MITAC DIGITAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2025 AND 2024

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

MITAC DIGITAL TECHNOLOGY CORPORATION AND SUBSIDIARIES
Declaration of Consolidated Financial Statements of Affiliated Enterprises

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

Very truly yours,

Matthew Jhi-Wu Ho

Chairman of MITAC DIGITAL TECHNOLOGY CORPORATION

March 5, 2026

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR25000648

To the Board of Directors and Shareholders of MiTAC Digital Technology Corporation

Opinion

We have audited the accompanying balance sheets of MiTAC Digital Technology Corporation and its subsidiaries (the "Group") as at December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Emphasis of Matter

As stated in Note 6(26), the Group acquired 100% equity interest in MiTAC Innovation (Kunshan) Ltd. for cash consideration of $29,634 thousand during the second quarter of the year 2025 and completed an internal reorganization among entities under common control. The Group accounted for this transaction using the pooling of interests method and prepared consolidated financial statements accordingly. Our audit opinion is not modified in respect of this matter.

Key audit matters

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

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

Sales revenue recognition

Description

For accounting policies on sales revenue recognition, please refer to Note 4(28). Considering that sales revenue is material to the consolidated financial statements and is critical to the Group's operating performance, and that the Group's products are mainly Automotive electronics and AIoT products, particular attention is required to changes in the composition of major customers and whether sales revenue has actually occurred. Thus, we identified sales revenue recognition as a key audit matter.

How our audit addressed the matter

We conducted audit procedures, including: discussing with management and evaluating the policies related to revenue recognition; assessing the effectiveness of the design and implementation of internal controls over revenue recognition; analysing changes in sales revenue from major customers; test sampling customer sales orders and reconciling them to shipping supporting documents to verify that sales transactions actually occurred; and inspecting sales returns and discounts from major customers subsequent to the balance sheet date to assess whether sales revenue was appropriately recognized.

Valuation of inventory

Description

The Group is mainly engaged in development, design, manufacturing, and selling automotive electronics, Smart AIoT, and industrial computer products. Due to rapid technological innovations and fluctuations in market demands, there is a higher risk of inventory obsolescence. The Group's inventories are measured at the lower of costs and net realisable values. For a description of accounting policies on valuation of inventories, please refer to Note 4(12), and for uncertainty of accounting estimates and assumptions in relation to valuation of inventories, please refer to Note 5(2). Considering that the Group's inventories were material to the consolidated financial statements and with various categories, and the valuation process was subject to management's judgment, it was identified as a key audit matter.

How our audit addressed the matter

We performed audit procedures, including: discussed with management and evaluated the policy of inventory valuation, validated inventory aging report through checking the logic of calculating aged inventories and confirming the appropriateness of categorization of aged inventories; and validated the basis in determining net realizable values of obsolete or slow-moving inventories in order to evaluate the reasonableness of allowance for inventory valuation losses.

Other matter - Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of MiTAC Digital Technology Corporation as at and for the years ended December 31, 2025 and 2024.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive

to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

Liu, Chien-Yu   Chiang, Cheng Han

For and on behalf of PricewaterhouseCoopers, Taiwan

March 5, 2026

The accompanying 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 financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

MITAC DIGITAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2025 AMOUNT	%	(restated) December 31, 2024 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 2,711,936	40	$ 2,797,274	42
1110	Financial assets at fair value through profit or loss - current	6(2)	35	-	2,994	-
1170	Accounts receivable - net	6(4)	1,458,501	21	1,461,830	22
1180	Accounts receivable - related parties - net	6(4) and 7	94,436	1	72,380	1
1200	Other receivables	7	6,662	-	13,097	-
1220	Current income tax assets		2,592	-	5,311	-
130X	Inventories	6(5)	1,892,858	28	1,798,292	27
1410	Prepayments		121,697	2	94,133	1
1470	Other current assets		3,193	-	7,976	-
	Total current assets		6,291,910	92	6,253,287	93
	Non-current assets					
1535	Financial assets at amortised cost - non-current	6(3) and 8	14,215	-	1,492	-
1600	Property, plant and equipment - net	6(6) and 7	208,367	3	155,015	2
1755	Right-of-use assets	6(7) and 7	80,751	1	99,024	2
1780	Intangible assets	6(8)	17,169	-	18,238	-
1840	Deferred income tax assets	6(24)	190,660	3	170,073	3
1900	Other non-current assets		29,254	1	27,561	-
15XX	**Total non-current assets**		540,416	8	471,403	7
1XXX	**Total assets**		$ 6,832,326	100	$ 6,724,690	100

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MITAC DIGITAL TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2025 AMOUNT	%	(restated) December 31, 2024 AMOUNT	%
	Current liabilities					
2120	Financial liabilities at fair value through profit or loss - current	6(9)	2,217	-	28	-
2130	Contract liabilities - current	6(17)	246,006	4	76,494	1
2170	Accounts payable		946,053	14	778,477	12
2180	Accounts payable - related parties	7	1,958,695	29	2,393,560	36
2200	Other payables	6(10) and 7	894,042	13	1,005,924	15
2230	Current income tax liabilities		58,502	1	20,733	-
2250	Provisions - current	6(13)	91,554	1	88,533	1
2280	Lease liabilities - current	7	29,518	-	26,176	1
2300	Other current liabilities		158,339	2	155,056	2
21XX	**Total current liabilities**		4,384,926	64	4,544,981	68
	Non-current liabilities					
2550	Provisions - non-current	6(13)	169,449	2	108,937	1
2570	Deferred income tax liabilities	6(24)	5	-	41	-
2580	Lease liabilities - non-current	7	53,369	1	74,264	1
2600	Other non-current liabilities	6(11)	54,379	1	55,263	1
25XX	**Total non-current liabilities**		277,202	4	238,505	3
2XXX	**Total liabilities**		4,662,128	68	4,783,486	71
	Equity attributable to owners of parent					
	Share capital	6(14)				
3110	Common shares		1,094,133	16	1,093,883	16
	Capital surplus	6(15)				
3200	Capital surplus		594,281	9	572,253	9
	Retained earnings	6(16)				
3310	Legal reserve		79,390	1	75,792	1
3350	Unappropriated retained earnings		358,711	5	35,976	1
	Other equity interest					
3400	Other equity interest		43,683	1	67,626	1
31XX	**Equity attributable to owners of the parent**		2,170,198	32	1,845,530	28
35XX	Equity attributable to former owner of business combination under common control	6(26)	-	-	95,674	1
3XXX	**Total equity**		2,170,198	32	1,941,204	29
	Significant Contingent Liabilities And Unrecognised Contract Commitments	9(1)(2)				
	Significant Events After the Balance Sheet Date	11				
3X2X	**Total liabilities and equity**		$ 6,832,326	100	$ 6,724,690	100

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

MITAC DIGITAL TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share)

			Year ended December 31			
			2025		2024(restated)	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17) and 7	$ 8,329,635	100	$ 6,983,065	100
5000	Operating costs	6(5) and 7	(6,287,751)	(75)	(5,196,216)	(74)
5900	Gross profit		2,041,884	25	1,786,849	26
	Operating expenses	6(22) (23) 7 and 12(2)				
6100	Selling expenses		(608,958)	(7)	(576,170)	(8)
6200	General and administrative expenses		(320,255)	(4)	(261,742)	(4)
6300	Research and development expenses		(802,970)	(10)	(825,521)	(12)
6450	Expected credit loss (gain)		(711)	-	-	-
	Total operating expenses		(1,732,894)	(21)	(1,663,433)	(24)
6900	Operating profit		308,990	4	123,416	2
	Non-operating income and expenses					
7100	Interest income	6(18) and 7	49,240	1	66,736	1
7010	Other income	6(19) and 7	9,131	-	5,310	-
7020	Other gains and losses	6(20)	1,986	-	1,673	-
7050	Finance costs	6(21) and 7	(2,580)	-	(3,171)	-
7000	Total non-operating income and expenses		57,777	1	70,548	1
7900	**Profit before income tax**		366,767	5	193,964	3
7950	Income tax expense	6(24)	(44,004)	(1)	(18,033)	-
8200	**Profit for the year**		$ 322,763	4	$ 175,931	3

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MITAC DIGITAL TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share)

			Year ended December 31			
			2025		2024(restated)	
	Items	Notes	AMOUNT	%	AMOUNT	%
	Other comprehensive income (loss) - net					
	Components of other comprehensive income(loss) that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	6(11)	$(1,144)	-	$ 4,147	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(24)	229	-	(829)	-
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss		(915)	-	3,318	-
	Components of other comprehensive income(loss) that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements		(20,669)	-	23,681	-
8300	**Other comprehensive (loss) income for the year**		$(21,584)	-	$ 26,999	-
8500	**Total comprehensive income for the year**		$ 301,179	4	$ 202,930	3
	Profit (loss) , attributable to:					
8610	Owners of parent		$ 327,248	4	$ 171,102	3
8615	Former owner of business combination under common control		(4,485)	-	4,829	
			$ 322,763	4	175,931	3
	Comprehensive income (loss) attributable to:					
8710	Owners of parent		$ 313,025	4	$ 195,013	3
8715	Former owner of business combination under common control		(11,846)	-	7,917	-
			$ 301,179	4	202,930	3
	Basic earnings per share					
9710	Profit attributable to ordinary shareholders of the parent			2.99		1.61
9720	Equity attributable to former owner of business combination under common control			(0.04)		0.05
9750	Basic earnings per share	6(25)	$	2.95	$	1.66
	Diluted earnings per share					
9810	Profit attributable to ordinary shareholders of the parent			2.87		1.60
9820	Equity attributable to former owner of business combination under common control			(0.04)		0.05
9850	Diluted earnings per share	6(25)	$	2.83	$	1.65

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

MITAC DIGITAL TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent							
				Retained earnings		Other equity interest			
	Notes	Share capital-common shares	Capital surplus, additional paid-in capital	Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total	Equity attributable to former owner of business combination under common control	Total equity
Year 2024									
Balance at January 1, 2024(restated)		$ 1,061,000	$ 533,718	$ 61,496	$ 4,509	$ 47,033	$ 1,707,756	$ 87,757	$ 1,795,513
Profit for the year		-	-	-	171,102	-	171,102	4,829	175,931
Other comprehensive income for the year		-	-	-	3,318	20,593	23,911	3,088	26,999
Total comprehensive income		-	-	-	174,420	20,593	195,013	7,917	202,930
Distribution of 2023 and 2024 earnings	6(16)								
Legal reserve		-	-	14,296	(14,296)	-	-	-	-
Cash dividends		-	-	-	(128,657)	-	(128,657)	-	(128,657)
Compensation cost of share-based payment	6(12)	-	19,167	-	-	-	19,167	-	19,167
Exercise of employee stock options	6(12)(14)	32,883	19,368	-	-	-	52,251	-	52,251
Balance at December 31,2024		$ 1,093,883	$ 572,253	$ 75,792	$ 35,976	$ 67,626	$ 1,845,530	$ 95,674	$ 1,941,204
Year 2025									
Balance at January 1, 2025(restated)		$ 1,093,883	$ 572,253	$ 75,792	$ 35,976	$ 67,626	$ 1,845,530	$ 95,674	$ 1,941,204
Profit (loss) for the year		-	-	-	327,248	-	327,248	(4,485)	322,763
Other comprehensive loss for the year		-	-	-	(915)	(13,308)	(14,223)	(7,361)	(21,584)
Total comprehensive income(loss)		-	-	-	326,333	(13,308)	313,025	(11,846)	301,179
Distribution of 2024 earnings	6(16)								
Legal reserve		-	-	3,598	(3,598)	-	-	-	-
Compensation cost of share-based payment	6(12)	-	11,652	-	-	-	11,652	-	11,652
Exercise of employee stock options	6(12)(14)	250	147	-	-	-	397	-	397
Organizational restructuring	6(26)	-	10,229	-	-	(10,635)	(406)	(29,228)	(29,634)
Cash distribution to former equity holders under common control		-	-	-	-	-	-	(54,600)	(54,600)
Balance at December 31, 2025		$ 1,094,133	$ 594,281	$ 79,390	$ 358,711	$ 43,683	$ 2,170,198	$ -	$ 2,170,198

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

MITAC DIGITAL TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	2025	2024(restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 366,767	$ 193,964
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(7) and (22)	90,373	66,996
Amortization	6(8)(22)	20,971	20,331
Provision of expected credit loss	12(2)	711	-
Loss (gain) of financial assets/liabilities at fair value through profit or loss	6(20)	5,150	(3,815)
Interest expense	6(21)	2,580	3,171
Interest income	6(18)	(49,240)	(66,736)
Compensation cost of employee share-based payment transactions	6(12)	11,652	19,167
Gain on disposal of property, plant and equipment	6(20)	(32)	(997)
Loss on inventory market value decline	6(5)	52,170	105,857
Changes in operating assets and liabilities			
Changes in operating assets			
Increase in accounts receivable		(21,102)	(758,569)
Decrease in other receivables		18,810	5,856
Increase in inventories		(144,108)	(908,173)
Increase in prepayments		(27,135)	(62,213)
Decrease in other current assets		4,438	845
Changes in operating liabilities			
Increase (decrease) in contract liabilities		169,240	(16,184)
Increase in accounts payable		167,930	421,242
(Decrease) increase in accounts payable - related parties		(435,028)	878,247
Increase in other payables		8,074	352,211
Increase in provisions for liabilities		63,469	13,351
Increase in other current liabilities		2,815	12,766
Dncrease in other operating liabilities		(2,165)	(775)
Cash inflow generated from operations		306,340	276,542
Receipt of interest		49,871	64,493
Payment of interest		(2,580)	(3,171)
Payment of income tax		(121,974)	(2,212)
Net cash flows from operating activities		231,657	335,652

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MITAC DIGITAL TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	2025	2024(restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in financial assets at amortised cost		$(12,518)	(85)
Acquisition of property, plant and equipment	6(6)(27)	(158,840)	(47,414)
Proceeds from disposal of property, plant and equipment	7	507	1,000
(Increase) Decrease in refundable deposits		(1,653)	4,737
Acquisition of intangible assets	6(8)	(19,906)	(25,485)
Loans lent to related parties	7	-	(304,901)
Loans repaid from related parties	7	-	489,131
Net cash flows (used in) from investing activities		(192,410)	116,983
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in guarantee deposits received	6(28)	215	-
Repayments of lease liabilities	6(28)	(26,849)	(25,458)
Cash dividends paid	6(16)	-	(128,657)
Exercise of employee share options	6(14)	397	52,251
Consideration paid for the acquisition of the predecessor's equity interest under common control	6(26)	(29,634)	-
Cash dividend distributed to the predecessor's equity holders under common control		(54,600)	-
Net cash flows used in financing activities		(110,471)	(101,864)
Effects of changes in exchange rates		(14,114)	7,579
Net (decrease) increase in cash and cash equivalents		(85,338)	358,350
Cash and cash equivalents at beginning of year	6(1)	2,797,274	2,438,924
Cash and cash equivalents at end of year	6(1)	$ 2,711,936	$ 2,797,274

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

MITAC DIGITAL TECHNOLOGY CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

(1) Mitac Digital Technology Corporation (hereinafter referred to as the "Company") was approved for establishment on September 1, 2017. In order to achieve the benefits of professional specialization and enhance overall competitiveness, an organizational restructuring was carried out. On January 1, 2018, the Company's parent company, MiTAC Holdings Corporation, spun off and transferred the related businesses of the Mobile Communications Product Business Unit of its subsidiary, MiTAC International Corporation, to the Company. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the development, design, manufacturing, and sales of automotive devices and in-vehicle communication systems, as well as smart connected device products.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 5,2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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) <u>Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group</u>

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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) <u>IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC</u>

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

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

For the above standards and interpretations, the Group is still continuing its evaluation and will disclose the results upon its completion.

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

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

(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) Defined benefit liabilities recognised based on the net amount of pension fund assets and present value of defined benefit obligation.

B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group' s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group' s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) 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 noncontrolling 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 recognised 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. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Investor	Subsidiary	Main activities	December 31, 2025	(restated) December 31, 2024	Remarks
MiTAC Digital Technology Corp.	Access Wisdom Holdings Ltd.	General investments	100	100	
MiTAC Digital Technology Corp.	Mio International Ltd.	General investments	100	100	
MiTAC Digital Technology Corp.	MiTAC Innovation (Kunshan) Ltd.	Research/development and technical consultation services	100	-	Note 1
Access Wisdom Holdings Ltd.	MiTAC Europe Ltd.	Sale of automotive devices, in-vehicle communication systems, and AIoT products	100	100	
MiTAC Europe Ltd.	MiTAC Digital Corp.	Sale of automotive devices, in-vehicle communication systems, and AIoT products	100	100	
MiTAC Europe Ltd.	MiTAC Australia Pty Ltd.	Sale of automotive devices, in-vehicle communication systems, and AIoT products	100	100	
Mio International Ltd.	Mio Technology Ltd.	Sale of automotive devices, in-vehicle communication systems, and AIoT products	-	100	Note 2
MiTAC Innovation (Kunshan) Ltd.	Mio Technology Ltd.	Sale of automotive devices, in-vehicle communication systems, and AIoT products	100	-	Note 2

Note 1: In the second quarter of 2025, the organizational structure was adjusted. Originally, MiTAC Innovation (Kunshan) Ltd. was directly wholly owned by Software Insights Ltd. After the adjustment, MiTAC Innovation (Kunshan) Ltd. is directly wholly owned by MiTAC Digital Technology Corp.

Note 2: In the second quarter of 2025, the organizational structure was adjusted. Originally, Mio Technology Ltd. was directly wholly owned by Mio International Ltd. After the adjustment, Mio Technology Ltd. is directly wholly owned by MiTAC Innovation (Kunshan) Ltd.

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

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

E. Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.

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

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

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

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities and associates 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 spot 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.

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(d) When the settlement of a monetary receivable form or payable to a foreign operationis is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to from part of the netinvestment in the foreign operaiton are recognized in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realized within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

The Group classifies all assets that do not meet the above conditions as non-current.

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 within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all liabilities that do not meet the above conditions as non-current.

(6) Cash equivalents

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

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

A. Financial assets at amortized cost or fair value through other comprehensive income are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce a measurement or recognition inconsistency.

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

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises 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 amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. 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 recognised in profit or loss when the asset is derecognised or impaired.

D. The Group holds time deposits that do not meet the definition of cash equivalents. As the holding period is short and the impact of discounting is insignificant, such deposits are measured at their investment amount.

(9) 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.

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

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

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

A. The contractual rights of the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(12) Inventories

A. The perpetual inventory system is adopted for inventory recognition. Inventories are stated at standard cost, and adjusted at the end of reporting period to approximate them to the cost calculated on a weighted average method.

B. At the end of period, inventories are evaluated at the lower of cost or net realizable value, and the individual item approach is used in the comparison of cost and net realizable value. The calculation of net realizable value should be based on the estimated selling price in the normal course of business, net of estimated costs of completion and estimated selling expenses.

(13) 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 recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of discarded assets is derecognised when critical repairs are incurred, and other repair expenses are charged to profit or loss for the period when they incur.

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:

Machinery and equipment	5 ~ 10 years
Transportation equipment	4 ~ 5 years
Leasehold improvements	5 years
Other equipment	3 ~ 5 years

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

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of lowvalue assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable; and

(b) Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability; and

(b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(15) Intangible assets

The use right of computer software was capitalised based on the acquisition cost and cost to prepare the specific software to become usable. Computer software was amortized based on the contract or on a straight-line basis over 5 years.

(16) Impairment of non-financial assets

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

(17) Borrowings

Borrowings comprise long-term and short-term bank borrowings and other long-term and shortterm loans. Borrowings are recognised 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 recognised in profit or loss over the period of the borrowings using the effective interest method.

(18) 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.

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

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

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

(20) Derecognition of financial liabilities

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

(21) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(22) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date. Provisions are not recognised for future operating losses.

(23) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' remuneration

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

(24) 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 recognised 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 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 recognised is based on the number of equity instruments that eventually vest.

(25) Income tax

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

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income 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 recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(26) Share capital

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

(27) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(28) Revenue recognition

A. Sales of goods

(a) The Group manufactures and sells cloud computing products and mobile communication products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the

Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Revenue from sales is recognised based on the price specified in the contract, net of the sales returns and sales discounts. The Group provides to customers the sales return right and sales discounts and recognises refund liability for expected sales discounts payable to customers in relation to sales by using the expected value method.

(c) The Group's obligation to provide maintenance services for faulty products under the standard warranty terms is recognised as a provision.

(d) Account receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Sales of services

(a) The Group provides technology services and installment repairs and maintenance services. Revenue from providing services is recognised in the accounting period in which the services are rendered. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(b) Some contracts include multiple deliverables. Such services are accounted for as a single performance obligation as they are highly interrelated and indistinguishable.

(29) Organizational restructuring under common control

A. The organizational restructuring was accounted for in accordance with the guidance set out in the IFRS Q&A "Accounting Issues Related to Business Combinations under Common Control" issued by the Accounting Research and Development Foundation of the Republic of China on October 26, 2018. As IFRS 3 Business Combinations does not provide explicit guidance on business combinations under common control, the Company applied the relevant interpretations and guidance issued by the competent authority in Taiwan. Accordingly, the pooling of interests method using book values was applied, and the transaction was accounted for as if the entities had been combined from the beginning of the period presented, with prior-period financial statements retrospectively restated.

B. If the acquisition was effected through a cash purchase, any difference between the consideration transferred and the net assets acquired was recognized as an increase (or decrease) to capital surplus arising from share premium. In the event that the capital surplus is insufficient to absorb such difference, the remaining balance was charged against retained earnings.

C. In addition, pursuant to Interpretation Letter Ref. No. (101) Ji-Mi-Zi No. 301 issued by the Accounting Research and Development Foundation of the Republic of China

(Taiwan), when preparing the comparative consolidated balance sheets, the equity interests held by shareholders originally under common control are presented as "Predecessor's equity under common control." When preparing the comparative consolidated statements of profit or loss, the portions attributable to shareholders originally under common control are presented as "Net income (loss) of the predecessor under common control."

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

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

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

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

As of December 31, 2025, the carrying amount of inventories is described in Note 6 (5).

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1)Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash:		
Cash on hand and revolving funds	$ 71	$ 72
Checking accounts and demand deposits	1,186,674	1,274,579
Cash equivalents:		
Time deposits	1,525,191	1,522,623
Total	$ 2,711,936	$ 2,797,274

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 has no cash and cash equivalents pledged to others.

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

Items	December 31, 2025	December 31, 2024
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Valuation adjustment - Derivatives	$ 35	$ 2,994

A. The Group recognised net gain (loss) of $(2,961) and $2,994 on financial assets at fair value through profit or loss December 31, 2025 and 2024, respectively.

B. The non-hedging derivative instrument transactions and contract information are as follows:

Financial Instrument	Item	December 31, 2025 Notional Amount (in thousands)		Fair Market Value (in thousands)
MiTAC Australia Pty Ltd.				
Forward foreign exchange - Sell	Advance booking NZD to buy AUD	USD	2	2

Financial Instrument	Item	December 31, 2024 Notional Amount (in thousands)		Fair Market Value (in thousands)
MiTAC Digital Technology Corp.				
Forward foreign exchange - Sell	Advance booking EUR to buy USD	EUR	2,500	918
Forward foreign exchange - Sell	Advance booking AUD to buy USD	AUD	2,766	2,076

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 amortised cost

Items	December 31, 2025	December 31, 2024
Non-current items:		
Pledged deposits	$ 14,215	$ 1,492

A. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were $14,215 and $1,492, respectively.

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

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

(4) Accounts receivable

	December 31, 2025	December 31, 2024
Third parties	$ 1,473,862	$ 1,476,522
Less: Allowance for bad debts	(15,361)	(14,692)
	1,458,501	1,461,830
Related parties	94,436	72,380
	$ 1,552,937	$ 1,534,210

A. The ageing analysis of accounts receivable and notes receivable is as follows:

	December 31, 2025	December 31, 2024
Not past due	$ 1,345,043	$ 1,398,314
Up to 90 days	222,478	148,801
91 to 180 days	487	1,787
Over 181 days	290	-
	$ 1,568,298	$ 1,548,902

The above ageing analysis was based on past due date.

B. As of December 31, 2025 and 2024, accounts receivable were all from contracts with customers. And as of January 1, 2024, the balance of accounts receivable from contracts with customers amounted to $781,951.

C. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were $1,552,937 and $1,534,210, respectively.

D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2025	December 31, 2024
	Book value	Book value
Raw materials	$ 1,314,294	$ 1,240,746
Work in process	170,636	141,164
Finished goods	407,928	416,382
Total	$ 1,892,858	$ 1,798,292

Expense and loss incurred on inventories:

	For the year ended December 31	
	2025	2024
Cost of goods sold	$ 6,235,581	$ 5,090,359
Loss on decline in market value	52,170	105,857
	$ 6,287,751	$ 5,196,216

(6) Property, plant and equipment

	Machinery	Computer and communication equipment	Transportation equipment	Office equipment	Leasehold improvements	Molding equipment	Other equipment	Construction in progress and equipment under inspection	Total
At January 1, 2025									
Cost	$ 12,266	$ 24,316	$ 7,198	$ 3,534	$ 42,508	$ 44,515	$ 55,884	$ 52,206	$ 242,427
Accumulated depreciation and impairment	(5,664)	(11,857)	(1,206)	(2,217)	(19,258)	(10,965)	(36,245)	-	(87,412)
	$ 6,602	$ 12,459	$ 5,992	$ 1,317	$ 23,250	$ 33,550	$ 19,639	$ 52,206	$ 155,015
2025									
At January 1	$ 6,602	$ 12,459	$ 5,992	$ 1,317	$ 23,250	$ 33,550	$ 19,639	$ 52,206	$ 155,015
Additions	54,394	7,606	3,383	-	6,681	32,878	9,573	2,354	116,869
Disposal	(347)	(8)	-	(23)	(97)	-	-	-	(475)
Reclassifications	52,206	-	-	-	-	-	-	(52,206)	-
Depreciation	(12,405)	(7,706)	(1,985)	(599)	(6,631)	(24,564)	(9,202)	-	(63,092)
Effects of foreign exchange	-	29	86	(10)	(87)	-	32	-	50
At December 31	$ 100,450	$ 12,380	$ 7,476	$ 685	$ 23,116	$ 41,864	$ 20,042	$ 2,354	$ 208,367
At December 31, 2025									
Cost	$ 115,895	$ 26,476	$ 10,721	$ 2,926	$ 41,551	$ 61,554	$ 49,953	$ 2,354	$ 311,430
Accumulated depreciation and impairment	(15,445)	(14,096)	(3,245)	(2,241)	(18,435)	(19,690)	(29,911)	-	(103,063)
	$ 100,450	$ 12,380	$ 7,476	$ 685	$ 23,116	$ 41,864	$ 20,042	$ 2,354	$ 208,367

	Machinery	Computer and communication equipment	Transportation equipment	Office equipment	Leasehold improvements	Molding equipment	Other equipment	Construction in progress and equipment under inspection	Total
At January 1, 2024									
Cost	$ 16,330	$ 18,296	$ 4,564	$ 3,066	$ 39,762	$ 40,645	$ 58,977	$ 746	$ 182,386
Accumulated depreciation and impairment	(8,655)	(11,023)	(2,301)	(1,645)	(14,385)	(11,027)	(34,549)	-	(83,585)
	$ 7,675	$ 7,273	$ 2,263	$ 1,421	$ 25,377	$ 29,618	$ 24,428	$ 746	$ 98,801
2024									
At January 1	$ 7,675	$ 7,273	$ 2,263	$ 1,421	$ 25,377	$ 29,618	$ 24,428	$ 746	$ 98,801
Additions	2,249	12,097	4,627	528	2,199	17,241	4,253	53,230	96,424
Disposal	-	(1)	-	-	-	-	(2)	-	(3)
Reclassifications	-	-	-	-	-	-	1,793	(1,793)	-
Depreciation	(3,322)	(6,189)	(909)	(658)	(5,026)	(13,308)	(11,027)	-	(40,439)
Effects of foreign exchange	-	(721)	11	26	700	(1)	194	23	232
At December 31	$ 6,602	$ 12,459	$ 5,992	$ 1,317	$ 23,250	$ 33,550	$ 19,639	$ 52,206	$ 155,015
December 31, 2024									
Cost	$ 12,266	$ 24,316	$ 7,198	$ 3,534	$ 42,508	$ 44,515	$ 55,884	$ 52,206	$ 242,427
Accumulated depreciation and impairment	(5,664)	(11,857)	(1,206)	(2,217)	(19,258)	(10,965)	(36,245)	-	(87,412)
	$ 6,602	$ 12,459	$ 5,992	$ 1,317	$ 23,250	$ 33,550	$ 19,639	$ 52,206	$ 155,015

(7) Leasing arrangements － lessee

A. The Group leases various assets including land, buildings and structures, machinery, office equipment and transportation equipment. Rental contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.

B. Certain leased buildings with lease terms under 12 months are short-term lease agreements. Additionally, the leased office equipment were low-value assets.

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

	December 31, 2025	December 31, 2024
	Carrying amount	Carrying amount
Buildings and structures	$ 80,545	$ 98,557
Machinery	206	467
	$ 80,751	$ 99,024

	For the year ended December 31	
	2025	2024
	Depreciation charge	Depreciation charge
Buildings and structures	$ 27,018	$ 26,318
Machinery	263	239
	$ 27,281	$ 26,557

D. For the December 31, 2025 and 2024, the additions to right-of-use assets were $9,289 and $124,388, respectively.

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

	For the year ended December 31	
	2025	2024
Interest expense on lease liabilities	$ 2,580	$ 3,171
Expense on short-term lease contracts	34,437	29,022
Expense on leases of low-value assets	-	5
	$ 37,017	$ 32,198

F. For the December 31, 2025 and 2024, the Group’s total cash outflow for leases was $63,866 and $57,656, respectively.

(8) Intangible assets

	Computer software			
	2025		2024	
At January 1				
Cost	$	51,906	$	44,241
Accumulated amortization and impairment	(	33,668)	(	31,157)
	$	18,238	$	13,084
At January 1	$	18,238	$	13,084
Additions		19,906		25,485
Amortization	(	20,971)	(	20,331)
Effects of foreign exchange	(	4)		-
At December 31	$	17,169	$	18,238
At December 31				
Cost	$	49,489	$	51,906
Accumulated amortization and impairment	(	32,320)	(	33,668)
	$	17,169	$	18,238

Details of amortisation of intangible assets are as follows:

	For the year ended December 31			
	2025		2024	
Operating costs	$	27	$	-
Selling expenses		2,832		2,643
Administrative expenses		8,664		7,165
Research and development expenses		9,448		10,523
	$	20,971	$	20,331

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

Item	December 31, 2025		December 31, 2024	
Current items :				
Valuation adjustment - Derivatives	$	2,217	$	28

A. The Group recognised net gain (loss) of $(2,189) and $821 December 31, 2025 and 2024, respectively.

B. The non-hedging derivative instrument transactions and contract information are as follows:

Financial Instrument	Item	December 31, 2025 Notional Amount (in thousands)		December 31, 2025 Fair Market Value (in thousands)	
MiTAC Digital Technology Corp.					
Forward foreign exchange - Sell	Advance booking EUR to buy USD	EUR	4,250	(	886)
Forward foreign exchange - Sell	Advance booking AUD to buy USD	AUD	3,500	(	1,331)

Financial Instrument	Item	December 31, 2024 Notional Amount (in thousands)		December 31, 2024 Fair Market Value (in thousands)	
MiTAC Digital Technology Corp.					
Forward foreign exchange - Sell	Advance booking AUD to buy USD	CNY	1,000	(	28)

(10) Other payables

	December 31, 2025		December 31, 2024	
Salary and bonus payable	$	363,047	$	247,717
Taxes payable under the consolidated tax filing system		7,564		104,272
Equipment payable		7,039		49,010
Others		516,392		604,925
Total	$	894,042	$	1,005,924

(11) Pensions

A. Defined benefit plans

(a) The Company's domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, 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 Law. 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's domestic subsidiaries contribute 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's domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by the end of 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 qualified for retirement next year, the Company's domestic subsidiaries will make contributions to cover the deficit by next March.

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

	December 31, 2025		December 31, 2024	
Present value of defined benefit obligations	$(	106,378)	$(	105,767)
Fair value of plan assets		52,037		51,431
Net defined benefit liability	$(	54,341)	$(	54,336)

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

	Present value of defined benefit	Fair value of plan assets	Net defined benefit liability
2025			
Balance at January 1	$(105,767)	$ 51,431	$(54,336)
Current service cost	(657)	-	(657)
Interest (expense) income	(1,586)	788	(798)
	(108,010)	52,219	(55,791)
Remeasurements:			
Return on plan assets(excluding amounts included in interest income or expense)	-	3,648	3,648
Change in financial assumptions	(1,065)	-	(1,065)
Experience adjustments	(3,727)	-	(3,727)
	(4,792)	3,648	(1,144)
Pension fund contribution	-	2,295	2,295
Paid pension	6,424	(6,125)	299
Balance at December 31	$(106,378)	$ 52,037	$(54,341)

	Present value of defined benefit	Fair value of plan assets	Net defined benefit liability
2024			
Balance at January 1	$(105,592)	$ 46,273	$(59,319)
Current service cost	(551)	-	(551)
Interest (expense) income	(1,320)	589	(731)
	(107,463)	46,862	(60,601)
Remeasurements:			
Return on plan assets(excluding amounts included in interest income or expense)	-	4,473	4,473
Change in financial assumptions	2,228	-	2,228
Experience adjustments	(2,554)	-	(2,554)
	(326)	4,473	4,147
Pension fund contribution	-	2,118	2,118
Paid pension	2,022	(2,022)	-
Balance at December 31	$(105,767)	$ 51,431	$(54,336)

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

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

	2025	2024
Discount rate	1.375%	1.500%
Future salary increase	2.250%	2.250%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory. Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2025				
Effect on present value of defined benefit obligation	$ 2,113	$(2,178)	$(2,121)	$ 2,068
(restated) December 31, 2024				
Effect on present value of defined benefit obligation	$ 2,162	$(2,229)	$(2,170)	2,116

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The method and assumptions used for the preparation of sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Company's domestic subsidiaries for the next 12 months of December 31, 2026 amount to $2,320.

(g) As of December 31, 2025, the weighted average duration of that retirement plan is 8.9 years.

B. Defined contribution plans

(a) 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.

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

(c) The pension costs under the defined contribution pension plans of the Group December 31, 2025 and 2024 were $50,173 and $41,102, respectively.

(12)Employee share-based payment

A. For the year ended December 31, 2025, the Group's share-based payment agreement was as follows:

				Vesting conditions(Note)	
Type of agreement	Grant date	Quantity granted (shares in thousands)	Contract period	Schedule	Exercisable share subscription ratio (cumulative)
Employee stock options	2024.9.20	10,000	6 years	2024/12/20~2024/12/30	50%
				Expired 2 years	50%
				Expired 3 years	75%
				Expired 4 years	100%

Note: From the expiration of three months after the grant of the Employee Stock Options until ten days prior to the expiration date, the options may be exercised in accordance with the following schedule.

B. The details of share-based payment agreement are as follows:

	2025	
	No. of options (shares in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	6,712	$ 15.89
Options exercised	(25)	15.89
Options expired	(337)	-
Options outstanding at December 31	6,350	15.89
Options exercisable at December 31	-	

	2024	
	No. of options (shares in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	-	$ -
Options granted	10,000	17.06
Options exercised	(3,288)	15.89
Options outstanding at December 31	6,712	15.89
Options exercisable at December 31(Note)	25	

Note: As of December 31, 2024, the requests for stock subscription has been submitted, but the payment for the subscription has not yet been completed.

C. As of balance sheet date, the information of outstanding employee stock option plan is as follows:

	Weighted-average remaining contractual	
Issue date approved	December 31, 2025	December 31, 2024
2024.9.20	4.72 years	5.72 years

D. The Company uses the Black-Scholes option-pricing model to estimate the fair value of stock options for share-based payment transactions.

Type of agreement	Grant date	Fair value (in dollars)	Exercise price (in dollars)	Expected volatility	Expected duration	Expected dividends (in dollars)	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options	2024.9.20	$ 19.39	$ 17.06	35%~40%	6 years	$ -	1.3512% | 1.3862%	$5.0777 | $7.2838

E.Expenses incurred on the share-based payment transactions is as follows:

	2025	2024
Equity-settled	$ 11,652	$ 19,167

(13) Provisions

	Warranty reserve	
	2025	2024
At January 1, 2025	$ 197,470	$ 184,028
Additional provisions	92,635	60,709
Used during the period	(29,165)	(47,358)
Effects of foreign exchange	63	91
At December 31, 2025	$ 261,003	$ 197,470

	December 31, 2025	December 31, 2024
Current	$ 91,554	$ 88,533
Non-current	$ 169,449	$ 108,937

The Group's provision for warranty liabilities mainly relates to the sales of automotive devices, in-vehicle communication systems, and smart connected device products. The warranty provision is estimated based on historical warranty data for the relevant products, and the Group expects that this provision will be utilized within the next one to three years.

(14) Share capital

A. As of December 31, 2025, the Company's authorised capital was $2,000,000, consisting of 0.2 billion shares, and the paid-in capital was $1,094,133 with a par value of $10 dollars per share. Movements in the number of the Company's ordinary shares outstanding are as follows:

Unit: in thousands of shares

	2025	2024
Outstanding shares as of January 1	109,388	106,100
Exercise of employee stock options	25	3,288
Outstanding shares as of December 31	109,413	109,388

(15) Capital surplus

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

(16) 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 years' accumulated deficit and then 10% of the remaining amount shall be set aside as legal reserve. Special reserve shall also be set aside or reversed pursuant to the regulations. Appropriation of the remainder along with prior year's accumulated unappropriated retained earnings shall be proposed by the Board of Directors, and shall be resolved by the stockholders when they are appropriated by issuing new shares. If the appropriation of retained earnings was appropriated in the form of cash, the appropriation should be resolved by the Board of Directors.

B. Earnings appropriation ratio and cash dividends ratio which no less than 30% of the distributable earnings of the current year are decided by the Board of Directors , taking into account the Company's financial structure, future capital requirements and profitability, and cash dividends shall account for at least 10% of the total dividends appropriated. Earnings appropriation ratio and cash dividends ratio are subject to adjustments once approved by the stockholders.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. The appropriation of 2024 earnings had been resolved at the shareholders' meeting on June 20, 2024. Details are summarized below:

	For the year ended December 31, 2023	
	Amount	Dividend per share (in dollars)
Legal reserve for the third quarter	$ 11,995	
Legal reserve for the fourth quarter	451	
Cash dividend for the third quarter	107,954	$ 1.01748166
Cash dividend for the fourth quarter	4,058	0.03824394
Total	$ 124,458	

E. The appropriation of 2024 earnings had been resolved at the shareholders' meeting on June 27, 2025. Details are summarized below:

	For the year ended December 31, 2024	
	Amount	Dividend per share (in dollars)
Legal reserve for the third quarter	$ 13,845	
Legal reserve for the fourth quarter	3,598	
Cash dividend for the third quarter	124,599	$ 1.17436149
Total	$ 142,042	

F. On March 5, 2026, the appropriation of earnings for the year ended December 31, 2025 proposed by the Board of Directors and to be approved by the shareholders is as follows:

	For the year ended December 31, 2025	
	Amount	Dividend per share (in dollars)
Legal reserve	$ 32,633	
Cash dividend	218,827	$ 2.00
Total	$ 251,460	

(17) Operating revenue

	For the year ended December 31	
	2025	2024
Revenue from contracts with customers	$ 8,329,635	$ 6,983,065

A. Disaggregation of revenue from contracts with customers

	For the year ended December 31	
	2025	2024
Automotive Devices and Video Telematics Systems	$ 4,675,427	$ 4,197,053
Smart IoT Devices	3,203,199	2,174,181
Others	451,009	611,831
	$ 8,329,635	$ 6,983,065

B. Contract liabilities

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

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities– sales of goods	$ 246,006	$ 76,494	$ 90,987

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

	2025	2024
Contract liabilities-Sales	$ 65,246	$ 65,039

(18) Interest income

	For the year ended December 31	
	2025	2024
Interest income from bank deposits	$ 49,230	$ 61,708
Interest income from loans to related parties	-	5,021
Other Interest income	10	7
	$ 49,240	$ 66,736

(19) Other income

	For the year ended December 31	
	2025	2024
Rental revenue	$ 2,544	$ -
Other income	6,587	5,310
	$ 9,131	$ 5,310

(20) Other gains and losses

	For the year ended December 31	
	2025	2024
Gains on disposals of property, plant and equipment	$ 32	$ 997
Net currency exchange (losses) gain	7,169	(2,702)
Gains on financial assets liabilities at fair value through profit or loss	(5,150)	3,815
Other losses	(65)	(437)
	$ 1,986	$ 1,673

(21) Financial costs

	For the year ended December 31	
	2025	2024
Interest expense on lease liabilities	$ 2,580	$ 3,171

(22) Expense by nature

	For the year ended December 31	
	2025	2024
Employee benefit expense	$ 1,320,054	$ 1,076,286
Depreciation charges on property, plant and equipment, investment property and right-of-use assets	90,373	66,996
Amortization charges	20,971	20,331
Total	$ 1,431,398	$ 1,163,613

(23) Employee benefit expenses

	For the year ended December 31	
	2025	2024
Wages and salaries	$ 1,158,254	$ 944,683
Labor and health insurance fees	70,301	59,340
Pension costs	51,628	42,384
Other personnel expenses	39,871	29,879
	$ 1,320,054	$ 1,076,286

A. According to the amended Articles of Incorporation, the profit (pre-tax profit before deduction of employees' compensation and directors' remuneration) of the current year shall be distributed as employees' compensation and directors' remuneration, which will be resolved by the Board of Directors. The ratio shall not be lower than 0.1% for employees and not be higher than 1% for directors. If a company has an accumulated deficit, earnings should be reserved to cover losses. Employees' compensation can be distributed by stock or dividends, and employees must be working for the Company. The Chairman of the Board is authorised to set the qualification requirements.

B. For the December 31, 2025 and 2024, employees' compensation was accrued at 5% of gain on pre-tax profit before deduction of employees' compensation and directors' remuneration. Directors' remuneration were accrued under 1% of gain on pre-tax profit before deduction of employees' compensation and directors' remuneration.

C. For the December 31, 2025 and 2024, employees's compensation were accrued at \$18,783 and \$9,812, respectively; and for the year ended December 31, 2025, directors' remuneration were accrued at \$2,700. The aforementioned amounts were recognised in salary expenses. Employees' compensation and directors' remuneration of 2025 and 2024 as resolved at the Board of Directors of the Company were in agreement with those amounts recognised in the 2025 and 2024 parent company only financial statements.

D. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors is available at the "Market Observation Post System" website of the Taiwan Stock Exchange.

(24) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the year ended December 31	
	2025	2024
Current tax:		
Current tax on profits for the period	$ 94,201	$ 76,197
Tax on undistributed surplus earnings	1,619	-
Prior year income tax overestimation	(31,422)	3,736
Total current tax	64,398	79,933
Deferred tax:		
Origination and reversal of temporary differences	(20,394)	(61,900)
Total deferred tax	(20,394)	(61,900)
Income tax expense	$ 44,004	$ 18,033

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	For the year ended December 31	
	2025	2024
Actuarial gain on defined benefit obligations	$(229)	$ 829

B. Reconciliation between income tax expense and accounting profit

	For the year ended December 31	
	2025	2024
Tax calculated based on profit before tax and statutory tax rate	$ 85,329	$ 39,955
Tax on undistributed earnings	1,619	-
Unrecognised deferred income tax liabilities	(16,485)	(21,585)
Change in assessment of realisation of deferred tax (liabilities) assets	-	(4,073)
Prior year income tax overestimation	(31,422)	3,736
Income tax effect from return of dividends arising from overseas investments	4,963	-
Income tax expense	$ 44,004	$ 18,033

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

	For the year ended December 31, 2025			
	Beginning balance	Recognised in profit or loss	Recognised in other comprehensive income	Ending balance
Deferred tax assets:				
Temporary differences:				
Warranty provision	$ 39,632	$ 9,866	$ -	$ 49,498
Loss from decline in inventory price to market value	46,837	10,691	-	57,528
Unrealised estimate payable	39,528	400	-	39,928
Refund liability	18,452	(510)	-	17,942
Accrued pension liability	10,830	(168)	229	10,891
Others	14,794	79	-	14,873
Subtotal	170,073	20,358	229	190,660
Deferred tax liabilities:				
Temporary differences:				
Others	(41)	36	-	(5)
Total	$ 170,032	$ 20,394	$ 229	$ 190,655

	For the year ended December 31, 2024			
	Beginning balance	Recognised in profit or loss	Recognised in other comprehensive income	Ending balance
Deferred tax assets:				
Temporary differences:				
Warranty provision	$ 35,020	$ 4,612	$ -	$ 39,632
Loss from decline in inventory price to market value	22,116	24,721	-	46,837
Unrealised estimate payable	18,161	21,367	-	39,528
Refund liability	15,074	3,378	-	18,452
Accrued pension liability	11,835	(176)	(829)	10,830
Others	9,034	5,760	-	14,794
Subtotal	111,240	59,662	(829)	170,073
Deferred tax liabilities:				
Temporary differences:				
Others	(2,279)	2,238	-	(41)
Total	$ 108,961	$ 61,900	$(829)	$ 170,032

D. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2025 and 2024, the amounts of temporary difference unrecognised as deferred tax liabilities were $410,501 and $353,084, respectively.

E. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(25) Earnings per share

	For the year ended December 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to common shareholders			
Profit attributable to ordinary shareholders of the parent	$ 327,248		$ 2.99
Equity attributable to former owner of business combination under common control	(4,485)		(0.04)
	$ 322,763	109,413	$ 2.95
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options		4,059	
Employees' compensation		416	
Profit attributable to common shareholders			
Profit attributable to ordinary shareholders of the parent	$ 327,248		$ 2.87
Equity attributable to former owner of business combination under common control	(4,485)		(0.04)
	$ 322,763	113,888	$ 2.83

	For the year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to common shareholders			
Profit attributable to ordinary shareholders of the parent	$ 171,102		$ 1.61
Equity attributable to former owner of business combination under common control	4,829		0.05
	$ 175,931	106,118	$ 1.66
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		646	
Profit attributable to common shareholders			
Profit attributable to ordinary shareholders of the parent	$ 171,102		$ 1.60
Equity attributable to former owner of business combination under common control	4,829		$ 0.05
	$ 175,931	106,764	$ 1.65

Note: The employee stock options issued in 2024 were antidilutive and therefore were not included in the calculation of diluted earnings per share for 2024.

(26) Reorganization under common control

	December 31, 2024	
	Amount	Ownership
Predecessor's equity under common control		
-MiTAC Innovation (Kunshan) Ltd.	$ 95,674	0 %

In order to optimize the Group's organizational structure, the Group carried out the following reorganization:

A. In the second quarter of 2025, the Company carried out a corporate reorganization and acquired 100% equity interest in MiTAC Innovation (Kunshan) Ltd.. (hereinafter referred to as "MIK") for cash consideration of $29,634. As the principal shareholders holding equity interests in both the Company and MIK are the same, the reorganization represents a reorganization under common control. Accordingly, the transaction is accounted for as if it had occurred from the beginning, and the consolidated financial statements for the comparative periods have been retrospectively restated.

   The difference of $406 between the acquisition consideration and the net assets acquired was adjusted against capital surplus arising from share premium of $10,229 and foreign currency translation differences of foreign operations of ($10,635).

B. The consideration paid for the acquisition of MIK together with the carrying amounts of the assets acquired and liabilities assumed as of the acquisition date, are set forth below:

	2025.06.23
Consideration received	
Cash	$ 29,634
Less: Carrying amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	53,846
Accounts receivable-related parties	72,913
Other receivables	998
Prepayments	2,802
Property, plant and equipment	20,026
Intangible assets	73
Accounts payable - related parties	(35,266)
Current income tax liabilities	(57)
Other payables	(86,107)
Total identifiable net assets	29,228
Less : Other equity interest	
Financial statements translation differences of foreign operations	10,635
Capital surplus	$ (10,229)

(27) Supplemental cash flow information

Investing activities with partial cash payments :

	2025	2024
Purchase of property, plant and equipment	$ 116,869	$ 96,424
Add: Opening balance of payable on equipment	49,010	-
Less: Ending balance of payable on equipment	(7,039)	(49,010)
Cash paid during the period	$ 158,840	$ 47,414

(28) Changes in liabilities from financing activities

	Guarantee deposit received	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2025	$ -	$ 100,440	$ 100,440
Changes in cash flow	215	(29,429)	(29,214)
Impact of changes in foreign exchange rate	2	7	9
Changes in other non-cash items	-	11,869	11,869
At December 31, 2025	$ 217	$ 82,887	$ 83,104

	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2024	$ 1,699	$ 1,699
Changes in cash flow	(28,629)	(28,629)
Impact of changes in foreign exchange rate	(189)	(189)
Changes in other non-cash items	127,559	127,559
At December 31, 2024	$ 100,440	$ 100,440

7. RELATED PARTY TRANSACTIONS

(1) Parent Company and Ultimate Parent Company

The ultimate parent company of the Group is MiTAC Holdings Corp.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
MiTAC Holdings Corp.	Parent
MiTAC International Corp.	Subsidiary
MiTAC International Corp.	Other related party
MiTAC Computing Technology Corp. and subsidiaries	Other related party
MiTAC Computer (Shunde) Corp.	Other related party
MiTAC Japan Corp.	Other related party
Getac Holdings Corp. and subsidiaries	Other related party
Lien Hwa Industrial Holdings Corp. and subsidiaries	Other related party
UPC Technology Corp.	Other related party
Synnex Technology International Corp. and subsidiaries	Other related party
MiTAC Research (Shanghai) Ltd.	Other related party
MiTAC Information Systems (Kunshan) Co., Ltd.	Other related party

(3) Significant related party transactions and balances

A. Operating revenue:

	For the year ended December 31	
	2025	2024
Sales of goods:		
MiTAC Japan Corp.	$ 335,344	$ 166,762
Other related parties	16,541	26,550
Subtotal	351,885	193,312
Other related parties	56,698	43,163
Total	$ 408,583	$ 236,475

(a) The selling price to related parties is determined based on the economic environment and market competition in the region of the related party.

(b) The Group's credit terms granted to related parties are mainly settled through netting of accounts receivable and payable, with collection periods ranging from 60 to 150 days. Credit terms granted to general customers mainly range from 30 to 105 days.

B. Purchases:

	For the year ended December 31	
	2025	2024
Purchases of goods:		
Other related parties		
MiTAC Computer (KunShan) Co., Ltd. (Note)	1,674,167	1,259,702
Synnex Techonology International Corp. and subsidiaries	198,938	147,452
MiTAC Computing Technology Corp.	62,036	476,266
MiTAC Computer (Shunde) Ltd. (Note)	23,627	379,779
Others	6,556	52,314
Total	$ 1,965,324	$ 2,315,513

Note: The Group's outsourced processing transactions with other related parties are conducted under toll processing arrangements, whereby the Group repurchases the processed goods after processing of the supplied materials. The related transaction amounts have been presented on a net basis in accordance with relevant regulations.

(a) The purchase price from related parties cannot be compared with the prices to third parties due to differences in product specifications.

(b) The Group's term of payment with related parties are settled through netting of accounts receivable and payable, with payment periods ranging from 90 to 150 days. The principal payment terms with general vendors mainly range from 30 to 120 days.

C. Receivables from related parties:

	December 31, 2025	December 31, 2024
Accounts receivable:		
Other related parties		
MiTAC Japan Corp.	82,286	35,669
MiTAC Computing Technology Corp.	-	14,527
MiTAC Computer (KunShan) Co., Ltd.	6,471	20,488
Others	5,679	1,696
Subtotal	94,436	72,380
Other receivables		
MiTAC Computing Technology Corp.	$ 2,218	$ 4,307
Other related parties	464	251
Subtotal	2,682	4,558
Total	$ 97,118	$ 76,938

D. Payables to related parties:

	December 31, 2025	December 31, 2024
Accounts payable:		
Other related parties		
MiTAC Computer (KunShan) Co., Ltd.	$ 1,795,761	$ 1,811,191
MiTAC Computer (Shunde) Ltd.	93,932	460,840
Others	69,002	121,529
Subtotal	1,958,695	2,393,560
Other payables:		
Parent	7,564	104,272
Other related parties		
MiTAC International Corp.	20,966	19,997
MiTAC Computer (Shunde) Ltd.	13,046	4,315
MiTAC Computer (KunShan) Co., Ltd.	2,110	56,387
Others	9,908	2,658
Subtotal	53,594	187,629
Total	$ 2,012,289	$ 2,581,189

E. Property transactions:

(a) Acquisition of property, plant and equipment:

	For the year ended December 31	
	2025	2024
Other related parties	$ 669	$ 10,626

(b) Disposal of property, plant and equipment:

	2025		2024	
	Disposal price	Gain (loss) from disposal	Disposal price	Gain (loss) from disposal
Other related parties	$ 347	$ -	$ -	$ -

F. Lease transactions－leasee

(a) The Group leases buildings from other related parties. Rental contracts are typically made for periods from 1 to 5 years .

(b) Acquisition of right-of-use assets

	For the year ended December 31	
	2025	2024
Other related parties-MiTAC International Corp.	$ 1,735	$ 117,310

(c) Lease liabilities

i. Outstanding balance:

	December 31, 2025	December 31, 2024
Other related parties-MiTAC International Corp.	$ 73,734	$ 95,187

ii. Interest expense

	For the year ended December 31	
	2025	2024
Other related parties-MiTAC International Corp.	$ 2,442	$ 3,048

(d) Rent expense

	For the year ended December 31	
	2025	2024
Other related parties	$ 26,942	$ 21,511

G. Lease transactions－lessor

Rent income

	For the year ended December 31	
	2025	2024
MiTAC Computing Technology Corp.	$ 2,544	$ -

H. Expenses

	For the year ended December 31	
	2025	2024
MiTAC International Corp.	$ 53,409	$ 66,102
MiTAC Computing Technology Corp.	16,948	20,832
MiTAC Computer (Shunde) Ltd.	44,586	47,930
MiTAC Computer (KunShan) Co., Ltd.	23,725	19,222
MiTAC Research (ShangHai) Ltd.	21,663	121,323
Others	28,490	35,576
Total	$ 188,821	$ 310,985

Note.Mainly relates to contracted research and service expenses.

I. Loans to related parties

(a)Loans to related parties

i.Recorded under other receivables : None

ii.Interest income

	For the year ended December 31	
	2025	2024
Other related parties	$ -	$ 5,021

During the period from January 1 to December 31, 2024, interest on loans to other related parties was charged at annual interest rates ranging from 0% to 5%. During the same period from January 1 to December 31, 2024, the total amount of loans to related parties and the total amount repaid amounted to $184,230.

J. Endorsements and guarantees

Endorsements and guarantees provided by related parties:

	December 31, 2025	December 31, 2024
Parent	$ -	$ 4,372

(4) Key management compensation

	For the year ended December 31	
	2025	2024
Salaries and other short-term employee benefits	$ 26,358	$ 24,462
Post-employment benefits	571	489
Shared-based payments	455	1,345
Total	$ 27,384	$ 26,296

8. PLEDGED ASSETS

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

	Book Value		
Pledged asset	December 31, 2025	December 31, 2024	Purpose
Time deposits			
(shown as "Other current assets and Financial assets at amortised cost-non-current")	$ 1,621	$ 1,550	Guarantee deposit for lease
(shown as "Financial assets at amortised cost-non-current")	12,594	-	Guarantee deposit for letter of guarantee for customs duties
	$ 14,215	$ 1,550	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies: None.

(2) 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.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 35	$ 2,994
Financial assets at fair value through other comprehensive income		
Financial assets at amortised cost		
Cash and cash equivalents	$ 2,711,936	$ 2,797,274
Financial assets at amortised cost	14,215	1,492
Accounts receivable	1,458,501	1,461,830
Accounts receivable - related parties	94,436	72,380
Other receivables	6,662	13,097
Refundable deposits	15,449	13,756
	$ 4,301,199	$ 4,359,829

	December 31, 2025	December 31, 2024
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	$ 2,217	$ 28
Financial liabilities at amortised cost		
Accounts payable	946,053	778,477
Accounts payable - related parties	1,958,695	2,393,560
Other accounts payable	894,042	1,005,924
Refundable deposits	217	-
	$ 3,799,007	$ 4,177,961
Lease liabilities	$ 82,887	$ 100,440

B. Financial risk management policies

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. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance. The Group uses derivative financial instruments to hedge certain risk exposures (see Notes 6(2), 6(9)).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: EUR and AUD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2025		
	Foreign curency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 68,032	31.43	$ 2,138,247
EUR:NTD	5,894	36.90	217,482
Financial liabilities			
Monetary items			
USD:NTD	74,077	31.43	2,328,249

	December 31, 2024		
	Foreign curency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 66,628	32.79	$ 2,184,415
EUR:NTD	3,287	34.14	112,228
JPY:NTD	487,732	0.21	102,375
Financial liabilities			
Monetary items			
USD:NTD	69,896	32.79	2,291,552
JPY:NTD	480,823	0.21	100,925

ii. Total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group December 31, 2025 and 2024, amounted to $7,169 and $(2,702), respectively.

iii. The Group's foreign currency market risk analysis regarding significant exchange rate fluctuations is shown below:

	For the year ended December 31, 2025		
	Sensitivity analysis		
	Fluctuation %	Affected income	Affected other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1.00%	$ 21,382	$ -
EUR:NTD	1.00%	2,175	-
Financial liabilities			
Monetary items			
USD:NTD	1.00%	23,282	-

	For the year ended December 31, 2024		
	Sensitivity analysis		
	Fluctuation %	Affected income	Affected other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1.00%	$ 21,844	$ -
EUR:NTD	1.00%	1,122	-
JPY:NTD	1.00%	1,024	-
Financial liabilities			
Monetary items			
USD:NTD	1.00%	22,916	-
JPY:NTD	1.00%	1,009	-

Price risk

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.

(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 stated at amortised cost.

ii. 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.

iii. Individual risk limits are set based on internal or external factors in accordance with limits set by credit control manager. The utilisation of credit limits is regularly monitored.

iv. For banks and financial institutions, only the institutions with good credit quality are accepted as counterparties.

v. The default occurs when it expects that the contact payments cannot be recovered and are transferred to overdue receivables. When contract payments are overdue for more than 30 days based on the agreed payment terms, the credit risk of the financial asset is considered to have increased significantly since its initial recognition.

vi. The Group classifies customers' repayment ability in accordance with the contract term and macroeconomic forecast included in the forecastability and related industry information. The Group applies the modified approach using group methodology to estimate expected credit loss.

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

viii. The Group considered the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2025 and 2024, the loss rate methodology is as follows:

December 31, 2025	Group A	Group B	Total
Expected loss rate	4%-74%	0.025%-0.742%	
Value	$ 107,420	$ 1,460,878	$ 1,568,298
Allowance	13,904	1,457	15,361

December 31, 2024	Group A	Group B	Total
Expected loss rate	10%-74%	0.006%-0.7%	
Value	$ 62,369	$ 1,486,533	$ 1,548,902
Allowance	10,616	4,076	14,692

Group A: High-risk accounts: The evaluation module is based on payment records, financial indicators, contract fulfillment status, and related industry information.

Group B: Low- and medium-risk accounts: Entities provide good payment records, strong prospects, transparent financials or collateral.

ix. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable is as follows:

	2025
At January 1	$ 14,692
Provision for impairment	711
Effect of foreign exchange	(42)
At December 31	$ 15,361

	2024
At January 1	$ 14,583
Write-off	(1)
Effect of foreign exchange	110
At December 31	$ 14,692

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group' s liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Accounts payable	$ 2,904,748	$ -	$ -	$ -
Other payables	894,042	-	-	-
Lease liabilities	31,396	29,168	25,630	-
Guarantee deposits	67	150	-	-

Non-derivative financial liabilities:

December 31, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
Accounts payable	$ 3,172,037	$ -	$ -	$ -
Other payables	1,005,924	-	-	-
Lease liabilities	28,574	27,022	25,172	25,172

Derivative financial liabilities

As December 31, 2025 and 2024, the Group's derivative financial liabilities mature within one year.

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

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

B. Financial instruments not measured at fair value

Including the carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, refundable deposits, short-term borrowings, accounts payable, other payables, long-term borrowings and guarantee deposits received are approximate to their fair values.

C. 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 are as follows:

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

December 31, 2025	Level 1	Level 2	Level 3	Total
Recurring fair value measurements of financial assets:				
Forward exchange contracts	$ -	$ 35	$ -	$ 35
Recurring fair value measurements of financial liabilities:				
Forward exchange contracts	$ -	$ 2,217	$ -	$ 2,217

December 31, 2024	Level 1	Level 2	Level 3	Total
Recurring fair value measurements of financial assets:				
Forward exchange contracts	$ -	$ 2,994	$ -	$ 2,994
Recurring fair value measurements of financial liabilities:				
Forward exchange contracts	$ -	$ 28	$ -	$ 28

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

i. 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.

ii. When assessing non-standard and low-complexity financial instruments, 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.

iii. 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.

iv. 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 consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

v. The Group takes into account adjustments for credit risk to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

D. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paidin capital or more: Please refer to table 2.

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

D. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and (9).

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. SEGMENT INFORMATION

(1) General information

The Group operates in a single industry. The Group's chief operating decision maker evaluates performance and allocates resources on a consolidated basis. Accordingly, the Group has been identified as a single reportable segment.

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

The Group has a single reportable segment. The Group's chief operating decision maker measures performance based on net profit after tax as presented in the financial statements, which serves as the basis for performance evaluation. Accordingly, the operating segment information is consistent with that presented in the primary financial statements.

(3) Reconciliation for segment income (loss)

The reportable segment profit or loss reviewed by the chief operating decision maker is consistent with the profit or loss from continuing operations. Accordingly, no reconciliation is required.

(4) Information on products and services

	For the year ended December 31	
	2025	2024
Sales	$ 8,262,612	$ 6,933,438
Other revenue	67,023	49,627
Total	$ 8,329,635	$ 6,983,065

(5) Geographical information

For the December 31, 2025 and 2024, revenues and non-current assets from certain regions are listed below:

	For the year ended December 31			
	2025		2024	
	Revenue	Assets - non-current	Revenue	Assets - non-current
Taiwan	$ 658,451	$ 295,149	$ 813,480	$ 253,211
USA	2,883,950	22	1,834,804	14
Europe	1,572,974	864	1,182,781	1,341
Others	1,724,104	-	1,590,573	-
	1,490,156	24,057	1,561,427	31,516
Total	$ 8,329,635	$ 320,092	$ 6,983,065	$ 286,082

(6) Major customer information

For the December 31, 2025 and 2024, the major customer information of the Group are listed below:

	For the year ended December 31, 2025	
Customer	Revenue	Percentage of total revenue
Customer D	$ 1,093,533	13%
Customer C	827,368	10%

	For the year ended December 31, 2024	
Customer	Revenue	Percentage of total revenue
Customer C	$ 860,672	12%

MITAC DIGITAL TECHNOLOGY CORPORATION AND SUBSIDIARIES
Loans to others
For the year ended December 31, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2025	Balance at December 31, 2025	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)
													Item	Value		
1	Access Wisdom Holdings Ltd.	MiTAC Digital Technology Corp.	Other receivables-related parties	Y	$ 36,526	$ 34,573	$ 34,573	0	2	$ -	Operations	$ -	None	$ -	$ 649,895	$ 649,895
2	Mio International Ltd.	MiTAC Digital Technology Corp.	Other receivables-related parties	Y	28,224	27,344	27,344	0	2	-	Operations	-	None	-	174,726	174,726
2	Mio International Ltd.	Access Wisdom Holdings Ltd.	Other receivables-related parties	Y	23,244	22,001	22,001	0	2	-	Operations	-	None	-	174,726	174,726
2	Mio International Ltd.	MiTAC Innovation (Kunshan) Ltd.	Other receivables-related parties	Y	11,720	-	-	0	2	-	Operations	-	None	-	174,726	174,726

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:(1) The Company is ‘0’.(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: The nature of loan are as follows:

(1) Ongoing business

(2) Short-term financing

Note 3 : 1.If Access Wisdom Holdings Ltd. was lending to parent company, the borrowing amount to each borrowing company and the total borrowing amount should not exceed 200% of the net worth on the latest financial statements audited by independent auditors

2. If Mio International Ltd. was lending to the ultimate parent company and foreign subsidiaries owned 100% directly and indirectly by the ultimate parent company, the borrowing amount to each borrowing company and the total borrowing amount should not be higher than 200% of the net worth on the latest financial statements audited by independent auditors.

MITAC DIGITAL TECHNOLOGY CORPORATION AND SUBSIDIARIES
Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more
For the year ended December 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms		Notes/accounts receivable (payable)		Footnote
			Purchases /sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
MiTAC Digital Technology Corp.	MiTAC Digital Corp.	Subsidiary	Sales	$ 1,127,161	14 %	Note 1	Note 3	Note 1	$ 119,127	9 %	
MiTAC Digital Technology Corp.	MiTAC Australia Pty Ltd.	Subsidiary	Sales	160,073	2 %	Note 1	Note 3	Note 1	75,433	6 %	
MiTAC Digital Technology Corp.	MiTAC Japan Corp.	Other related parties	Sales	335,344	4 %	Note 1	Note 3	Note 1	82,286	6 %	
MiTAC Digital Technology Corp.	MiTAC Computer (Kunshan) Ltd.	Other related parties	Purchases	1,669,623	30 %	Note 2	Note 3	Note 2	(1,791,268)	63 %	
MiTAC Digital Technology Corp.	Synnex Technology International Corp. and its subsidiaries	Other related parties	Purchases	198,938	4 %	Note 2	Note 3	Note 2	(69,002)	2 %	

Note 1: The Group's credit term for subsidiaries is to collect within 5 months based on the net amount of receivables after offseting against payables. The Group's credit term for related parties is within 3 months based on the net amount of receivablesafter offsetting against payables; the credit term for third parties is an average of 3 months after the date of shipment.

Note 2: The Group's payment term for subsidiaries is within 5 months based on the net amount of receivables after offsetting against payables. The Group's payment term related parties within 3 months based on the net amount of receivables after offsetting against payables; the payment term for third parties is an average of 3 months after the date of shipment from the counterparty.

Note 3: The selling price to related parties is based on market value.

MITAC DIGITAL TECHNOLOGY CORPORATION AND SUBSIDIARIES
Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more
For the year ended December 31, 2025

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Accounts receivable	Other receivables	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
						Amount	Action taken			
MiTAC Digital Technology Corp.	MiTAC Digital Corp.	Subsidiary	$ 119,127	$ 97	5.29	$ -	Not Applicable	$ 82,322	$ -	

MITAC DIGITAL TECHNOLOGY CORPORATION AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
For the year ended December 31, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)	Footnote
0	MiTAC Digital Technology Corp.	MiTAC Digital Corp.	1	Sales	$ 1,127,161	Note 4	13.53 %	
0	MiTAC Digital Technology Corp.	MiTAC Digital Corp.	1	Accounts receivable	119,127	Note 4	1.74 %	
0	MiTAC Digital Technology Corp.	MiTAC Australia Pty Ltd.	1	Sales	160,073	Note 4	1.92 %	

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is "0".

(2) The subsidiaries are numbered in order starting from "1".

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The Group's credit term for foreign related parties is 5 months for the collection of the net amount of receivables after offsetting against payables, which takes into consideration the reasonable amount of time for the Company to ship the products to each company and for the collection of the accounts. The company's sales price with related parties is based on the international market trends and the region the sales were made.

Note 5: The Group's payment term for foreign related parties is 5 months for the collection of the net amount of receivables after offsetting against payables after checking and the transaction price is based on the international market trends and the region the sales were made.

Note 6: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

MITAC DIGITAL TECHNOLOGY CORPORATION AND SUBSIDIARIES
Information on investees (Does not include Mainland China invested companies)
For the year ended December 31, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognised by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
MiTAC Digital Technology Corp.	Mio International Ltd. and its subsidiaries	British Virgin Islands	General investments	$ 71,588	$ 71,588	1,275,001	100.00	$ 61,523	$ (2,415)	$ (2,415)	Subsidiary
MiTAC Digital Technology Corp.	Access Wisdom Holdings Limited.and its subsidiaries	British Virgin Islands	General investments	-	-	48,500,000	100.00	407,078	81,984	81,984	Subsidiary

MITAC DIGITAL TECHNOLOGY CORPORATION AND SUBSIDIARIES
Information on investments in Mainland China
For the year ended December 31, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

A. Invested information in Mainland China

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee as of December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2025 (Note 2)	Book value of investments in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Mio Technology Ltd.	Sales of automotive electronics, AIoT products	$ 8,442	3	$ 23,415	$ -	$ -	$ 23,415	$ 660	100.00	$ 660	$ 13,046	$ 21,696	
MiTAC Innovation (Kunshan) Ltd.	Research, development of computer software and related technical advisory services	29,541	1	-	29,634	-	29,634	(1,627)	100.00	(1,627)	34,571	-	

Note 1: Investment methods are classified into the following three categories:

(1) Directly invest in a company in Mainland China.

(2) Invest in the investees in Mainland China through the company which are located in the third area.

(3) Others:Invest in Mainland China through investees in Mainland Chian.

Note 2: In the Investment income (loss) recognised by the Company for the year ended December 31, 2025 column:

(1) It should be indicated if the investee was still in the incorporation arrangements and had not yet generated any profit during this period.

(2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

A. The financial statements were audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C..

B. The financial statements were audited and attested by R.O.C. parent company's CPA.

C. The financial statements were not audited and attested by independent accountants.

(3) The basis for investment income (loss) recognition for MiTAC computer (Shunde) Corp. and Shzhou MiTAC Precision Technology Co., Ltd. is category B,the others are category C.

Note 3:In prior years, the Company acquired Mio International Ltd., and indirectly obtained 100% equity interest in Mio Technology Ltd.. The investment amount of USD 745 thousand was approved by the Investment Commission, Ministry of Economic Affairs, Taiwan.In the second quarter of 2025 , pursuant to a resolution of the board of directors of Mio International Ltd., 100% equity interest in Mio Technology Ltd. was sold to the Company’s subsidiary, MiTAC Innovation (Kunshan) Ltd.

B. Ceiling on investments in Mainland China:

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
MiTAC Digital Technology Corp.	$ 53,049	$ 53,049	$ 1,302,118

C. Significant transactions conducted with investees in Mainland China:

For details of other significant transactions, please refer to tables 1 and 5.