable to:									
8710 Owners of the parent		\$ 1,736,222	2	\$ 3,153,456	5	\$ 5,017,227	3	\$ 5,360,867	4
8720 Non-controlling interest		314,904	-	315,623	-	591,369	-	364,522	-
Total		<u>\$ 2,051,126</u>	<u>2</u>	<u>\$ 3,469,079</u>	<u>5</u>	<u>\$ 5,608,596</u>	<u>3</u>	<u>\$ 5,725,389</u>	<u>4</u>
9750 Basic earnings per share	6(29)	<u>\$ 4.55</u>		<u>\$ 4.66</u>		<u>\$ 9.20</u>		<u>\$ 7.84</u>	
9850 Diluted earnings per share	6(29)	<u>\$ 4.50</u>		<u>\$ 4.53</u>		<u>\$ 8.72</u>		<u>\$ 7.65</u>	

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent									
		Retained earnings				Other equity interest					
							Exchange differences arising from translation of foreign operations	Unrealised gain or loss on valuation of financial assets at fair value through other comprehensive income	Total	Non-controlling interests	Total equity
Notes	Capital stock-Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings						
<u>Six months ended June 30, 2024</u>											
Balance at January 1, 2024	\$ 6,356,889	\$ 3,898,998	\$ 7,006,565	\$ 426,354	\$ 19,535,057	(\$ 611,101)	\$ 860,048	\$ 37,472,810	\$ 461,351	\$ 37,934,161	
Profit for the period	-	-	-	-	4,985,485	-	-	4,985,485	364,747	5,350,232	
Other comprehensive income (loss) for the period	-	-	-	-	-	386,369	(10,987)	375,382	(225)	375,157	
Total comprehensive income (loss)	-	-	-	-	4,985,485	386,369	(10,987)	5,360,867	364,522	5,725,389	
Appropriations of 2023 earnings:	6(20)										
Legal reserve	-	-	473,653	-	(473,653)	-	-	-	-	-	
Cash dividends	-	-	-	-	(4,259,116)	-	-	(4,259,116)	-	(4,259,116)	
Changes in ownership interests in subsidiaries	6(30)	-	94,792	-	-	-	-	94,792	48,313	143,105	
Payments of uncollected cash dividends after expiration	-	(129)	-	-	-	-	-	(129)	-	(129)	
Cash dividends paid from subsidiary to non-controlling interest	-	-	-	-	-	-	-	-	(79,900)	(79,900)	
Balance at June 30, 2024	\$ 6,356,889	\$ 3,993,661	\$ 7,480,218	\$ 426,354	\$ 19,787,773	(\$ 224,732)	\$ 849,061	\$ 38,669,224	\$ 794,286	\$ 39,463,510	
<u>Six months ended June 30, 2025</u>											
Balance at January 1, 2025	\$ 6,698,889	\$ 14,011,469	\$ 7,480,218	\$ 426,354	\$ 24,615,353	(\$ 106,407)	\$ 557,273	\$ 53,683,149	\$ 1,397,442	\$ 55,080,591	
Profit for the period	-	-	-	-	6,165,676	-	-	6,165,676	594,240	6,759,916	
Other comprehensive loss for the period	-	-	-	-	-	(852,181)	(296,268)	(1,148,449)	(2,871)	(1,151,320)	
Total comprehensive income (loss)	-	-	-	-	6,165,676	(852,181)	(296,268)	5,017,227	591,369	5,608,596	
Appropriations of 2024 earnings:	6(20)										
Legal reserve	-	-	981,307	-	(981,307)	-	-	-	-	-	
Cash dividends	-	-	-	-	(6,698,889)	-	-	(6,698,889)	-	(6,698,889)	
Changes in equity of associates accounted for using equity method	6(7)	-	(4,358)	-	-	-	-	(4,358)	(85)	(4,443)	
Organizational restructuring	-	(1,594)	-	-	-	-	-	(1,594)	1,594	-	
Cash dividends paid from subsidiary to non-controlling interest	-	-	-	-	-	-	-	-	(434,680)	(434,680)	
Change in non-controlling interests	-	-	-	-	-	-	-	-	(7,625)	(7,625)	
Balance at June 30, 2025	\$ 6,698,889	\$ 14,005,517	\$ 8,461,525	\$ 426,354	\$ 23,100,833	(\$ 958,588)	\$ 261,005	\$ 51,995,535	\$ 1,548,015	\$ 53,543,550	

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

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

		Six months ended June 30	
	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 8,880,054	\$ 6,776,422
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(26)	340,757	323,662
Depreciation charge on investment property	6(11)	2,279	2,338
Amortization	6(26)	89,484	76,746
Gain from lease modification	6(9)(24)	(1,228)	(7)
Expected credit losses	6(26) and 12(2)	51,085	19,764
Gain on valuation of financial assets and liabilities at fair value through profit or loss	6(24)	(578)	(53,574)
Share of (profit) loss of associates and joint ventures accounted for using equity method	6(7)	(9,698)	701
Loss on disposal of property, plant and equipment	6(24)	3,400	230
Gains on disposals of investments	6(24)	(3,855)	-
Interest income	6(22)	(476,400)	(191,889)
Interest expense	6(25)	370,908	213,207
Dividends income	6(23)	(14,809)	(20,334)
Share-based payments	6(17)	-	112,865
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities at fair value through profit or loss		30,313	(50,653)
Notes receivable	(	177)	859
Accounts receivable	(	12,142,413)	(14,509,961)
Other receivables	(	3,644)	(624,789)
Inventories	(	11,534,690)	(14,134,357)
Prepayments	(	635,716)	(338,013)
Other current assets		39,847	(10,057)
Changes in operating liabilities			
Contract liabilities		10,342,615	(363,438)
Notes payable		827	7,668
Accounts payable		9,032,117	903,771
Other payables		1,689,942	1,415,386
Provisions for liabilities		55,287	(106,015)
Other current liabilities		345,183	10,607
Other non-current liabilities	(	16,373)	(40,294)
Cash inflow (outflow) generated from operations		6,434,517	(20,579,155)
Interest received		435,182	198,290
Dividend received		27,620	24,855
Interest paid	(	164,791)	(105,731)
Income tax paid	(	2,025,516)	(1,163,402)
Net cash flows from (used in) operating activities		4,707,012	(21,625,143)

(Continued)

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

		Six months ended June 30	
	Notes	2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortized cost		(\$ 50,017)	(\$ 460,164)
Proceeds from disposal of financial assets at amortized cost		852,876	162,852
Acquisition of investments accounted for using equity method	6(7)	(107,225)	-
Acquisition of subsidiaries (net of cash acquired)		(10,304)	-
Proceeds from disposal of subsidiaries (net of cash disposed)	6(31)	89,594	-
Acquisition of property, plant and equipment	6(31)	(218,802)	(1,702,737)
Proceeds from disposal of property, plant and equipment		78	4,272
Acquisition of intangible assets		(136,126)	(117,816)
Increase in refundable deposits		(14,416)	(8,626)
Decrease in refundable deposits		8,141	8,561
Increase in other non-current assets		(247,960)	(870)
Net cash flows from (used in) investing activities		165,839	(2,114,528)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(32)	57,082,595	86,764,679
Decrease in short-term borrowings	6(32)	(40,714,562)	(70,582,679)
Increase in guarantee deposits received	6(32)	3,700	212,484
Decrease in guarantee deposits received	6(32)	(31,736)	(89,334)
Payments of lease liabilities	6(32)	(65,120)	(48,636)
Exercise of employee share options	6(30)	-	30,240
Past due expired unpaid dividends for shareholders		-	(129)
Net cash flows from financing activities		16,274,877	16,286,625
Effects of change in exchange rates on foreign currency holdings		(1,023,265)	308,973
Net increase (decrease) in cash and cash equivalents		20,124,463	(7,144,073)
Cash and cash equivalents at beginning of period		21,499,095	23,166,075
Cash and cash equivalents at end of period		<u>\$ 41,623,558</u>	<u>\$ 16,022,002</u>

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024

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

1. HISTORY AND ORGANISATION

Giga-Byte Technology Co., Ltd. (the “Company”) was incorporated as company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The address of the Company’s registered office is No.6, Baoqiang Rd., Xindian Dist., New Taipei City, Taiwan (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are engaged in the manufacturing, processing and trading of computer peripheral and component parts. The Company’s shares have been traded on the Taiwan Stock Exchange since September 24, 1998.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on August 14, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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

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

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	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
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

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

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” and the International Accounting standards 34, “Interim financial reporting” that came into effect as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following items, these 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 recognized 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 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 unrealized 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) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

- (d) 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 recognized directly in equity.
- (e) 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 recognized in profit or loss. All amounts previously recognized 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 recognized 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.
- (f) For the six months ended June 30, 2025 and 2024, the subsidiaries included in the consolidated financial statements except for those listed in the table below, which were evaluated and disclosed in accordance with their reviewed financial statements, other subsidiaries were evaluated and disclosed in accordance with their unreviewed financial statements:

Name of subsidiary	June 30, 2025	June 30, 2024
Freedom International Group Ltd.	Reviewed financial statements	Reviewed financial statements
Charleston Investments Limited	//	//
Ningbo Giga-Byte Technology Co., Ltd.	//	//
Ningbo Zhongjia Technology Co., Ltd.	//	//
Dongguan Gigabyte Electronics Co., Ltd.	//	//
Ningbo Boxinda Trade Co., Ltd.	//	//
Giga Future Limited	//	//
G.B.T. Inc.	//	//
Giga Investment Corp.	//	//
Giga Computing Technology Co., Ltd.	//	//
GIGAIPC CO., LTD.	//	//
BYTE International Co., Ltd.	//	//

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main activities	Ownership(%)			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	Freedom International Group Ltd.	Holding company	100.00	100.00	100.00	
//	G.B.T., Inc.	Sales of computer information products	22.64	22.64	22.64	
//	G.B.T. Technology Trading GmbH	Promotion of computer information products	100.00	100.00	100.00	
//	Nippon Giga-Byte Corp.	Promotion of computer information products	100.00	100.00	100.00	
//	GBT Tech. Co., Ltd.	Promotion of computer information products	100.00	100.00	100.00	

Investor	Subsidiary	Main activities	Ownership(%)			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	Giga-Byte Technology B.V.	Sales of computer information products	100.00	100.00	100.00	
"	Gigabyte Technology Pty. Ltd.	Promotion of computer information products	100.00	100.00	100.00	
"	Giga Investment Corp.	Holding company	100.00	100.00	100.00	
"	Gigabyte Technology (India) Private Limited	Promotion and repairing of computer information products	100.00	100.00	100.00	
"	G-Style Co., Ltd.	Selling of notebooks	100.00	100.00	100.00	
"	BYTE International Co., Ltd.	Repairing of computer information products	100.00	100.00	100.00	
"	Giga-Byte Communications Inc.	Selling of communications	-	-	99.86	Note 1
"	Gigabyte Technology ESPANA S.L.U.	Promotion of computer information products	100.00	100.00	100.00	
"	Gigabyte Information Technology Commerce Limited Company	Promotion of computer information products	100.00	100.00	100.00	
"	Gigabyte Technology LLC	Promotion of computer information products	100.00	100.00	100.00	
"	Giga Computing Technology Co., Ltd.	Selling of computer information products	83.93	83.93	83.93	
"	MyelinTek Inc.	Electronic Information Supply and Software Services	100.00	40.00	40.00	Note 2
Freedom International Group Ltd.	Charleston Investments Limited	Holding company	100.00	100.00	100.00	
"	Giga Future Limited	Holding company	100.00	100.00	100.00	
"	G.B.T. Inc.	Sales of computer information products	77.36	77.36	77.36	
G.B.T., Inc.	Gigabyte Canada, Inc.	Promotion of computer information products	100.00	100.00	100.00	
Charleston Investments Limited	Dongguan Gigabyte Electronics Co., Ltd.	Manufacturing of computer information products	100.00	100.00	100.00	
"	Ningbo Boxinda Trading Co., Ltd.	Sales of computer information products	100.00	100.00	100.00	
Giga Future Limited	Ningbo Giga-Byte Technology Co., Ltd.	Manufacturing of computer information products	100.00	100.00	100.00	
Ningbo Boxinda Trading Co., Ltd.	Ningbo Zhongjia Technology Co., Ltd.	Sales of computer information products	100.00	100.00	100.00	
"	Popxing Technology & Trading Co., Limited	Sales of computer information products	100.00	100.00	-	Note 3
Giga Investment Corp.	Giga-Trend International Investment Group Ltd.	Holding company	100.00	100.00	100.00	
"	Selita Precision Co., Ltd.	Manufacturing of bicycle and parts	100.00	100.00	100.00	

Investor	Subsidiary	Main activities	Ownership(%)			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
Giga Investment Corp.	Senyun Precise Optical Co., Ltd	Manufacturing and selling of mold and industrial plastic products	-	96.41	96.41	Note 4
"	Cloudmatrix Co., Ltd.	E-commerce platform	100.00	100.00	100.00	
Senyun Precise Optical Co., Ltd	Dongguan Senyun Precise Optical Co., Ltd	Selling of mold and industrial plastic products	-	100.00	100.00	Note 4
BYTE International Co., Ltd.	Ningbo BestYield Tech. Services Co., Ltd.	Repairing of computer information products	100.00	100.00	100.00	
"	Aorus Pte. Ltd.	Promotion of computer information products	-	100.00	100.00	Note 5
"	Gigabyte Technology Poland SP Z O.O.	Promotion and repairing of computer information products	100.00	100.00	100.00	
"	Bestyield (Thailand) Limited	Promotion and repairing of computer information products	100.00	-	-	Note 6
Ningbo BestYield Tech. Services Co., Ltd.	Zaozhuang Bestyield Resources Recycling Co., Ltd.	Recycling and selling of renewable resources	100.00	100.00	100.00	
"	OGS Europe B.V.	Selling of communication products	100.00	100.00	100.00	
Giga Computing Technology Co., Ltd.	GIGAIPC CO., LTD.	Sales of computer information products	83.33	83.33	83.33	
"	Giga Computing Technology Inc.	Sales of computer information products	100.00	100.00	100.00	
"	Arous Pte. Ltd.	Promotion of computer information products	100.00	-	-	Note 5

Note 1: On August 14, 2024, the Board of Directors resolved that the Company acquire the remaining 0.14% of equity for \$52 from other shareholders of the subsidiary, Giga-Byte Communications Inc., through a merger, with the Company as the surviving entity. The effective date was set on September 30, 2024.

Note 2: In April 2025, the Company acquired the remaining 60% of equity for \$30,600 from other shareholders of MyelinTek Inc., resulting in the Company's shareholding ratio increasing to 100% and the Group obtained control over the entity, which was included as a subsidiary in the consolidated financial statements.

Note 3: The company was newly established in 2024.

Note 4: In June 2025, Giga Investment Corp. sold all the equity of Senyun Precise Optical Co., Ltd. and its subsidiary, Dongguan Senyun Precise Optical Co., Ltd., to GIGA-IMAGE Technoloty Co., Ltd. in the amount of \$210,752, resulting in the Group losing control over the subsidiaries. Giga Investment Corp. recognized gains on disposal of investment of \$3,855, which was recorded under 'other gains and losses' in the statement of comprehensive income. The related information is provided in Note 6(31) C.

Note 5: On June 30, 2025, BYTE International Co., Ltd. sold 100% of equity of Aorus Pte. Ltd. to the fellow subsidiary, Giga Computing Technology Co., Ltd., for \$10,400.

Note 6: The company was newly established in 2025.

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

D. Adjustments for subsidiaries with different balance sheet dates: Not applicable.

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 currency 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 recognized 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 recognized 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 recognized 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 recognized 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 other foreign exchange gains and losses based on the nature of those transactions 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, associates and joint arrangements 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 recognized 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 still 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 realized, 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 realized 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, or shall be classified as financial assets at amortized cost – current or financial assets at amortized cost – non-current based on its maturity date if the maturity is longer than three months.

(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 amortized 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 recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Group recognizes the dividend income 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.

(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 recognize 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 represent 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 recognized and derecognized 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:
 - (a) The changes in fair value of equity investments that were recognized 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 recognized 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.
 - (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognized in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortized cost

- A. Financial assets at amortized 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 amortized cost are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

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

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortized cost, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes 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 that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

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

(13) Leasing arrangements (lessor) – operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized 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 realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(15) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity that are not recognized in profit or loss or other comprehensive income of the associate and such changes not affecting the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(16) Investment accounted for using equity method – joint ventures

The Group accounts for its interest in a joint venture using equity method. Unrealized profits and losses arising from the transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, all such losses shall be recognized immediately. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(17) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized 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 derecognized. 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	3～55 years
Machinery and equipment	2～10 years
Research and development equipment	3～ 8 years
Office equipment	3～15 years
Other tangible operating assets	1～12 years

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

- A. Leases are recognized 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 recognized 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 comprised of the fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized 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 comprising the following:
- (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date; and
 - (c) Any initial direct costs incurred by the lessee.
 - (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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 recognized as an adjustment to the right-of-use asset.

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

(19) Investment property

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

(20) Intangible assets

- A. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 1 to 10 years.

- B. Trademark right (indefinite useful life)

Trademark right is stated at cost and regarded as having an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future. Trademark right is not amortized, but is tested annually for impairment.

(21) Impairment of non-financial assets

- A. 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 recognized 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 recognizing 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 amortized historical cost would have been if the impairment had not been recognized.
- B. The recoverable amounts of intangible assets with an indefinite useful life are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

(22) Borrowings

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

(23) Notes and accounts payable

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

(24) 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 recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(25) Convertible bonds payable

- A. Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- (a) Whether the embedded call options and put options shall be separated as embedded derivative depends on if its' economic characteristics and risks are closely related to the economic characteristics and risks of the host contract, when recognized initially. When the economic characteristics and risks of the embedded call options and put options are closely related to the economic characteristics and risks of the host contract, the multiple embedded derivatives shall be accounted for in accordance with the appropriate standards according to its nature. When the economic characteristics and risks of the embedded call options and put options are not closely related to the economic characteristics and risks of the host contract. Embedded derivatives are separated from the host contract, the host contract shall be accounted for in accordance with the appropriate standards according to its nature.
- (b) The host contracts of bonds are initially recognized at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortized in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
- (c) The embedded conversion options which meet the definition of an equity instrument are initially recognized in 'capital surplus—share options' at the residual amount of total issue price less the amount of bonds payable as stated above. Conversion options are not subsequently remeasured.
- (d) Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- (e) When bondholders exercise conversion options, the liability component of the bonds (bonds payable) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total carrying amount of the abovementioned liability component and 'capital surplus—share options'.

(26) Derecognition of financial liabilities

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

(27) Non-hedging derivatives

Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.

(28) Provisions

Provisions are recognized 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 recognized as interest expense. Provisions are not recognized for future operating losses.

(29) 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 recognized as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized 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 recognized 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 government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurement arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognized immediately in profit or loss.
- iv. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

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 recognizes expense as it can no longer withdraw an offer of termination benefits or it recognizes 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' remuneration

Employees' compensation and directors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal obligation 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.

(30) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest. The aforementioned grant date represents the grant date resolved by the Board of Directors.

(31) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized 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 income tax is recognized, 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. Deferred tax shall not be recognized for the temporary differences arising from the initial recognition of an asset or liability in a transaction other than a business combination that does not affect accounting profit or taxable profit or loss at the time of the transaction, and does not result in equal taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, 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 income 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 income tax asset is realized or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income 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 recognized amounts and there is an intention to settle on a net basis or realize 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 realize the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognized 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 utilized.
- G. The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(32) Share capital

- A. 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.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(33) Dividends

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

(34) Revenue recognition

Sales of goods

- A. The Group manufactures and sells computer peripheral and component parts products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer. 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 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 sales is recognized based on the price specified in the contract, net of the estimated business tax, volume discounts, sales returns and allowances. Accumulated experience is used to estimate and provide for the volume discounts, using the expected value method, and revenue is only recognized 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. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- C. The Group's obligation to provide a repair for faulty products under the standard warranty terms is recognized as a provision.
- D. A receivable is recognized 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.

(35) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognized and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognized directly in profit or loss on the acquisition date.

(36) 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, has been identified as the Board of Directors that makes strategic decisions.

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

Inventories are stated at the lower of cost and net realizable value. For inventory which is saleable and obsolete inventory that is checked item by item, the net realizable value are determined based on past experience on industry. Management's judgement on determining net realizable value involves material judgement. As of June 30, 2025, details of the Group's carrying amount of inventories are provided in Note 6(5).

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand and petty cash	\$ 14,604	\$ 11,431	\$ 15,594
Checking accounts and demand deposits	16,108,010	15,488,831	14,229,513
Time deposits	25,500,944	5,998,833	1,776,895
	<u>\$ 41,623,558</u>	<u>\$ 21,499,095</u>	<u>\$ 16,022,002</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 reclassified the pledged bank deposits and time deposits with more than three months maturity to “Financial assets at amortized cost”, please refer to Notes 6(3) and 8 for details.

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

Financial assets mandatorily

measured at fair value

through profit or loss

Current items:

	June 30, 2025	December 31, 2024	June 30, 2024
Listed stocks	\$ 99,628	\$ 39,227	\$ 77,790
Emerging stocks	27,950	54,313	71,085
Unlisted stocks	257,451	235,751	193,752
Beneficiary certificates	57,782	129,825	155,874
Debt instruments	194,601	194,601	-
	637,412	653,717	498,501
Valuation adjustment	53,797	71,214	58,827
	691,209	724,931	557,328

Non-current items:

Beneficiary certificates	150,000	150,000	75,000
Valuation adjustment	(550)	(2,321)	(1,291)
	149,450	147,679	73,709
	\$ 840,659	\$ 872,610	\$ 631,037

Financial liabilities held for trading

Derivative instruments	\$ -	\$ 2,216	\$ -
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- A. Amounts recognized in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	Three months ended June 30,	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 95,559	\$ 43,194
Beneficiary certificates	(2,200)	1,078
Debt instruments	(16,457)	-
	\$ 76,902	\$ 44,272

	Six months ended June 30,	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 10,338	\$ 46,441
Beneficiary certificates	3,203	11,326
Debt instruments	(9,985)	-
Financial liabilities held for trading		
Derivative instruments	(204)	-
	<u>\$ 3,352</u>	<u>\$ 57,767</u>

- B. Explanations of the transactions and contract information in respect of derivative financial liabilities that the Group does not adopt hedge accounting are as follows: (June 30, 2025 and 2024: None)

Derivative financial instruments	December 31, 2024	
	Contract amount (Notional principal)(in thousand)	Contract period
Forward exchange contracts – Sell USD, Buy NTD USD	5,000	2024/11 ~ 2025/2

The Group entered into forward exchange contracts to hedge exchange rate risk of import and export proceeds. However, these forward 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 credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortized cost

	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Time deposits with more than three months maturity	<u>\$ 558,152</u>	<u>\$ 1,337,084</u>	<u>\$ 1,028,040</u>
Non-current items:			
Pledged bank deposits	<u>\$ 203,798</u>	<u>\$ 210,225</u>	<u>\$ 165,539</u>

- A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	Three months ended June 30,	
	2025	2024
Interest income	<u>\$ 5,145</u>	<u>\$ 1,745</u>
	Six months ended June 30,	
	2025	2024
Interest income	<u>\$ 13,075</u>	<u>\$ 7,108</u>

- B. As at June 30, 2025, December 31, 2024 and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group was \$761,950, \$1,547,309 and \$1,193,579, respectively.
- C. Details of the Group's financial assets at amortized cost pledged to others as collateral are provided in Note 8.
- D. The Group deposits financial assets at amortized cost in 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.

(4) Notes and accounts receivable

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable	\$ 47	\$ 4,668	\$ 3,082
Accounts receivable	\$ 41,165,005	\$ 29,050,129	\$ 30,911,640
Less: Allowance for uncollectible accounts	(533,810)	(503,685)	(423,202)
	<u>\$ 40,631,195</u>	<u>\$ 28,546,444</u>	<u>\$ 30,488,438</u>

- A. Details of notes receivable of the Group that were not yet past due and ageing analysis of accounts receivable are provided in Note 12(2).
- B. As of June 30, 2025, December 31, 2024 and June 30, 2024, and January 1, 2024, the balances of receivable (including notes receivable) from contracts with customers amounted to \$41,165,052, \$29,054,797, \$30,914,722 and \$16,405,620, respectively.
- C. The Group has no notes and accounts receivable pledged to others.
- D. As at June 30, 2025, December 31, 2024 and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable were \$47, \$4,668, \$3,082; \$40,631,195, \$28,546,444 and \$30,488,438, respectively.
- E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

	June 30, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials and supplies	\$ 16,485,474	(\$ 931,441)	\$ 15,554,033
Work in progress	1,998,446	(3,644)	1,994,802
Finished goods and merchandise inventories	39,146,354	(1,372,318)	37,774,036
	<u>\$ 57,630,274</u>	<u>(\$ 2,307,403)</u>	<u>\$ 55,322,871</u>

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials and supplies	\$ 16,956,407	(\$ 689,512)	\$ 16,266,895
Work in progress	6,181,192	(25,021)	6,156,171
Finished goods and merchandise inventories	22,252,312	(865,853)	21,386,459
	<u>\$ 45,389,911</u>	<u>(\$ 1,580,386)</u>	<u>\$ 43,809,525</u>
	June 30, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials and supplies	\$ 18,942,530	(\$ 598,285)	\$ 18,344,245
Work in progress	1,555,642	(4,242)	1,551,400
Finished goods and merchandise inventories	25,077,138	(1,174,072)	23,903,066
	<u>\$ 45,575,310</u>	<u>(\$ 1,776,599)</u>	<u>\$ 43,798,711</u>

The cost of inventories recognized as expense for the period:

	Three months ended June 30,	
	2025	2024
Cost of inventories sold	\$ 91,597,438	\$ 65,322,201
Cost of warranty	403,976	493,503
Loss on valuation	623,756	127,588
	<u>\$ 92,625,170</u>	<u>\$ 65,943,292</u>
	Six months ended June 30,	
	2025	2024
Cost of inventories sold	\$ 148,188,834	\$ 113,700,818
Cost of warranty	976,438	773,104
Loss on valuation	727,017	400,390
	<u>\$ 149,892,289</u>	<u>\$ 114,874,312</u>

(6) Financial assets at fair value through other comprehensive income – non-current

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Debt instruments</u>			
Listed stocks	\$ 936,387	\$ 936,387	\$ 936,387
Unlisted stocks	108,720	112,206	111,942
	1,045,107	1,048,593	1,048,329
Valuation adjustment	260,413	556,681	848,469
	<u>\$ 1,305,520</u>	<u>\$ 1,605,274</u>	<u>\$ 1,896,798</u>

- A. The Group has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,305,520, \$1,605,274 and \$1,896,798 as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.
- B. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three months ended June 30,	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	(\$ 231,633)	\$ 88,629
Dividend income recognized in profit or loss held at end of period	\$ 12,035	\$ 16,141
	Six months ended June 30,	
	2025	2024
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	(\$ 296,268)	(\$ 10,987)
Dividend income recognized in profit or loss held at end of period	\$ 12,035	\$ 16,141

- C. As of June 30, 2025, December 31, 2024 and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was \$1,305,520, \$1,605,274 and \$1,896,798, respectively.
- D. The Group has no financial assets at fair value through other comprehensive income pledged to others.
- E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(7) Investments accounted for using the equity method

	2025	2024
At January 1	\$ 747,686	\$ 515,538
Increase in investments accounted for using equity method	108,409	-
Disposal of investments accounted for using equity method	(58,230)	-
Share of gain (loss) of investments accounted for using equity method	9,698	(701)
Earnings distribution of investments accounted for using equity method	(12,811)	(4,521)
Changes in capital surplus	(4,443)	-
Changes in other equity items	(8,293)	2,450
At June 30	<u>\$ 782,016</u>	<u>\$ 512,766</u>

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Associates</u>			
Wellysun Inc.	\$ 441,846	\$ 462,702	\$ 454,109
We Solutions Technology Co., Ltd.	216,535	221,740	-
GIGA-IMAGE Technology Co., Ltd.	112,511	-	-
P.R.E.C. Ltd.	8,119	-	-
<u>Joint ventures</u>			
MyelinTek Inc.	-	57,329	50,964
Da Shiang Technology Co., Ltd.	3,005	5,915	7,693
	<u>\$ 782,016</u>	<u>\$ 747,686</u>	<u>\$ 512,766</u>

- A. Abovementioned investments accounted for using equity method are based on investee companies' financial statements of the same reporting period which were not reviewed by other independent auditors.
- B. From January 2025 to March 2025, Wellysun Inc. repurchased treasury shares, resulting in the Group's shareholding ratio increasing to 27.14%. The Group is the single largest shareholder of the investee. Given that 8 other large shareholders (non-related parties) hold more shares than the Group, which indicates that the Group has no current ability to direct the relevant activities of the investee, the Group has no control, but only has significant influence, over the investee.
- C. On August 13, 2024, the Group invested \$210,000 in We Solutions Technology Co., Ltd., and the shareholding ratio was 21.5%. In January 2025 and October 2024, We Solutions Technology Co., Ltd. conducted cash capital increases, and the Group did not participate in the subscriptions, resulting in the Group's shareholding ratio decreasing to 20% and 21.15%, respectively.
- D. On March 6, 2025, the Group invested \$100,000 in GIGA-IMAGE Technology Co., Ltd. by cash, and the shareholding ratio was 29.41%.

- E. In April 2025, the Company acquired the remaining 60% of equity for \$30,600 from other shareholders of MyelinTek Inc., resulting in the Company's shareholding ratio increasing to 100% and the Group obtained control over the entity, which was included as a subsidiary in the consolidated financial statements.
- F. In April 2025, the Group invested \$7,225 in P.R.C.E. Ltd., and the shareholding ratio was increased to 38.42%. Therefore, the financial assets at fair value through other comprehensive income were deemed as disposed and transferred to investments accounted for using equity method. The Group is the single largest shareholder of the investee. Given that 3 other large shareholders (non-related parties) hold more shares than the Group, which indicates that the Group has no current ability to direct the relevant activities of the investee, the Group has no control, but only has significant influence, over the investee.
- G. The Group has no material associates and joint venture investment. The Group's share of the operating results of the aforementioned investments are summarized below:

	Three months ended June 30,	
	2025	2024
Profit (loss) for the period from continuing operations	\$ 8,124	(\$ 1,279)
Other comprehensive (loss) income, net of tax	(10,319)	784
Total comprehensive loss	(\$ 2,195)	(\$ 495)
	Six months ended June 30,	
	2025	2024
Profit (loss) for the period from continuing operations	\$ 9,698	(\$ 701)
Other comprehensive (loss) income, net of tax	(8,293)	2,450
Total comprehensive income	\$ 1,405	\$ 1,749

(8) Property, plant and equipment

	2025								
	Land			Buildings and structures			Machinery	Others	Total
	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal	Owner-occupied	Owner-occupied	
<u>At January 1</u>									
Cost	\$2,337,726	\$ 53,684	\$2,391,410	\$4,761,981	\$ 30,027	\$4,792,008	\$3,068,989	\$1,776,829	\$12,029,236
Accumulated depreciation	-	-	-	(2,071,248)	(7,901)	(2,079,149)	(2,284,512)	(1,238,883)	(5,602,544)
	<u>\$2,337,726</u>	<u>\$ 53,684</u>	<u>\$2,391,410</u>	<u>\$2,690,733</u>	<u>\$ 22,126</u>	<u>\$2,712,859</u>	<u>\$ 784,477</u>	<u>\$ 537,946</u>	<u>\$ 6,426,692</u>
 <u>At January 1</u>	 \$2,337,726	 \$ 53,684	 \$2,391,410	 \$2,690,733	 \$ 22,126	 \$2,712,859	 \$ 784,477	 \$ 537,946	 \$ 6,426,692
Additions	-	-	-	18,346	-	18,346	43,310	144,057	205,713
Acquired from business combinations	-	-	-	-	-	-	384	212	596
Effect of decrease in consolidated entities	-	-	-	-	-	-	(45,753)	(4,531)	(50,284)
Disposals	-	-	-	-	-	-	(2,082)	(1,396)	(3,478)
Reclassifications	46,883	(46,883)	-	21,543	(18,991)	2,552	104,504	31,030	138,086
Depreciation charge	-	-	-	(54,746)	(372)	(55,118)	(91,656)	(129,382)	(276,156)
Net exchange differences	(86,916)	-	(86,916)	(89,667)	-	(89,667)	(36,462)	(10,977)	(224,022)
<u>At June 30</u>	<u>\$2,297,693</u>	<u>\$ 6,801</u>	<u>\$2,304,494</u>	<u>\$2,586,209</u>	<u>\$ 2,763</u>	<u>\$2,588,972</u>	<u>\$ 756,722</u>	<u>\$ 566,959</u>	<u>\$ 6,217,147</u>
 <u>At June 30</u>									
Cost	\$2,297,693	\$ 6,801	\$2,304,494	\$4,633,431	\$ 3,802	\$4,637,233	\$2,768,164	\$1,821,187	\$11,531,078
Accumulated depreciation	-	-	-	(2,047,222)	(1,039)	(2,048,261)	(2,011,442)	(1,254,228)	(5,313,931)
	<u>\$2,297,693</u>	<u>\$ 6,801</u>	<u>\$2,304,494</u>	<u>\$2,586,209</u>	<u>\$ 2,763</u>	<u>\$2,588,972</u>	<u>\$ 756,722</u>	<u>\$ 566,959</u>	<u>\$ 6,217,147</u>

2024									
	Land			Buildings and structures			Machinery	Others	Total
	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal	Owner-occupied	Owner-occupied	
<u>At January 1</u>									
Cost	\$1,501,876	\$ 72,564	\$1,574,440	\$3,732,950	\$ 40,587	\$3,773,537	\$3,029,054	\$1,667,997	\$10,045,028
Accumulated depreciation	-	-	-	(1,936,246)	(9,882)	(1,946,128)	(2,121,221)	(1,157,223)	(5,224,572)
	<u>\$1,501,876</u>	<u>\$ 72,564</u>	<u>\$1,574,440</u>	<u>\$1,796,704</u>	<u>\$ 30,705</u>	<u>\$1,827,409</u>	<u>\$ 907,833</u>	<u>\$ 510,774</u>	<u>\$ 4,820,456</u>
At January 1	\$1,501,876	\$ 72,564	\$1,574,440	\$1,796,704	\$ 30,705	\$1,827,409	\$ 907,833	\$ 510,774	\$ 4,820,456
Additions	782,005	-	782,005	794,071	-	794,071	6,701	113,915	1,696,692
Disposals	-	-	-	-	-	-	(236)	(4,266)	(4,502)
Reclassifications	-	-	-	14,283	-	14,283	15,040	8,144	37,467
Depreciation charge	-	-	-	(46,846)	(398)	(47,244)	(100,233)	(127,657)	(275,134)
Net exchange differences	22,333	-	22,333	31,120	-	31,120	17,090	4,566	75,109
At June 30	<u>\$2,306,214</u>	<u>\$ 72,564</u>	<u>\$2,378,778</u>	<u>\$2,589,332</u>	<u>\$ 30,307</u>	<u>\$2,619,639</u>	<u>\$ 846,195</u>	<u>\$ 505,476</u>	<u>\$ 6,350,088</u>
<u>At June 30</u>									
Cost	\$2,306,214	\$ 72,564	\$2,378,778	\$4,604,120	\$ 40,587	\$4,644,707	\$3,089,307	\$1,754,074	\$11,866,866
Accumulated depreciation	-	-	-	(2,014,788)	(10,280)	(2,025,068)	(2,243,112)	(1,248,598)	(5,516,778)
	<u>\$2,306,214</u>	<u>\$ 72,564</u>	<u>\$2,378,778</u>	<u>\$2,589,332</u>	<u>\$ 30,307</u>	<u>\$2,619,639</u>	<u>\$ 846,195</u>	<u>\$ 505,476</u>	<u>\$ 6,350,088</u>

- A. The significant components of buildings include main plants and renovation construction, which are depreciated over 10~55 and 3~55 years, respectively.
- B. The Group had no interest capitalisation for the six months ended June 30, 2025 and 2024.
- C. The Group has no property, plant and equipment pledged to others as collateral.

(9) Leasing arrangements — lessee

- A. The Group leases various assets including land, buildings and transportation equipment. Rental contracts are typically made for periods of 1 to 9 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. Short-term leases with a lease term of 12 months or less comprise buildings, parking spaces and business vehicles. Low-value assets comprise multifunction printers.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 30,024	\$ 32,932	\$ 33,420
Buildings	438,363	116,762	88,457
Transportation equipment	60,969	74,591	74,974
	<u>\$ 529,356</u>	<u>\$ 224,285</u>	<u>\$ 196,851</u>

	<u>Three months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 346	\$ 363
Buildings	25,660	13,669
Transportation equipment	10,979	10,885
	<u>\$ 36,985</u>	<u>\$ 24,917</u>

	<u>Six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 715	\$ 720
Buildings	42,283	27,497
Transportation equipment	21,603	20,311
	<u>\$ 64,601</u>	<u>\$ 48,528</u>

- D. For the three months and six months ended June 30, 2025 and 2024, the additions to right-of-use assets were \$376,877, \$24,015, \$384,080 and \$56,869, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Three months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,371	\$ 1,327
Expense on short-term lease contracts	62,653	68,794
Expense on leases of low-value assets	1,433	1,604
Gain on lease modification	1,228	3

	Six months ended June 30,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 4,125	\$ 2,663
Expense on short-term lease contracts	127,551	138,279
Expense on leases of low-value assets	2,709	3,222
Gain on lease modification	1,228	7

F. For the six months ended June 30, 2025 and 2024, the Group's total cash outflow for leases was \$199,505 and \$192,800, respectively.

(10) Leasing arrangements – lessor

- A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 1 and 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. For the three months and six months ended June 30, 2025 and 2024, the Group recognized rent income in the amounts of \$7,228, \$17,347, \$13,701 and \$30,440, respectively, based on the operating lease agreement, which does not include variable lease payments.
- C. The maturity analysis of the lease payments under the operating leases is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
2024	\$ -	\$ -	\$ 8,585
2025	11,820	14,387	14,106
2026	20,029	11,557	11,276
2027	9,455	-	-
After 2028	48,551	-	-
	<u>\$ 89,855</u>	<u>\$ 25,944</u>	<u>\$ 33,967</u>

(11) Investment property

	Buildings	
	2025	2024
<u>At January 1</u>		
Cost	\$ 104,417	\$ 102,993
Accumulated depreciation	(77,364)	(69,604)
	<u>\$ 27,053</u>	<u>\$ 33,389</u>
<u>At January 1</u>	\$ 27,053	\$ 33,389
Depreciation charge	(2,279)	(2,338)
Net exchange differences	(1,720)	874
At June 30	<u>\$ 23,054</u>	<u>\$ 31,925</u>
<u>At June 30</u>		
Cost	\$ 97,352	\$ 105,727
Accumulated depreciation	(74,298)	(73,802)
	<u>\$ 23,054</u>	<u>\$ 31,925</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Three months ended June 30,	
	2025	2024
Rental income from investment property	\$ 2,707	\$ 2,846
Direct operating expenses arising from the investment property that generated rental income in the period	\$ 1,103	\$ 1,180
	Six months ended June 30,	
	2025	2024
Rental income from investment property	\$ 5,594	\$ 5,638
Direct operating expenses arising from the investment property that generated rental income in the period	\$ 2,279	\$ 2,338

B. The fair value of the investment property held by the Group as at June 30, 2025, December 31, 2024 and June 30, 2024 was \$98,249, \$91,713 and \$95,574, respectively, which was valuated with reference to the future rental income and the related discounted cash flows, which was categorized within Level 3 in the fair value hierarchy. Key assumptions are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Discount rate	1.637%	1.670%	2.221%

C. The Group has no investment property pledged to others.

(12) Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank loans	\$ 18,000,000	\$ 2,000,000	\$ 16,182,000
Credit lines	\$ 70,175,668	\$ 66,577,736	\$ 37,650,568
Interest rate range	1.758%~1.800%	1.756%~1.800%	1.60%~1.80%

For the six months ended June 30, 2025 and 2024, details of interest expense recognized in profit or loss are provided in Note 6(25).

(13) Other payables

	June 30, 2025	December 31, 2024	June 30, 2024
Salary and bonus payable	\$ 5,503,824	\$ 5,062,170	\$ 5,744,059
Employees' compensation and directors' remuneration payable	3,409,297	2,153,639	984,200
Marketing fee payable	1,138,410	1,115,086	948,957
Shipping and freight-in payable	373,028	402,995	224,790
Royalties payable	73,280	70,944	82,680
Others	559,013	588,953	570,224
	<u>\$ 11,056,852</u>	<u>\$ 9,393,787</u>	<u>\$ 8,554,910</u>

(14) Provisions – current

	Warranty	
	2025	2024
At January 1	\$ 812,365	\$ 826,369
Additional provisions	976,438	773,104
Used during the period	(921,151)	(879,119)
At June 30	<u>\$ 867,652</u>	<u>\$ 720,354</u>

The Group gives warranties on the peripherals and accessories of computer hardware sold. Provision for warranty is estimated based on the historical repair records of the product.

(15) Bonds payable

	June 30, 2025	December 31, 2024	June 30, 2024
Bonds payable	\$ 20,023,879	\$ 20,023,879	\$ 9,804,347
Less: Discount on bonds payable	(1,428,910)	(1,620,550)	(791,192)
	<u>\$ 18,594,969</u>	<u>\$ 18,403,329</u>	<u>\$ 9,013,155</u>

A. Fourth unsecured convertible bonds overseas

(a) On July 23, 2024, the Company issued its fourth unsecured convertible bonds overseas under the following conditions:

- i. The total issuance amounted to USD 300 million, with a coupon rate of 0%, a maturity period of 5 years, and a circulation period from July 23, 2024 to July 23, 2029. Upon maturity, the convertible bonds will be redeemed in USD at face value plus an annual interest rate of 0.875% (semi-annually calculated).
- ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue (excluding the issuance date) to 10 days before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- iii. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds (the conversion price at issuance is NT\$358.87 per share/conversion exchange rate used is USD:TWD=1:32.61), and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The Company adjusted the conversion price to NT\$350.75 per share on August 9, 2024.

- iv. Except in cases of early redemption, repurchase and cancellation, or conversion, bondholders may request compensation for interest at an annual rate of 0.875% above the face value of the bonds from the third anniversary of the issuance date or the delisting of the Company's common stock on the Taiwan Stock Exchange, with redemption of all or part of the bonds based on semi-annual calculations.
 - v. When 90% or more of the bonds have been redeemed, converted, repurchased and cancelled by bondholders, or from the day following the third anniversary of the issuance of the convertible bonds until ten days before maturity, if the closing price of the Company's common stock (converted to USD at the prevailing exchange rate) reaches 130% of the early redemption amount divided by the total face value of the bonds after 20 trading days out of 30 consecutive trading days, the Company may redeem all or part of the bonds early.
 - vi. Under the terms of the bonds, all bonds redeemed (including repurchased on the secondary market), early redeemed, matured or converted bonds by bondholders will be cancelled and not to be re-issued.
- (b) Regarding the issuance of convertible bonds, the equity conversion options amounting to \$526,862 were separated from the liability component and were recognized in 'capital surplus—share options' in accordance with IAS 32. In accordance with IFRS 9, the call options and put options embedded in bonds payable were not separated because the economic characteristics and risks of the embedded derivatives were closely related to those of the host contracts.

B. Third unsecured convertible bonds overseas

- (a) On July 27, 2023, the Company issued its third unsecured convertible bonds overseas under the following conditions:
 - i. The total issuance amounted to USD 300 million, with a coupon rate of 0%, a maturity period of 5 years, and a circulation period from July 27, 2023 to July 27, 2028. Upon maturity, the convertible bonds will be redeemed in USD at face value plus an annual interest rate of 1% (semi-annually calculated).
 - ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three month of the bonds issue (excluding the issuance date) to 10 days before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

- iii. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds (the conversion price at issuance is NT\$375 per share/conversion exchange rate used is USD:TWD=1:31.095), and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The Company adjusted the conversion price to NT\$357.87 per share on August 9, 2024.
 - iv. Except in cases of early redemption, repurchase and cancellation, or conversion, bondholders may request compensation for interest at an annual rate of 1% above the face value of the bonds from the third anniversary of the issuance date or the delisting of the Company's common stock on the Taiwan Stock Exchange, with redemption of all or part of the bonds based on semi-annual calculations.
 - v. When 90% or more of the bonds have been redeemed, converted, repurchased and cancelled by bondholders, or from the day following the third anniversary of the issuance of the convertible bonds until ten days before maturity, if the closing price of the Company's common stock (converted to USD at the prevailing exchange rate) reaches 130% of the early redemption amount divided by the total face value of the bonds after 20 trading days out of 30 consecutive trading days, the Company may redeem all or part of the bonds early.
 - vi. Under the terms of the bonds, all bonds redeemed (including repurchased on the secondary market), early redeemed, matured or converted bonds by bondholders will be cancelled and not to be re-issued.
- (b) Regarding the issuance of convertible bonds, the equity conversion options amounting to \$449,693 were separated from the liability component and were recognized in 'capital surplus—share options' in accordance with IAS 32. In accordance with IFRS 9, the call options and put options embedded in bonds payable were not separated because the economic characteristics and risks of the embedded derivatives were closely related to those of the host contracts.

(16) Pensions

- 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 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 be qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

- (a) The pension costs under defined contribution pension plans of the Group for the three months and six months ended June 30, 2025 and 2024 were \$1,744, \$1,785, \$3,487 and \$3,575, respectively.
 - (b) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2025 amount to \$10,433.
- B. Effective July 1, 2005, the Company and its domestic subsidiaries have 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 and its domestic subsidiaries contribute 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. The pension costs under the defined contribution pension plans of the Group for the three months and six months ended June 30, 2025 and 2024 were \$35,268, \$27,846, \$70,809 and \$55,555, respectively.

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. The contribution percentage for the six months ended June 30, 2025 and 2024 was both 12%~16%. Other than the monthly contributions, the Group has no further obligations. For the three months and six months ended June 30, 2025 and 2024, the Company’s mainland China subsidiaries have recognized pension cost of \$29,687, \$29,592, \$60,319 and \$53,185, respectively.

(17) Share-based payment (January 1 to June 30, 2025: None)

- A. For the six months ended June 30, 2025 and 2024, the Group’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Employee stock options-GIGAIPC CO., LTD.	2024.4.18	2,400,000 shares	2024.6.5-2024.6.21	Immediately vested

Among the share-based payment arrangements above are settled by equity.

B. Details of the share-based payment arrangements are as follows:

Employee stock options - GIGAIPC CO., LTD.	2024	
	No. of options (in thousands)	Weighted-average exercise price (in dollars)
Options granted	2,400	\$ 12.60
Options exercised	(2,400)	"
Options outstanding at June 30	-	

C. The weighted-average stock price of stock options exercised by GIGAIPC CO., LTD. at exercise dates for the six months ended June 30, 2024 was NT\$59.6 (in dollars).

D. The fair value of stock options granted is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Price volatility	Option life	Dividends	Interest rate	Fair value per unit
Employee stock options- GIGAIPC CO., LTD	2024.4.18	\$ 59.6	\$ 12.6	30.31%	0.18 years	-	1.22%	\$ 47.0272

E. The fee incurred for share-based payment transactions are as follows:

	Six months ended June 30, 2024
Equity-settled	\$ 112,865

(18) Share capital

A. As of June 30, 2025, the Company's authorized capital was \$9,500,000, consisting of 950,000 thousand shares of ordinary stock (including 50,000 thousand shares reserved for employee stock options, for preferred shares with warrants or for convertible bonds issued by the Company), and the paid-in capital was \$6,698,889 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected. The number of the Company's ordinary shares outstanding at the beginning and end of the period is both 669,889 thousand shares.

B. On June 12, 2024, the Company's shareholders during their meeting resolved to authorize the Board of Directors to issue new common shares for the capital increase and sponsor the issuance of global depositary receipts (GDRs) in order to support the capital requirements of the procurement of raw materials in foreign currencies. As approved by the Financial Supervisory Committee on July 15, 2024, these GDRs were listed on the Securities Exchange of Luxembourg

on July 19, 2024, amounting to 17,100 thousand units, represented by 34,200 thousand shares of the Company's common stock. The GDRs were issued at a price of USD 17.75 (in dollars) per unit. The actual cash received was USD 300,031 thousand (approximately NTD 9,820,164 thousand) after deducting issuance costs. Each unit represents 2 common shares of the Company. As of June 30, 2025, there was no outstanding GDRs.

(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 Law requires that the amount of capital surplus to be capitalized 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, unless accumulated legal reserve has reached an amount equal to the Company's paid-in capital. And then special reserve shall be set aside or reversed according to the laws or decrees or the regulations of competent authorities. Appropriation (5% ~ 100%) of the remainder plus prior year's accumulated retained earnings shall be proposed by the Board of Directors, and distributed as below:

(a) It shall be resolved by the stockholders when distributed by issuance of new shares.

(b) Earnings distributed in the form of cash or all or part of the legal reserve and capital surplus regulated by Paragraph 1 of Article 241 of the Company Act distributed in cash shall be resolved by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and reported to shareholders, but not needed to be submitted to the shareholders for approval. Cash dividends shall not be less than 5% of total distribution amount. If the cash dividend is less than ten cents (NT\$0.1) per share, such dividend shall be distributed in the form of shares.

B. 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 balance of the reserve exceeds 25% of the Company's paid-in capital.

C. 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.

The amounts previously set aside by the Company as special reserve of \$426,354 on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

- D. The appropriation of earnings for 2024 and 2023 had been resolved by stockholders on June 10, 2025 and June 12, 2024, respectively. Details are summarized below:

	2024		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 981,307		\$ 473,653	
Cash dividend	6,698,889	\$ 10.00	4,259,116	Note

Note: Due to the issuance of GDRs, the Company adjusted the cash dividend distribution from \$6.7 to \$6.35794327 dollars per share.

- E. Information about the appropriation of earnings resolved by the shareholders will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(21) Operating revenue

	Three months ended June 30,	
	2025	2024
Revenue from contracts with customers	\$ 102,258,116	\$ 73,923,373
	Six months ended June 30,	
	2025	2024
Revenue from contracts with customers	\$ 168,005,546	\$ 129,087,759

A. Disaggregation of revenue from contracts with customers

The Group derives revenue at a point in time in the following major product lines and segments information:

	Three months ended June 30, 2025		
	Global brand business group	Other business group	Total
<u>Product Types</u>			
Computer parts	\$ 30,881,097	\$ -	\$ 30,881,097
Networking communication products	68,357,352	-	68,357,352
Others	2,765,198	254,469	3,019,667
	<u>\$ 102,003,647</u>	<u>\$ 254,469</u>	<u>\$ 102,258,116</u>

	Three months ended June 30, 2024		
	Global brand business group	Other business group	Total
<u>Product Types</u>			
Computer parts	\$ 18,771,417	\$ -	\$ 18,771,417
Networking communication products	52,595,690	-	52,595,690
Others	2,356,029	200,237	2,556,266
	<u>\$ 73,723,136</u>	<u>\$ 200,237</u>	<u>\$ 73,923,373</u>

	Six months ended June 30, 2025		
	Global brand business group	Other business group	Total
<u>Product Types</u>			
Computer parts	\$ 57,478,045	\$ -	\$ 57,478,045
Networking communication products	104,149,739	-	104,149,739
Others	5,808,703	569,059	6,377,762
	<u>\$ 167,436,487</u>	<u>\$ 569,059</u>	<u>\$ 168,005,546</u>

	Six months ended June 30, 2024		
	Global brand business group	Other business group	Total
<u>Product Types</u>			
Computer parts	\$ 40,555,605	\$ -	\$ 40,555,605
Networking communication products	83,532,283	-	83,532,283
Others	4,585,659	414,212	4,999,871
	<u>\$ 128,673,547</u>	<u>\$ 414,212</u>	<u>\$ 129,087,759</u>

B. Contract liabilities

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

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Advance sales receipts	<u>\$ 14,875,198</u>	<u>\$ 4,534,401</u>	<u>\$ 3,992,434</u>	<u>\$ 4,355,872</u>

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

	Three months ended June 30,	
	2025	2024
Advance sales receipts	<u>\$ 46,311</u>	<u>\$ 847,095</u>
	Six months ended June 30,	
	2025	2024
Advance sales receipts	<u>\$ 4,441,874</u>	<u>\$ 3,955,349</u>

(22) Interest income

	Three months ended June 30,	
	2025	2024
Interest income from bank deposits	\$ 325,217	\$ 140,920
Interest income from financial assets measured at amortized cost	5,145	1,745
Others	443	1,304
	<u>\$ 330,805</u>	<u>\$ 143,969</u>
	Six months ended June 30,	
	2025	2024
Interest income from bank deposits	\$ 462,501	\$ 183,213
Interest income from financial assets measured at amortized cost	13,075	7,108
Others	824	1,568
	<u>\$ 476,400</u>	<u>\$ 191,889</u>

(23) Other income

	Three months ended June 30,	
	2025	2024
Dividend income	\$ 13,701	\$ 19,899
Rental revenue	7,228	17,347
Other income - others	318,750	100,127
	<u>\$ 339,679</u>	<u>\$ 137,373</u>
	Six months ended June 30,	
	2025	2024
Dividend income	\$ 14,809	\$ 20,334
Rental revenue	13,701	30,440
Other income - others	537,503	199,616
	<u>\$ 566,013</u>	<u>\$ 250,390</u>

(24) Other gains and losses

	Three months ended June 30,	
	2025	2024
Foreign exchange (losses) gains	(\$ 1,403,699)	\$ 12,208
Gains on financial assets at fair value through profit or loss (non-derivative financial instruments)	75,236	40,514
Gains on disposal of investment	3,855	-
Gains from lease modification	1,228	3
Losses on disposal of property, plant and equipment	(483)	(4)
Others	(7,583)	(545)
	<u>(\$ 1,331,446)</u>	<u>\$ 52,176</u>

	Six months ended June 30,	
	2025	2024
Foreign exchange losses	(\$ 1,327,284)	(\$ 430,898)
Gains on financial assets at fair value through profit or loss (non-derivative financial instruments)	782	53,574
Losses on financial liabilities at fair value through profit or loss (derivative financial instruments) (	204)	-
Gains on disposal of investment	3,855	-
Gains from lease modification	1,228	7
Losses on disposal of property, plant and equipment	(3,400)	(230)
Others	(8,868)	(2,335)
	<u>(\$ 1,333,891)</u>	<u>(\$ 379,882)</u>

(25) Finance costs

	Three months ended June 30,	
	2025	2024
Interest expense		
Amortization of convertible bonds discount	\$ 96,068	\$ 46,465
Bank borrowing	138,590	97,566
Interest expense on lease liabilities	2,371	1,327
Other interest expense	801	15
	<u>\$ 237,830</u>	<u>\$ 145,373</u>
	Six months ended June 30,	
	2025	2024
Interest expense		
Amortization of convertible bonds discount	\$ 191,640	\$ 92,690
Bank borrowing	174,338	117,834
Interest expense on lease liabilities	4,125	2,663
Other interest expense	805	20
	<u>\$ 370,908</u>	<u>\$ 213,207</u>

(26) Expenses by nature

	Three months ended June 30,	
	2025	2024
Cost of goods sold	\$ 90,797,365	\$ 64,808,334
Employee benefit expense	2,528,407	2,494,779
Warranty cost of after-sale service	403,976	493,503
Loss on inventory valuation	623,756	127,588
Export expense	266,797	184,985
Transportation expenses	279,638	195,674
Marketing service charge	321,883	228,885
Depreciation and amortization	220,415	202,742
Expected credit (gains) loss	(211,991)	36,869
Other costs and expenses	1,734,658	1,299,461
	<u>\$ 96,964,904</u>	<u>\$ 70,072,820</u>
	Six months ended June 30,	
	2025	2024
Cost of goods sold	\$ 146,673,791	\$ 112,601,462
Employee benefit expense	4,924,150	4,565,642
Warranty cost of after-sale service	976,438	773,104
Loss on inventory valuation	727,017	400,390
Export expense	608,234	427,817
Transportation expenses	504,396	378,697
Marketing service charge	438,541	341,435
Depreciation and amortization	430,241	400,408
Expected credit loss	51,085	19,764
Other costs and expenses	3,138,911	2,251,107
	<u>\$ 158,472,804</u>	<u>\$ 122,159,826</u>

(27) Employee benefit expense

	Three months ended June 30,	
	2025	2024
Wages and salaries	\$ 2,249,521	\$ 2,209,862
Labor and health insurance fees	100,739	96,051
Pension costs	66,699	59,223
Other personnel expenses	111,448	129,643
	<u>\$ 2,528,407</u>	<u>\$ 2,494,779</u>

	Six months ended June 30,	
	2025	2024
Wages and salaries	\$ 4,374,356	\$ 4,029,013
Labor and health insurance fees	206,603	195,579
Pension costs	134,615	112,315
Other personnel expenses	208,576	228,735
	<u>\$ 4,924,150</u>	<u>\$ 4,565,642</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 3%~10% for employees' compensation and shall not be higher than 3% for directors' remuneration. The aforementioned employees' compensation shall be distributed no lower than 20% for distributing the compensation to the rank-and-file employees or adjusting the salaries.

B. For the three months and six months ended June 30, 2025 and 2024, employees' compensation was accrued at \$392,829, \$365,176, \$815,991 and \$641,157, respectively; while directors' remuneration was accrued at \$11,400, \$12,650, \$22,800 and \$25,300, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on 10% and 0.28% of distributable profit of current year for the six months ended June 30, 2025.

For 2024, the employees' compensation and directors' remuneration resolved by the Board of Directors amounted to \$1,198,286 and \$46,000, respectively. The difference of \$5,556 between the amounts resolved by the Board of Directors and the employees' compensation of \$1,198,842 and directors' remuneration of \$51,000 recognized in the 2024 financial statements, had been adjusted in the profit or loss of 2025.

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.

(28) Income tax

A. Income tax expense

	Three months ended June 30,	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 891,495	\$ 822,266
Tax on undistributed surplus earnings	187,189	22,928
Prior year income tax underestimation	(51,878)	(9,917)
Total current tax	<u>1,026,806</u>	<u>835,277</u>
Deferred tax:		
Origination and reversal of temporary differences	16,154	(76,810)
Effect of the exchange rate	(7,902)	1,638
Total deferred tax	<u>8,252</u>	<u>(75,172)</u>
Income tax expense	<u>\$ 1,035,058</u>	<u>\$ 760,105</u>
	Six months ended June 30,	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 2,058,791	\$ 1,251,395
Tax on undistributed surplus earnings	187,189	22,928
Prior year income tax underestimation	39,675	(9,917)
Total current tax	<u>2,285,655</u>	<u>1,264,406</u>
Deferred tax:		
Origination and reversal of temporary differences	(159,631)	156,457
Effect of the exchange rate	(5,886)	5,327
Total deferred tax	<u>(165,517)</u>	<u>161,784</u>
Income tax expense	<u>\$ 2,120,138</u>	<u>\$ 1,426,190</u>

- B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.
- C. The Group has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.
- D. The Group's exposure to Pillar Two income taxes arising from the Pillar Two legislation is as follows:
- (a) The Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). Since Pillar Two legislation was enacted in the Netherlands, Germany, and other countries, the jurisdiction in which the entity controlled by the Group is incorporated, and will come into effect from January 1, 2024, the Group has no related current tax exposure as of June 30, 2025. While Pillar Two legislation was enacted in other operational regions of the Group and has not yet come into effect, it has no significant impact to the Group based on the Group's assessment.

- (b) Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate.
- (c) Due to the complexities in applying the legislation and calculating GloBE income, the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with IAS 12, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable.
- The Group is currently engaged with tax specialists to assist it with applying the legislation.

(29) Earnings per share

Three months ended June 30, 2025			
		Weighted average number of ordinary shares outstanding	Earnings per share
	Amount after tax	(share in thousands)	(in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 3,049,557	669,889	\$ <u>4.55</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	2,883	
-Convertible bonds	<u>94,707</u>	<u>26,067</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 3,144,264</u>	<u>698,839</u>	<u>\$ 4.50</u>
Three months ended June 30, 2024			
		Weighted average number of ordinary shares outstanding	Earnings per share
	Amount after tax	(share in thousands)	(in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,961,709	635,689	\$ <u>4.66</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	2,099	
-Convertible bonds	<u>43,355</u>	<u>24,876</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 3,005,064</u>	<u>662,664</u>	<u>\$ 4.53</u>

Six months ended June 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 6,165,676	669,889	\$ 9.20
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	4,772	
-Convertible bonds	188,918	53,959	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 6,354,594	728,620	\$ 8.72
Six months ended June 30, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 4,985,485	635,689	\$ 7.84
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	2,829	
-Convertible bonds	86,471	24,876	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 5,071,956	663,394	\$ 7.65

(30) Transactions with non-controlling interest

GIGAIPC CO., LTD. issued the employee share options resolved by the Board of Directors on April 18, 2024. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 13.99%. The transaction increased non-controlling interest by \$48,313 and decreased the equity attributable to owners of parent by \$18,073. The effect of changes in interests in GIGAIPC CO., LTD. on the equity attributable to owners of the parent for the three months ended December 31, 2024 is shown below:

	<u>December 31, 2024</u>
Cash	\$ 30,240
Capital surplus-employee share options	112,865
Increase in the carrying amount of non-controlling interest	(48,313)
Capital surplus-changes in ownship interests in subsidiaries	<u>\$ 94,792</u>

(31) Supplemental cash flow information:

A. Investing activities with partial cash payments:

	<u>Six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Purchase of property, plant and equipment	\$ 205,713	\$ 1,696,692
Add: Opening balance of payable on equipment	44,701	7,157
Less: Ending balance of payable on equipment	(31,612)	(1,112)
Cash paid during the period	<u>\$ 218,802</u>	<u>\$ 1,702,737</u>

B. Financing activities with no cash flow effects:

	<u>Six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Cash dividends declared but not yet paid	<u>\$ 7,133,569</u>	<u>\$ 4,339,016</u>

C. The Group sold 100% of equity of the subsidiary, Senyun Precise Optical Co., Ltd., on June 30, 2025 and therefore lost control over the subsidiary (please refer to Note 4(3) B.(d)). The details of the consideration received from the transaction and assets and liabilities relating to the subsidiary are as follows:

	June 30, 2025
Consideration received	
Cash	\$ 210,752
Carrying amount of the assets and liabilities of the subsidiary	
- Senyun Senyun Precise Optical Co., Ltd.	
Cash	121,158
Note receivable	4,798
Accounts receivable	35,841
Other receivable	308
Inventories	21,344
Prepayments	317
Other current assets	954
Property, plant and equipment	50,284
Other non-current assets	250
Contract liabilities	(1,818)
Accounts payable	(6,995)
Other payables	(16,052)
Other current liabilities	(1,352)
Other non-current liabilities	(2,111)
Total net assets	<u>\$ 206,926</u>

(32) Changes in liabilities from financing activities

	Six months ended June 30, 2025					
	Short-term borrowings	Bonds payable	Guarantee deposits received	Lease liability	Dividend Payable (Note 2)	Liabilities from financing activities-gross
At January 1	\$ 2,000,000	\$ 18,403,329	\$ 145,645	\$ 196,661	\$ -	\$ 20,745,635
Changes in cash flow from financing activities	16,368,033	-	(28,036)	(65,120)	-	16,274,877
Payment of interest expense on lease liabilities (Note 1)	-	-	-	(4,125)	-	(4,125)
Amortization of convertible bonds discount (Note 1)	-	191,640	-	-	-	191,640
Effect of decrease in consolidated entities	-	-	(498)	-	-	(498)
Impact of changes in foreign exchange rate	(368,033)	-	-	(4,592)	-	(372,625)
Changes in other non-cash items	-	-	-	379,792	7,133,569	7,513,361
At June 30	<u>\$ 18,000,000</u>	<u>\$ 18,594,969</u>	<u>\$ 117,111</u>	<u>\$ 502,616</u>	<u>\$ 7,133,569</u>	<u>\$ 44,348,265</u>

	Six months ended June 30, 2024					
	Short-term borrowings	Bonds payable	Guarantee deposits received	Lease liability	Dividend payable (Note 2)	Liabilities from financing activities-gross
At January 1	\$ -	\$8,920,465	\$ 104,873	\$ 159,472	\$ -	\$ 9,184,810
Changes in cash flow from financing activities	16,182,000	-	123,150	(48,636)	-	16,256,514
Payment of interest expense on lease liabilities (Note 1)	-	-	-	(2,663)	-	(2,663)
Amortization of convertible bonds discount (Note 1)	-	92,690	-	-	-	92,690
Impact of changes in foreign exchange rate	-	-	-	2,657	-	2,657
Changes in other non-cash items	-	-	-	55,910	4,339,016	4,394,926
At June 30	<u>\$ 16,182,000</u>	<u>\$9,013,155</u>	<u>\$ 228,023</u>	<u>\$ 166,740</u>	<u>\$ 4,339,016</u>	<u>\$ 29,928,934</u>

Note 1: Listed under cash flows from operating activities.

Note 2: Listed under other current liabilities.

7. RELATED PARTY TRANSACTIONS

(1) Significant related party transactions and balances

The related parties are included in the consolidated financial statements, and the related transactions are all eliminated.

(2) Key management compensation

	Three months ended June 30,	
	2025	2024
Salaries and other short-term employee benefits	\$ 27,523	\$ 29,317
Share-based payments	-	42,983
Post-retirement benefits	360	337
Total	<u>\$ 27,883</u>	<u>\$ 72,637</u>
	Six months ended June 30,	
	2025	2024
Salaries and other short-term employee benefits	\$ 60,542	\$ 62,381
Share-based payments	-	42,983
Post-retirement benefits	718	674
Total	<u>\$ 61,260</u>	<u>\$ 106,038</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purpose
	June 30, 2025	December 31, 2024	June 30, 2024	
Pledged assets - non-current (accounted for as "Financial assets at amortized cost - non-current")				
- Demand deposits	\$ 4,148	\$ 5,231	\$ 6,000	Security deposit for office leasing
- Time deposits	199,650	204,994	159,539	Guarantee for the customs duties
	<u>\$ 203,798</u>	<u>\$ 210,225</u>	<u>\$ 165,539</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue employee stock option or buyback and retire treasury stock. The Group monitors capital on the basis of the liabilities to assets ratio. Total capital is shown as "Equity" in the consolidated balance sheet, which is also equal to total assets minus total liabilities.

(2) Financial instruments

A. Financial instruments by category

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>Financial assets</u>			
Financial assets mandatorily measured at fair value through profit or loss	\$ 840,659	\$ 872,610	\$ 631,037
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	1,305,520	1,605,274	1,896,798
Financial assets at amortized cost			
Cash and cash equivalents	41,623,558	21,499,095	16,022,002
Financial assets at amortized cost	761,950	1,547,309	1,193,579
Notes receivable	47	4,668	3,082
Accounts receivable	40,631,195	28,546,444	30,488,438
Other receivables	1,836,792	1,792,160	1,357,108
Other financial assets	-	-	257,500
Guarantee deposits paid	72,901	66,393	67,607
	<u>\$ 87,072,622</u>	<u>\$ 55,933,953</u>	<u>\$ 51,917,151</u>
<u>Financial liabilities</u>			
Financial liabilities held for trading	\$ -	\$ 2,216	\$ -
Financial liabilities at amortized cost			
Short-term borrowings	18,000,000	2,000,000	16,182,000
Notes payable	25,469	24,642	20,409
Accounts payable	26,792,216	17,766,216	21,601,818
Other payables	11,056,852	9,393,787	8,554,910
Bonds payable	18,594,969	18,403,329	9,013,155
Guarantee deposits received	117,111	145,645	228,023
Lease liabilities	502,616	196,661	166,740
	<u>\$ 75,089,233</u>	<u>\$ 47,932,496</u>	<u>\$ 55,767,055</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain exchange rate risk. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.
 - (c) Information about derivative financial instruments that are used to hedge financial risk are provided in Note 6(2).
- 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 the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.
 - ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting forecast transactions.
 - iii. 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).
 - iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD , EUR and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

June 30, 2025			
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 2,259,189	29.902	\$ 67,554,269
RMB:NTD	1,357,905	4.175	5,669,253
EUR:NTD	9,051	35.048	317,219
USD:RMB	132,270	7.162	3,955,052
<u>Non-monetary items</u>			
USD:NTD	\$ 6,148	29.902	\$ 183,837
<u>Investments accounted for using equity method</u>			
USD:NTD	\$ 315,011	29.902	\$ 9,419,487
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,331,396	29.902	\$ 39,811,403
RMB:NTD	521,726	4.175	2,178,206
USD:RMB	346,382	7.162	10,357,289
December 31, 2024			
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 2,061,719	32.781	\$ 67,585,211
RMB:NTD	430,649	4.478	1,928,446
EUR:NTD	20,399	34.132	696,259
USD:RMB	151,903	7.321	4,979,903
<u>Non-monetary items</u>			
USD:NTD	\$ 5,913	32.781	\$ 193,834
<u>Investments accounted for using equity method</u>			
USD:NTD	\$ 312,380	32.781	\$ 10,240,126
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,192,762	32.781	\$ 39,099,931
RMB:NTD	643,153	4.478	2,880,039
USD:RMB	316,201	7.321	10,366,156

	June 30, 2024		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 2,337,393	32.450	\$ 75,848,403
RMB:NTD	89,858	4.446	399,509
EUR:NTD	10,827	34.705	375,751
USD:RMB	296,035	7.299	9,607,131
<u>Non-monetary items</u>			
USD:NTD	\$ 3,083	32.450	\$ 100,043
<u>Investments accounted for using equity method</u>			
USD:NTD	\$ 297,787	32.450	\$ 9,663,203
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,748,811	32.450	\$ 56,748,917
RMB:NTD	370,189	4.446	1,645,860
USD:RMB	270,445	7.299	8,776,667

- iv. The total exchange gain (loss), including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2025 and 2024, amounted to loss of \$1,403,699, gain of \$12,208, loss of \$1,327,284 and loss of \$430,898, respectively.

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

Six months ended June 30, 2025			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 675,543	\$ -
RMB:NTD	1%	56,693	-
EUR:NTD	1%	3,172	-
USD:RMB	1%	39,551	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 398,114	\$ -
RMB:NTD	1%	21,782	-
USD:RMB	1%	103,573	-
Six months ended June 30, 2024			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 758,484	\$ -
RMB:NTD	1%	3,995	-
EUR:NTD	1%	3,758	-
USD:RMB	1%	96,071	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 567,489	\$ -
RMB:NTD	1%	16,459	-
USD:RMB	1%	87,767	-

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's investments in equity securities comprise shares and beneficiary certificates issued by the domestic and foreign companies. 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, pre-tax profit for the six months ended June 30, 2025 and 2024 would have increased/decreased by \$6,568 and \$6,310, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss and beneficiary certificates. Other components of equity would have increased/decreased by \$13,055 and \$18,968, respectively, as a result of gains/losses on equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The domestic/overseas bond funds investment and bond products with fixed interest rate by the Group was held mainly for trading purposes, the effective interest rate of this fund is affected by the market interest rate.
- ii. For fixed interest rate bond investments held by the Group classified as financial assets at fair value through profit or loss, changes in market interest rates would affect their fair values. At June 30, 2025 and 2024, if market interest rates had been 1% higher/lower with all other variables held constant, pre-tax profit for the six months ended June 30, 2025 and 2024 would have been \$1,838 and \$0 higher/lower, respectively.
- iii. The Group's main interest rate risk arises from short-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings mainly bear variable interest rate. During the six months ended June 30, 2025 and 2024, the Group's borrowings were denominated in NTD and USD.
- iv. At June 30, 2025 and 2024, if interest rates on borrowings had been 0.25% higher/lower with all other variables held constant, pre-tax profit for the six months ended June 30, 2025 and 2024 would have been \$22,500 and \$20,228 lower/higher. The main factor is that changes in interest expense result from 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 based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through profit or loss.
- ii. The bond fund held by the Group was issued by well-known foreign banks and securities investment trust companies owned by or affiliated with domestic financial holding companies with good credit standing. Since the Group trades with several securities investment trust companies, credit risk is low.
- iii. The Group has lower significant concentrations of credit risk, due to investment in corporate bonds or financial bonds. The maximum loss to the Group is the total amount of all book value.
- iv. The Group manages their credit risk taking into consideration the entire group's concern. 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 Board of Directors. The utilisation of credit limits is regularly monitored.
- v. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- vi. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- vii. The Group classifies customers' accounts receivable in accordance with credit rating of customer, insurance coverage and characteristics of collateral. The Group applies the simplified approach to estimate expected credit loss under the provision matrix basis.
- viii. 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.

- ix. The Group used the forecastability of macroeconomic growth by the International Monetary Fund to adjust historical and timely information to assess the default possibility of accounts receivable. On June 30, 2025, December 31, 2024 and June 30, 2024, the provision matrix is as follows:

	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31 to 60 days past due</u>
<u>June 30, 2025</u>			
Expected loss rate	0.9%~2.15%	0.9%~6.29%	0.%~14.97%
Total book value	\$ 23,297,456	\$ 9,955,890	\$ 7,751,977
Loss allowance	\$ 164,633	\$ 140,828	\$ 140,904
	<u>61 to 90 days past due</u>	<u>Over 90 days</u>	<u>Total</u>
Expected loss rate	0.9%~41.7%	5%~100%	
Total book value	\$ 84,596	\$ 75,086	\$ 41,165,005
Loss allowance	\$ 12,359	\$ 75,086	\$ 533,810
	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31 to 60 days past due</u>
<u>December 31, 2024</u>			
Expected loss rate	0.96%~1.86%	0.96%~9.02%	0.96%~17.58%
Total book value	\$ 19,430,816	\$ 8,158,677	\$ 823,635
Loss allowance	\$ 59,138	\$ 100,119	\$ 28,154
	<u>61 to 90 days past due</u>	<u>Over 90 days</u>	<u>Total</u>
Expected loss rate	0.96%~48.82%	10%~100%	
Total book value	\$ 294,880	\$ 342,121	\$ 29,050,129
Loss allowance	\$ 47,201	\$ 269,073	\$ 503,685
	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31 to 60 days past due</u>
<u>June 30, 2024</u>			
Expected loss rate	0.1%~6.05%	0.1%~14.13%	0.1%~28.34%
Total book value	\$ 25,186,228	\$ 5,140,209	\$ 353,957
Loss allowance	\$ 166,848	\$ 87,468	\$ 22,029
	<u>61 to 90 days past due</u>	<u>Over 90 days</u>	<u>Total</u>
Expected loss rate	0.1%~59.83%	0.7%~100%	
Total book value	\$ 98,122	\$ 133,124	\$ 30,911,640
Loss allowance	\$ 13,733	\$ 133,124	\$ 423,202

- x. Movements in relation to the Group applying the simplified approach to provide loss allowance for notes receivable and accounts receivable are as follows:

	2025		
	Notes receivable	Accounts receivable	Total
At January 1	\$ -	\$ 503,685	\$ 503,685
Provision for impairment	-	51,085	51,085
Effect of exchange rate changes	-	(20,960)	(20,960)
At June 30	<u>\$ -</u>	<u>\$ 533,810</u>	<u>\$ 533,810</u>

	2024		
	Notes receivable	Accounts receivable	Total
At January 1	\$ -	\$ 385,470	\$ 385,470
Provision for impairment	-	19,764	19,764
Effect of exchange rate changes	-	17,968	17,968
At June 30	<u>\$ -</u>	<u>\$ 423,202</u>	<u>\$ 423,202</u>

Considering the credit insurance on accounts receivable, the abovementioned amounts were not provided with allowance for uncollectible accounts in the amounts of \$215,652, \$314,121 and \$273,967 on June 30, 2025, December 31, 2024 and June 30, 2024, respectively. For provisioned loss for the three months and six months ended June 30, 2025 and 2024, the impairment gains and losses arising from customers' contracts amounted to gain of \$211,991, loss of \$36,869, loss of \$51,085 and loss of \$19,764, respectively.

(c) Liquidity risk

- i. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are invested in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.
- iii. The Group's undrawn borrowing facilities for floating rate short-term borrowings amounted to \$52,175,668.

- iv. The table below analyses the Group's non-derivative financial liabilities and net-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 that the contractual undiscounted cash flows of short-term borrowings, notes payable, accounts payable, other payables and guarantee deposits received were equivalent to their carrying amounts and were expiring within one year, the amounts disclosed in the table are the contractual undiscounted cash flows of other financial liabilities:

June 30, 2025	<u>Within 1 year</u>	<u>Between 1 and 2 year(s)</u>	<u>Over 2 years</u>	<u>Total</u>
Non-derivative financial liabilities:				
Lease liability	\$ 160,537	\$ 130,165	\$ 245,436	\$ 536,138
Bonds payable	-	9,804,347	10,219,532	20,023,879
December 31, 2024	<u>Within 1 year</u>	<u>Between 1 and 2 year(s)</u>	<u>Over 2 years</u>	<u>Total</u>
Non-derivative financial liabilities:				
Lease liability	\$ 94,646	\$ 65,155	\$ 47,194	\$ 206,995
Bonds payable	-	9,804,347	10,219,532	20,023,879
Derivative financial liabilities:				
Forward exchange contracts	\$ 2,216	\$ -	\$ -	\$ 2,216
<u>Non-derivative financial liabilities:</u>				
June 30, 2024	<u>Within 1 year</u>	<u>Between 1 and 2 year(s)</u>	<u>Over 2 years</u>	<u>Total</u>
Lease liability	\$ 88,295	\$ 52,290	\$ 32,077	\$ 172,662
Bonds payable	-	-	9,804,347	9,804,347

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 take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed and emerging stocks, beneficiary certificates are included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's convertible bonds, debt instruments and derivative instruments are included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(11).

C. Except for those listed in the table below, the carrying amounts of the Group's financial instruments not measured at fair value(including cash and cash equivalents, financial assets at amortized cost (bank deposits), notes receivable, accounts receivable, other receivables, other financial assets, guarantee deposits paid, short-term borrowings, notes payable, accounts payable, other payables, guarantee deposits received and lease liability) are approximate to their fair values.

June 30, 2025				
Book	Fair value			
	Level 1	Level 2	Level 3	
Financial liabilities:				
Bonds payable	<u>\$ 18,594,969</u>	<u>\$ -</u>	<u>\$18,761,288</u>	<u>\$ -</u>
December 31, 2024				
Book	Fair value			
	Level 1	Level 2	Level 3	
Financial liabilities:				
Bonds payable	<u>\$ 18,403,329</u>	<u>\$ -</u>	<u>\$18,471,161</u>	<u>\$ -</u>

	June 30, 2024			
	Book	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 9,013,155	\$ -	\$ 8,893,792	\$ -

The above convertible bonds payable are measured at present value, which is calculated based on the cash flow expected to be paid and discounted using a market rate prevailing at balance sheet date.

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 at June 30, 2025, December 31, 2024 and June 30, 2024 is as follows:

(a) The related information of natures of the assets is as follows:

	Level 1	Level 2	Level 3	Total
<u>June 30, 2025</u>				
Assets				
<u>Recurring fair value measurements-assets</u>				
Financial assets at fair value through				
profit or loss				
Equity instrument	\$ 142,879	\$ -	\$ 304,312	\$ 447,191
Beneficiary certificates	60,169	-	149,450	209,619
Debt instruments	-	183,849	-	183,849
Financial assets at fair value through				
other comprehensive income				
Equity instrument	1,228,283	-	77,237	1,305,520
	<u>\$1,431,331</u>	<u>\$183,849</u>	<u>\$530,999</u>	<u>\$2,146,179</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>December 31, 2024</u>				
Assets				
<u>Recurring fair value measurements-assets</u>				
Financial assets at fair value through profit or loss				
Equity instrument	\$ 124,225	\$ -	\$278,497	\$ 402,722
Beneficiary certificates	128,375	-	147,679	276,054
Debt instruments	-	193,834	-	193,834
Financial assets at fair value through other comprehensive income				
Equity instrument	<u>1,519,479</u>	<u>-</u>	<u>85,795</u>	<u>1,605,274</u>
	<u>\$1,772,079</u>	<u>\$193,834</u>	<u>\$511,971</u>	<u>\$2,477,884</u>
Liabilities				
<u>Recurring fair value measurements-liabilities</u>				
Financial assets at fair value through profit or loss				
Derivative instruments	<u>\$ -</u>	<u>\$ 2,216</u>	<u>\$ -</u>	<u>\$ 2,216</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>June 30, 2024</u>				
<u>Recurring fair value measurements-assets</u>				
Financial assets at fair value through profit or loss				
Equity instrument	\$ 183,699	\$ -	\$209,985	\$ 393,684
Beneficiary certificates	163,644	-	73,709	237,353
Financial assets at fair value through other comprehensive income				
Equity instrument	<u>1,816,532</u>	<u>-</u>	<u>80,266</u>	<u>1,896,798</u>
	<u>\$2,163,875</u>	<u>\$ -</u>	<u>\$363,960</u>	<u>\$2,527,835</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Open-end fund</u>	<u>Government bond and corporate bond</u>
Market quoted price	Closing price	Net asset value	Market price

- ii. 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. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.
 - iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, 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.
 - iv. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions.
 - v. 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.
 - vi. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the balance sheet date. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
 - vii. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- E. For the six months ended June 30, 2025 and 2024, there was no transfer between Level 1 and Level 2.

- F. The following chart is the movement of the equity instruments and the beneficiary certificates categorised within Level 3 for the six months ended June 30, 2025 and 2024:

	Six months ended June 30,	
	2025	2024
At January 1	\$ 511,971	\$ 326,057
Gains recognized in profit or loss	5,886	14,083
Losses recognized in other comprehensive income	(5,073)	(6,592)
Acquired in the period	21,700	40,710
Disposed in the period (Note)	(1,183)	(11,670)
Effect of exchange rate changes	(2,302)	1,372
At June 30	<u>\$ 530,999</u>	<u>\$ 363,960</u>

Note: Provided in Note 6(7) F.

- G. For the six months ended June 30, 2025 and 2024, there was no transfer in or out from Level 3.
- H. Financial segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at June 30, 2025	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Unlisted shares	\$ 306,405	Market comparable companies	Price-to-book ratio, enterprise value to operating income ratio multiple, discount for lack of marketability	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares Private equity fund investment	\$ 224,594	Net asset value	Not applicable	Not applicable
	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Unlisted shares	\$ 280,590	Market comparable companies	Price-to-book ratio, enterprise value to operating income ratio multiple, discount for lack of marketability	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares Private equity fund investment	\$ 231,381	Net asset value	Not applicable	Not applicable

	Fair value at June 30, 2024	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Unlisted shares	\$ 212,078	Market comparable companies	Price-to-book ratio, enterprise value to operating income ratio multiple, discount for lack of marketability	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares Private equity fund investment	\$ 151,882	Net asset value	Not applicable	Not applicable

- J. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

		June 30, 2025					
				Recognized in profit or loss		Recognized in other comprehensive income	
				Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change					
Financial assets							
Equity instruments	Price-to-book ratio	±1%	\$ 3,043	(\$ 3,043)	\$ 21	(\$ 21)	
			December 31, 2024				
				Recognized in profit or loss		Recognized in other comprehensive income	
				Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change					
Financial assets							
Equity instruments	Price-to-book ratio	±1%	\$ 2,785	(\$ 2,785)	\$ 21	(\$ 21)	
			June 30, 2024				
				Recognized in profit or loss		Recognized in other comprehensive income	
				Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change					
Financial assets							
Equity instruments	Price-to-book ratio	±1%	\$ 2,100	(\$ 2,100)	\$ 21	(\$ 21)	

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- Loans to others: None.
- Provision of endorsements and guarantees to others: Please refer to table 1.
- Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.

F. 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, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 8.

14. SEGMENT INFORMATION

(1) General information

The Group management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group's operating segments are segregated into the global brand business group and other business group based on the revenues from all sources.

Global brand business group: in-charge of the development and sale of main boards, interface cards, network & communication products, notebooks and computer peripherals.

Other business group: in-charge of the development and sale of product maintenance, automotive electronics and other products.

The Group's company organisation, basis of department segmentation and principles for measuring segment information for the period were not significantly changed.

(2) Measurement of segment information

The Board of Directors assesses the performance of the operating segments based on the operating income.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	Six months ended June 30, 2025		
	Global brand business group	Other business group	Total
Total segment revenue	\$ 167,436,487	\$ 569,059	\$ 168,005,546
Operating income	\$ 9,420,074	\$ 112,668	\$ 9,532,742
Depreciation and amortization	\$ 175,540	\$ 254,701	\$ 430,241
Total assets (Note)	\$ -	\$ -	\$ -
Total liabilities (Note)	\$ -	\$ -	\$ -

	Six months ended June 30, 2024		
	Global brand business group	Other business group	Total
Total segment revenue	\$ 128,673,547	\$ 414,212	\$ 129,087,759
Operating income	\$ 6,732,588	\$ 195,345	\$ 6,927,933
Depreciation and amortization	\$ 149,030	\$ 251,378	\$ 400,408
Total assets (Note)	\$ -	\$ -	\$ -
Total liabilities (Note)	\$ -	\$ -	\$ -

Note: As the Group's assets and liabilities are not the measurement items used by the Chief Operating Decision-Maker in evaluating segments, the measurement amount of the assets and liabilities that shall be disclosed is zero.

(4) Reconciliation for segment income (loss)

The revenue from external parties and segment profit (loss) reported to the Chief Operating Decision-Maker are measured in a manner consistent with those in the statement of pre-tax income. Therefore, such reconciliation is not required.

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

Six months ended June 30, 2025

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 4)	Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum outstanding endorsement/ guarantee amount as of June 30, 2025	Outstanding endorsement/ guarantee amount at June 30, 2025 (Note 5)	Actual amount drawn down	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	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Giga-Byte Technology Co., Ltd.	Giga Computing Technology Co., Ltd.	2	\$ 1,163,448	\$ 260,147 (USD 8,700)	\$ 260,147 (USD 8,700)	\$ 260,147 (USD 8,700)	\$ -	0.50%	\$ 15,598,661	Y	N	N	

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

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

Note 2: The Company's limit on amount of endorsements/ guarantees provided to single party is 20% of net assets in latest audited (reviewed) financial statements of the Company and should not exceed 50% of the paid-in capital of that single party.

The total limit on amount of endorsements/ guarantees of the Company and subsidiaries provided to single party is 20% of net assets in latest audited (reviewed) financial statements of the Company and should not exceed 30% of the net assets of that single party.

However, when endorse/guarantee to subsidiaries which were 100% directly or indirectly held by the Company, the endorsement / guarantee amount should not exceed 20% of net assets in latest audited (reviewed) financial statements of the Company and should not exceed 300% of the paid-in capital of that subsidiary.

Note 3: The ceiling on total endorsements and guarantees shall not exceed 30% of net assets in latest audited (reviewed) financial statements of the Company.

The total limit on amount of endorsements/ guarantees of the Company and subsidiaries is 40% of net assets in latest audited (reviewed) financial statements of the Company.

Note 4: The Company could provide endorsements/ guarantees to the following counterparties:

- (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.

Note 5: The ending balance of this statement is presented in New Taiwan dollars. Where foreign currencies are involved, they are translated into New Taiwan dollars using the U.S. dollar exchange rate of \$29.902 as of the balance sheet date.

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
June 30, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of June 30, 2025				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Giga-Byte Technology Co., Ltd.	Debt instruments-DEUTSCHE BANK AG etc.	None	Financial assets at fair value through profit or loss-current	-	\$ 194,601	-	<u>\$ 183,849</u>	
			Valuation adjustment of financial assets at fair value through profit or loss		(10,752)			
					<u>\$ 183,849</u>			
Giga-Trend International Investment Group Ltd.	Listed stocks - Gudeng Equipment Co., LTD. etc.	None	Financial assets at fair value through profit or loss-current	Omitted	\$ 99,628	0.10%~0.29%	<u>\$ 101,273</u>	
			Valuation adjustment of financial assets at fair value through profit or loss		1,645			
					<u>\$ 101,273</u>			
	Unlisted stocks - Castec International Crop. etc.	"	Financial assets at fair value through profit or loss-current	Omitted	\$ 179,672	-	<u>\$ 156,279</u>	
			Valuation adjustment of financial assets at fair value through profit or loss		(23,393)			
					<u>\$ 156,279</u>			
Giga Investments Corp.	Unlisted stocks - Taiwan Truewin Technology Co., Ltd.	None	Financial assets at fair value through profit or loss-current	Omitted	\$ 77,779	1.86%~13.01%	<u>\$ 148,033</u>	
			Valuation adjustment of financial assets at fair value through profit or loss		70,254			
					<u>\$ 148,033</u>			
	Beneficiary certificates - NEXUS CVC Partners Fund LP.	"	Financial assets at fair value through profit or loss-non current	-	\$ 150,000	10.73%	<u>\$ 149,450</u>	
			Valuation adjustment of financial assets at fair value through profit or loss		(550)			
					<u>\$ 149,450</u>			
	Listed stocks - Walsin Technology Corporation etc.	"	Financial assets at fair value through other comprehensive income-non current	Omitted	\$ 936,387	1.37%~9.43%	<u>\$ 1,228,283</u>	
			Valuation adjustment of financial assets at fair value through other comprehensive income		291,896			
					<u>\$ 1,228,283</u>			

Note : Transactions listed above are amount reaching NT\$100 million.

GIGA-BYTE TECHNOLOGY 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
Six months ended June 30, 2025

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Giga-Byte Technology Co., Ltd.	G.B.T. Inc.	Parent-subsiary	(Sales)	(\$ 12,685,066)	(19%)	45 days upon receipt of goods	The price was based on the contract price	Normal	\$ 5,900,719	23%	
	Giga-Byte Technology B.V.	"	"	(443,660)	(1%)	30 days upon receipt of goods	"	"	77,447	-	
	G-Style Co., Ltd.	"	"	(1,310,540)	(2%)	60 days upon receipt of goods	"	"	1,097,962	4%	
	Ningbo Zhongjia Technology Co., Ltd.	Parent-indirect subsidiary	"	(17,504,418)	(27%)	90 days upon receipt of goods	"	"	7,209,694	28%	
	Giga Computing Technology Co., Ltd.	Parent-subsiary	Purchases	1,244,536	4%	60 days upon receipt of goods	"	"	(8,397)	-	
	Dongguan Gigabyte Electronics Co.,Ltd.	Parent-indirect subsidiary	"	624,167	2%	60 days upon receipt of goods	"	"	(154,399)	(1%)	
	Ningbo Gigabyte Technology Co., Ltd.	"	"	426,220	1%	30 days upon receipt of goods	"	"	(96,236)	-	
G-Style Co., Ltd.	G.B.T. Inc.	Sister companies	(Sales)	(1,291,046)	(92%)	60 days upon receipt of goods	"	"	1,177,361	98%	
Giga Computing Technology Co., Ltd.	Giga Computing Technology Inc.	Subsidiary-indirect subsidiary	(Sales)	(1,711,973)	(2%)	60 days upon receipt of goods	"	"	798,988	3%	
	Gigaipc Co., Ltd.	"	"	(690,058)	(1%)	60 days after billing	"	"	221,826	1%	
	Ningbo Zhongjia Technology Co., Ltd.	"	"	(155,658)	-	90 days upon receipt of goods	"	"	53,766	-	

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
June 30, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2025 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Giga-Byte Technology Co., Ltd.	G.B.T. Inc.	Parent-subsiary	\$ 5,900,719	4.61	\$ -	-	\$ 2,374,089	\$ -
	Giga Computing Technology Co., Ltd.	"	14,591,722	8.43	-	-	12,563,208	-
	G-Style Co., Ltd.	"	1,132,874	3.72	-	-	27,566	-
	Ningbo Zhongjia Technology Co., Ltd.	Parent-indirect subsidiary	7,209,694	5.74	-	-	3,256,552	-
G-Style Co., Ltd.	G.B.T. Inc.	Sister companies	1,177,361	3.47	-	-	80,261	-
Giga Computing Technology Co., Ltd.	Giga Computing Technology Inc.	Subsidiary-indirect	798,988	4.29	-	-	313,403	-
	Gigaipc Co., Ltd.	"	347,951	6.88	-	-	194,261	-
Dongguan Gigabyte Electronics Co., Ltd.	Giga-Byte Technology Co., Ltd.	Parent-indirect subsidiary	RMB 288,785 thousand	6.00	-	-	RMB 269,494 thousand	-
Ningbo Gigabyte Technology Co., Ltd.	Giga-Byte Technology Co., Ltd.	Parent-indirect subsidiary	RMB 181,657 thousand	5.74	-	-	RMB 123,273 thousand	-
	Giga Computing Technology Co., Ltd.	Sister companies	RMB 347,717 thousand	6.37	-	-	RMB 86,895 thousand	-

Note 1: Including other receivables.

Note 2: The amount represents collections subsequent to June 30, 2025 up to July 31, 2025.

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
Six months ended June 30, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Transaction						
Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
Giga-Byte Technology Co., Ltd.	Giga-Byte Technology B.V.	Parent company to subsidiary	Sales	\$ 443,660	Note 5	-
	"	"	Marketing service charge	\$ 110,016	Note 3	-
	G.B.T., Inc	Parent company to subsidiary	Sales	12,685,066	Note 6	8%
	"	"	Accounts receivable	5,900,719	"	4%
	G-Style Co., Ltd.	Parent company to subsidiary	Sales	1,310,540	Note 4	1%
	"	"	Accounts receivable	1,097,962	"	1%
	Giga Computing Technology Co., Ltd.	Parent company to subsidiary	Accounts receivable	110,827	"	-
	"	"	Other receivables	14,480,895	"	9%
	"	"	Processing revenue	260,514	Note 2	-
	"	"	Purchases	1,244,536	Note 4	1%
	BYTE International Co., Ltd	Parent company to subsidiary	After-sale service fees	336,991	Note 3	-
	Ningbo Zhongjia Technology Co., Ltd.	Parent company to indirect subsidiary	Sales	17,504,418	Note 1	10%
	"	"	Accounts receivable	7,209,694	"	5%
	Dongguan Gigabyte Electronics Co.,Ltd.	Parent company to indirect subsidiary	Purchases	624,167	Note 4	-
	"	"	Accounts payable	154,399	"	-
	"	"	Other payable	1,041,501	"	1%
	Ningbo Gigabyte Technology Co., Ltd.	Parent company to indirect subsidiary	Purchases	426,220	Note 5	-
	"	"	Other payable	633,070	Note 4	-
	Ningbo BestYield Tech. Services Co., Ltd.	Parent company to indirect subsidiary	After-sale service fees	126,884	Note 3	-
G-Style Co., Ltd.	G.B.T., Inc	Subsidiary to subsidiary	Sales	1,291,046	Note 4	1%
	"	"	Accounts receivable	1,177,361	"	1%
Giga Computing Technology Co., Ltd.	Ningbo Zhongjia Technology Co., Ltd.	Subsidiary to subsidiary	Sales	155,658	Note 1	-
	Ningbo Gigabyte Technology Co., Ltd.	Subsidiary to indirect subsidiary	Other payable	1,456,859	Note 4	1%
	Giga Computing Technology Inc.	Subsidiary to indirect subsidiary	Sales	1,711,973	"	1%
	"	"	Accounts receivable	798,988	"	1%
	Gigaipc Co., Ltd.	Subsidiary to indirect subsidiary	Sales	690,058	Note 2	-
	"	"	Accounts receivable	221,826	"	-
	"	"	Other receivables	126,125	"	-

Note 1 : Credit terms were 90 days upon receipt of goods.

Note 2 : Credit terms were 60 days after billing.

Note 3 : Credit terms were 30 days after billing.

Note 4 : Credit terms were 60 days upon receipt of goods.

Note 5 : Credit terms were 30 days upon receipt of goods.

Note 6 : Credit terms were 45 days upon receipt of goods.

Note 7 : Transactions listed above are amount reaching NT\$100 million.

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Information on investees
Six months ended June 30, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2025			Net profit (loss) of the investee for the six months ended June 30, 2025	Investment income(loss) recognized by the Company for the six months ended June 30, 2025	Footnote
				Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Giga-Byte Technology Co., Ltd.	Freedom International Group Ltd.	British Virgin Islands	Holding company	\$ 5,251,952	\$ 5,251,952	176,571,692	100.00	\$ 8,721,033	(\$ 349,360)	(\$ 112,144)	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Giga Investments Corp.	Taiwan	Holding company	2,815,000	2,815,000	297,756,500	100.00	3,289,826	27,699	27,699	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	G-Style Co., Ltd.	Taiwan	Manufacturing and selling of notebooks	310,000	310,000	12,000,000	100.00	135,539	92,861	51,137	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	BYTE International Co., Ltd.	Taiwan	Selling of PC peripherals	583,709	583,709	31,000,000	100.00	425,833	48,309	48,309	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	MyelinTek Inc.	Taiwan	Software service	100,600	70,000	749,999,993	100.00	79,938	(7,991)	(7,991)	The Company's subsidiary (Note1)
Giga-Byte Technology Co., Ltd.	Giga Computing Technology Co., Ltd.	Taiwan	Sales of computer information products	834,600	834,600	108,498,000	83.93	7,838,138	3,626,402	3,047,361	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Giga-Byte Technology B.V.	Netherlands	Sales of computer information products	25,984	25,984	8,500	100.00	213,482	11,302	11,148	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	GBT Tech. Co. Ltd.	U.K.	Marketing of computer information products	47,488	47,488	800,000	100.00	33,030	1,361	1,361	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Nippon Giga-Byte Corp.	Japan	Marketing of computer information products	380,675	380,675	183,000	100.00	392,528	151	151	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	G.B.T. Technology Trading GmbH	Germany	Marketing of computer information products	352,752	352,752	-	100.00	438,634	5,597	5,597	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Gigabyte Technology Pty. Ltd.	AUS	Marketing of computer information products	55,664	55,664	2,400,000	100.00	60,626	1,632	1,632	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Gigabyte Technology (India) Private Limited	India	Marketing and maintenance of computer information products	182,868	182,868	4,600,000	100.00	19,922	5,372	5,372	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Gigabyte Technology ESPANA S.L.U.	Spain	Marketing of computer information products	241	241	5,000	100.00	12,481	961	961	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	G.B.T. Inc.	U.S.A.	Sales of computer information products	90,660	90,660	54,116	22.64	484,972	339,829	101,918	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Gigabyte Information Technology Commerce Limited Company	Turkey	Marketing of computer information products	3,541	3,541	8,000	100.00	2,034	388	388	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Gigabyte Technology LLC Company	South Korea	Marketing of computer information products	22,534	22,534	168,000	100.00	37,772	1,445	1,445	The Company's subsidiary
Freedom International Group Ltd.	Charleston Investments Limited	Cayman Islands	Holding company	1,844,922	1,844,922	57,032,142	100.00	2,098,609	(689,019)	-	The Company's indirect subsidiary
Freedom International Group Ltd.	G.B.T. Inc.	U.S.A.	Sales of computer information products	458,239	458,239	184,916	77.36	1,880,028	339,829	-	The Company's indirect subsidiary
Freedom International Group Ltd.	Giga Future Limited	British Virgin Islands	Holding company	2,689,068	2,689,068	82,819,550	100.00	3,278,250	90,222	-	The Company's indirect subsidiary
Freedom International Group Ltd.	LCKT Yuan Chan Technology Co., Ltd.(Cayman)	Cayman Islands	Holding company	92,775	92,775	3,000,000	30.00	-	(31,077)	-	Subsidiary's investee company accounted for under the equity method
G.B.T. Inc.	Gigabyte Canada Inc.	Canada	Marketing of computer information products	22	22	1,000	100.00	1,267	241	-	The Company's indirect subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2025			Net profit (loss) of the investee for the six months ended June 30, 2025	Investment income(loss) recognized by the Company for the six months ended June 30, 2025	Footnote
				Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Giga Investments Corp.	Giga-Trend International Investment Group Ltd.	Taiwan	Holding company	\$ 547,050	\$ 547,050	60,000,000	100.00	\$ 606,839	(\$ 24,076)	-	The Company's indirect subsidiary
Giga Investments Corp.	Senyun Precision Optical Co., Ltd.	Taiwan	Manufacturing and selling of optical lens	-	1,547,410	-	-	-	(2,895)	-	Note2
Giga Investments Corp.	Selita Precision Co., Ltd.	Taiwan	Manufacturing, wholesale and retail of bicycle and parts	50,000	50,000	5,000,000	100.00	56,892	5,885	-	The Company's indirect subsidiary
Giga Investments Corp.	Cloudmatrix Co., Ltd.	Taiwan	E-commerce platform	30,200	30,200	3,000,000	100.00	31,532	813	-	The Company's indirect subsidiary
Giga Investments Corp.	Wellysun Inc.	Taiwan	Electronic parts and components manufacturing	392,000	392,000	11,200,000	23.53	383,112	(10,440)	-	Subsidiary's investee company accounted for under the equity method
Giga Investments Corp.	Da Shiang Technology Co., Ltd.	Taiwan	Electronic parts and components manufacturing	12,500	12,500	1,250,000	25.00	3,005	(11,644)	-	Subsidiary's investee company accounted for under the equity method
Giga Investments Corp.	GIGA-IMAGE Technology Co., Ltd.	Taiwan	Electronic parts and components manufacturing	100,000	-	10,000,000	29.41	112,511	42,540	-	Subsidiary's investee company accounted for under the equity method
BYTE International Co., Ltd.	Aorus Pte. Ltd.	Singapore	Marketing of computer information products	-	60,757	-	-	-	(243)	-	Note3
BYTE International Co., Ltd.	Gigabyte Technology Poland SP Z O.O.	Poland	Marketing and maintenance of computer information products	13,997	13,997	100	100.00	15,775	(152)	-	The Company's indirect subsidiary
BYTE International Co., Ltd.	BYTE (Thailand) Limited	Thailand	Marketing and maintenance of computer information products	3,907	-	400,000	100.00	3,163	(542)	-	The Company's indirect subsidiary
Giga Computing Technology Co., Ltd.	Gigaipc Co., Ltd.	Taiwan	Sales of computer information products	120,000	120,000	13,200,000	83.33	223,698	69,201	-	The Company's indirect subsidiary
Giga Computing Technology Co., Ltd.	Giga Computing Technology Inc.	U.S.A.	Sales of computer information products	3,074	3,074	10,000	100.00	57,492	92,876	-	The Company's indirect subsidiary
Giga Computing Technology Co., Ltd.	We Solutions Techology Co., Ltd	Taiwan	Electronic parts and components manufacturing	210,000	210,000	7,000,000	20.00	216,535	11,623	-	Subsidiary's investee company accounted for under the equity method
Giga Computing Technology Co., Ltd.	Aorus Pte. Ltd.	Singapore	Marketing of computer information products	60,757	-	3,073,000	100.00	10,088	(243)	-	The Company's indirect subsidiary (Note3)
Giga-Trend International Investment Group Ltd.	Wellysun Inc.	Taiwan	Electronic parts and components manufacturing	51,480	51,480	1,716,000	3.61	58,734	(10,440)	-	Subsidiary's investee company accounted for under the equity method
Selita Precision Co., Ltd.	P.R.C.E. Ltd.	Taiwan		8,455	1,230	845,517	38.42	8,119	(1,476)	-	Subsidiary's investee company accounted for under the equity method (Note4)
Ningbo BestYield Tech. Services	OGS Europe B.V.	Netherlands	Selling of communications	12,443	12,443	3,000	100.00	47,558	(1,048)	-	The Company's indirect subsidiary
Ningbo Boxinda Trading Co., Ltd.	Popxing Technology & Trading Co., Limited	Hong Kong	Sales of computer information products	225,680	225,680	-	100.00	212,107	2,921	-	The Company's indirect subsidiary

Note1: Provided in Note 4(3) B Note 2.

Note2: Provided in Note 4(3) B Note 4.

Note3: Provided in Note 4(3) B Note 5.

Note4: Provided in Note 6(7) F.

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES														
Information on investments in Mainland China														
Six months ended June 30, 2025														
Expressed in thousands of NTD (Except as otherwise indicated)														
Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six months ended June 30, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	Net income of investee as of June 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the six months ended June 30, 2025	Book value of investments in Mainland China as of June 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2025	Footnote	
					Remitted to Mainland China	Remitted back to Taiwan								
Dongguan Gigabyte Electronics Co., Ltd.	Manufacturing of computer information products	\$ 1,180,938	Note 1	\$ 1,180,938	\$ -	\$ -	\$ 1,180,938	\$ 87,292	100.00	\$ 87,292	\$ 1,590,885	\$ -	The Company's indirect subsidiary	
Ningbo Boxinda Trading Co., Ltd.	Sales of computer information products	259,752	Note 1	259,752	-	-	259,752	(779,009)	100.00	(779,009)	373,934	-	The Company's indirect subsidiary	
Ningbo Zhongjia Technology Co., Ltd.	Sales of computer information products	109,853	Note 3	-	-	-	-	(782,771)	100.00	(782,771)	99,330	-	The Company's indirect subsidiary	
Ningbo Gigabyte Technology Co., Ltd.	Manufacturing of computer information products	2,780,313	Note 1	2,780,313	-	-	2,780,313	87,541	100.00	87,541	3,146,007	-	The Company's indirect subsidiary	
Ningbo BestYield Tech. Services Co., Ltd.	Maintenance of computer information products	181,923	Note 2	165,515	-	-	165,515	13,205	100.00	13,205	283,240	-	The Company's indirect subsidiary	
Zaozhuang Bestyield Resources Recycling Co., Ltd.	Recycling and selling of renewable resources	5,507	Note 3	-	-	-	-	(84)	100.00	(84)	7,838	-	The Company's indirect subsidiary	

Note 1: Invested by Charleston Investments Limited and Giga Future Limited., which are subsidiaries of Freedom International Group Ltd.

Note 2: Directly invest in a company in Mainland China.

Note 3: Others.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	Investment amount		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
		approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		
Giga-Byte Technology Co., Ltd.	\$ 4,386,518	\$ 4,402,053	\$	32,126,130

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area
Six months ended June 30, 2025

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated))

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing						Footnote
	Amount	%	Amount	%	Balance at June 30, 2025	%	Balance at June 30, 2025	Purpose	Maximum balance during the six months ended June 30, 2025	Balance at June 30, 2025	Interest rate	Interest during the six months ended June 30, 2025	Others		
Ningbo Zhongjia Technology Co., Ltd.	\$ 17,504,418	27	\$ -	-	\$ 7,209,694	28	\$ -	-	\$ -	-	-	\$ -	-	-	
Ningbo Gigabyte Technology Co., Ltd.	8,819	-	-	-	-	-	-	-	-	-	-	-	-	-	
"	(426,220)	(1)	-	-	(96,236)	-	-	-	-	-	-	-	-	Other payable \$633,070	
Dongguan Gigabyte Electronics Co., Ltd.	3,392	-	-	-	-	-	-	-	-	-	-	-	-	-	
"	(624,167)	(1)	-	-	(154,399)	1	-	-	-	-	-	-	-	Other payable \$1,041,501	
Ningbo BestYield Tech. Services Co., Ltd.	28,536	-	-	-	14,202	-	-	-	-	-	-	-	-	After-sale service fees \$126,884	
Ningbo Zhongjia Technology Co., Ltd.	155,658	-	-	-	53,766	-	-	-	-	-	-	-	-	-	Note 1
Ningbo Gigabyte Technology Co., Ltd.	(85,751)	-	-	-	(24,901)	-	-	-	-	-	-	-	-	Other payable \$1,456,859	Note 2

Note 1: Giga Computer Technology Co., Ltd. sales goods to Ningbo Zhongjia Technology Co., Ltd.

Note 2: Giga Computer Technology Co., Ltd. purchases goods from Ningbo Gigabyte Technology Co., Ltd.

Note 3: Transactions listed above are amount reaching NT\$100 million.