Stock Code: 3213

Mildef Crete Inc. and Its Subsidiaries

Consolidated Financial Statements and Independent Auditors' Review Report

Second quarter of 2026 and 2025

Company Address: 7F, No. 250, Section 3, Beishan Road, Shenkeng District, New Taipei City

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Independent Auditors' Review Report

To the Board of Directors of Mildef Crete Inc.,:

Introduction

We have reviewed the accompanying consolidated balance sheets of Mildef Crete Inc. (the "Company") and its subsidiaries (collectively, the "Group") as of June 30, 2026 and 2025; the relevant consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, and the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2026 and 2025, and relevant notes, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). It is the management team's responsibility to prepare the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports" by Securities Issuers and the IAS 34 "Interim Financial Reporting", which has been endorsed and issued into effect by the Financial Supervisory Commission (FSC) of Republic of China, to present the consolidated financial position of the Group fairly, while our responsibility is to make a conclusion on the consolidated financial statements based on our review results.

Scope

We conducted our review in accordance with the Standards on Review No. 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity". The procedures performed when we reviewed the consolidated financial statements included inquiries (mainly from personnel in charge of financial and accounting affairs), analytical procedures, and other review procedures. The scope of review work is obviously smaller than that of audit work, so we might not be able to detect all the material matters that could have been identified through audit work, hence we were unable to express an audit opinion.

Conclusion

According to our review results, we have determined that the foregoing consolidated financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC, with a fair presentation of the Group's consolidated financial position as of June 30, 2026 and 2025 as well as consolidated financial performance for the three months and six months ended June 30, 2026 and 2025, and consolidated cash flows for six months ended June 30, 2026 and 2025.

KPMG Taiwan

CPA: Kao Ching-Wen
Shih Wei-Ming

Competent Securities Authority's Approval Document No. : Jin-Guan-Zheng-Shen-Zi No. 1060005191
Jin Guan Zheng Liu Zi No. 0950103298

August 5, 2026

Mildef Crete Inc. and Its Subsidiaries

Consolidated Balance Sheets

As of June 30, 2026, December 31, 2025, and June 30, 2025

Unit: In Thousands of New Taiwan Dollars

		2026.6.30		2025.12.31		2025.6.30	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets						
1100	Cash and cash equivalents (Note 6 (1))	$ 1,448,232	26	1,558,801	32	1,434,098	28
1110	Financial assets at fair value through profit or loss - current (Note 6 (2))	204,019	4	301,057	6	222,943	4
1121	Financial assets at fair value through other comprehensive income - current (Note 6 (2) and 11)	525,693	9	576,846	12	1,378,151	27
1150	Notes and accounts receivable, net (Notes 6 (3) and (14))	436,370	8	89,416	2	231,452	4
130X	Inventories (Note 6 (4))	1,758,929	31	1,223,834	25	1,085,519	21
1476	Other financial assets - current (Note 6 (1))	170,900	3	167,900	3	215,100	4
1479	Other current assets	72,233	1	52,420	1	24,698	-
	Total current assets	4,616,376	82	3,970,274	81	4,591,961	88
	Non-current assets:						
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6 (2))	484,920	9	389,974	8	81,719	2
1600	Property, plant and equipment (Note 6 (5))	349,079	6	347,681	7	352,512	7
1755	Right-of-use assets (Note 6 (6))	71,600	1	65,612	2	69,929	1
1780	Intangible assets (Note 6 (7))	5,668	-	5,030	-	4,373	-
1840	Deferred income tax assets	79,458	1	79,458	2	79,370	2
1990	Other non-current assets (Note 8)	29,636	1	19,037	-	13,384	-
	Total non-current assets	1,020,361	18	906,792	19	601,287	12
	Total assets	**$ 5,636,737**	**100**	**4,877,066**	**100**	**5,193,248**	**100**

		2026.6.30		2025.12.31		2025.6.30	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities						
2130	Contract liabilities - current (Notes 6 (14) and 7)	$ 395,634	7	214,600	4	152,139	3
2150	Notes payable	64,409	1	61,079	1	15,469	-
2170	Accounts payable	210,249	4	184,871	4	81,130	2
2209	Other Payables (Note 6 (15))	221,149	4	154,190	3	181,781	3
2216	Dividends payables (Note 6 (12))	410,799	7	-	-	352,113	7
2230	Current income tax liabilities	196,264	3	263,285	6	204,543	4
2280	Lease liabilities - current (Note 6 (8))	35,374	1	33,887	1	33,309	1
2399	Other current liabilities	2,429	-	1,996	-	1,495	-
	Total current liabilities	1,536,307	27	913,908	19	1,021,979	20
	Non-current liabilities:						
2552	Provisions for warranty liabilities (Note 6 (9))	12,121	-	12,492	-	12,935	-
2570	Deferred income tax liabilities	102,705	2	114,451	2	274,178	5
2580	Lease liabilities - non-current (Note 6 (8))	36,888	1	32,449	1	37,375	1
2640	Net defined benefit liabilities－non-current	5,252	-	7,114	-	9,897	-
	Total non-current liabilities	156,966	3	166,506	3	334,385	6
	Total liabilities	1,693,273	30	1,080,414	22	1,356,364	26
	Equity attributed to owners of the parent company (Notes 6 (2) and (12)):						
3110	Ordinary share capital	586,855	10	586,855	12	586,855	11
3200	Capital surplus	74,381	1	74,381	2	74,381	2
3300	Retained earnings	2,917,224	52	2,816,141	58	2,285,256	44
3400	Other Equity	325,620	6	295,321	6	867,479	17
	Equity attributed to owners of the parent company	3,904,080	69	3,772,698	78	3,813,971	74
36xx	Non-controlling interests	39,384	1	23,954	-	22,913	-
	Total equity	3,943,464	70	3,796,652	78	3,836,884	74
	Total liabilities and equity	**$ 5,636,737**	**100**	**4,877,066**	**100**	**5,193,248**	**100**

(Please refer to notes to the consolidated financial statements for details)

Chairman: Shen Yi-Tong **Manager: Shen Yi-Tong** **Accounting Manager: Liu Ya-Ping**

Mildef Crete Inc. and Its Subsidiaries

Consolidated Statements of Comprehensive Income

For the Three Months and Six Months Ended June 30, 2026 and 2025

Unit: In Thousands of New Taiwan Dollars

		April to June 2026 Amount	%	April to June 2025 Amount	%	January to June 2026 Amount	%	January to June 2025 Amount	%
4000	**Operating revenue (Notes 6 (14) and 7)**	$ 1,007,727	100	769,318	100	1,736,008	100	1,532,013	100
5000	**Operating cost (Notes 6(4), (5), (6), (8), (9), (10), (15) and 12)**	647,215	64	532,624	69	1,113,503	64	1,010,537	66
	Gross operating profit	360,512	36	236,694	31	622,505	36	521,476	34
	Operating expenses (Notes 6 (3), (5), (6), (8), (10), (15), 7, and 12):								
6100	Selling and marketing expenses	43,515	4	38,931	5	83,237	5	79,767	5
6200	General and administrative expenses	20,810	2	19,564	3	35,783	2	40,003	3
6300	Research and development expenses	30,539	3	25,392	3	58,676	3	50,754	3
6450	Reversal of expected credit losses	(1,127)	-	1,355	-	(387)	-	1,107	-
	Total operating expenses	93,737	9	85,242	11	177,309	10	171,631	11
	Net operating profit	266,775	27	151,452	20	445,196	26	349,845	23
	Non-operating income and expenses (Notes 6(8) and (16)):								
7100	Interest income	14,577	1	7,931	1	27,435	2	10,724	1
7010	Other income	3,115	-	4,511	-	4,261	-	5,206	-
7020	Other gains and losses	(8,913)	(1)	(109,237)	(14)	6,230	-	(99,616)	(7)
7510	Financial cost	(287)	-	(340)	-	(588)	-	(864)	-
	Total non-operating income and expenses	8,492	-	(97,135)	(13)	37,338	2	(84,550)	(6)
	Net profit before tax	275,267	27	54,317	7	482,534	28	265,295	17
7951	**Minus: Income tax expense (Note 6 (11))**	96,095	9	19,540	2	137,564	8	61,895	4
	Current net profit	179,172	18	34,777	5	344,970	20	203,400	13
8300	**Other comprehensive income (Notes 6(2), (11) and (12)):**								
8310	**Items not reclassified as income and loss**								
8316	Unrealized gain (losses) on investments in equity instruments as at fair value through other comprehensive income	178,204	17	(159,534)	(21)	265,249	15	892,467	58
8349	Minus: Income tax related to items not reclassified	33,136	3	(30,514)	(4)	48,584	3	180,333	12
	Total amount of items not reclassified to profit or loss	145,068	14	(129,020)	(17)	216,665	12	712,134	46
8360	**Items that may be reclassified subsequently to profit or loss**								
8361	Exchange differences arising from the translation of the financial statements of foreign operations	(73)	-	(2,389)	-	1,528	-	(1,995)	-
8367	Unrealized valuation losses on debt instrument investments measured at fair value through other comprehensive income	1,106	-	(240)	-	(6,940)	-	(2,316)	-
8399	Minus: Income tax related to potentially classifiable items	221	-	(48)	-	(1,388)	-	(463)	-
	Total amount of items that may be reclassified subsequently to profit or loss	812	-	(2,581)	-	(4,024)	-	(3,848)	-
8300	**Other comprehensive income**	145,880	14	(131,601)	(17)	212,641	12	708,286	46
	Total amount of other current comprehensive gains and losses	**$ 325,052**	**32**	**(96,824)**	**(12)**	**557,611**	**32**	**911,686**	**59**
	Net profit/(loss) attributable to:								
8610	Owners of the Parent Company	$ 177,289	18	34,696	5	329,540	19	200,844	13
8620	Non-controlling interests	1,883	-	81	-	15,430	1	2,556	-
		$ 179,172	**18**	**34,777**	**5**	**344,970**	**20**	**203,400**	**13**
	Total comprehensive income/(loss) attributable to:								
8710	Owners of the Parent Company	$ 323,169	32	(96,905)	(12)	542,181	31	909,130	59
8720	Non-controlling interests	1,883	-	81	-	15,430	1	2,556	-
		$ 325,052	**32**	**(96,824)**	**(12)**	**557,611**	**32**	**911,686**	**59**
	Earnings per share (NT$; (Note 6 (13))								
	Basic earnings per share	**$ 3.02**		**0.59**		**5.62**		**3.42**	
	Diluted earnings per share	**$ 3.00**		**0.59**		**5.56**		**3.39**	

(For details, please refer to notes to the consolidated financial statements)

Chairman: Shen I-Tung **Manager: Shen Yi-Tong** **Accounting Manager: Liu Ya-Ping**

Mildef Crete Inc. and Its Subsidiaries

Consolidated Statements of Changes in Equity

For the Six Months Ended June 30, 2026 and 2025

Unit: In Thousands of New Taiwan Dollars

			Retained earnings			Other Equity Items						
	Ordinary share capital	Capital surplus	Legal reserve	Unappropriated earnings	Total	Exchange differences arising from the translation of Financial Report of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Defined benefits plans remeasurement	Total	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
Balance on January 1, 2025	$ 586,855	74,381	589,882	1,335,437	1,925,319	(408)	671,387	(580)	670,399	3,256,954	23,597	3,280,551
Current net profit	-	-	-	200,844	200,844	-	-	-	-	200,844	2,556	203,400
Other comprehensive income	-	-	-	-	-	(1,995)	710,281	-	708,286	708,286	-	708,286
Total amount of other current comprehensive gains and losses	-	-	-	200,844	200,844	(1,995)	710,281	-	708,286	909,130	2,556	911,686
Appropriation and distribution of earnings:												
Appropriation of legal reserve	-	-	60,765	(60,765)	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	(352,113)	(352,113)	-	-	-	-	(352,113)	-	(352,113)
Cash dividends on acquiring subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	-	(3,240)	(3,240)
Disposal of equity instruments designated at fair value through other comprehensive income (Note 6 (2))	-	-	-	511,206	511,206	-	(511,206)	-	(511,206)	-	-	-
Balance on June 30, 2025	**$ 586,855**	**74,381**	**650,647**	**1,634,609**	**2,285,256**	**(2,403)**	**870,462**	**(580)**	**867,479**	**3,813,971**	**22,913**	**3,836,884**
Balance on January 1, 2026	$ 586,855	74,381	650,647	2,165,494	2,816,141	941	294,185	195	295,321	3,772,698	23,954	3,796,652
Current net profit	-	-	-	329,540	329,540	-	-	-	-	329,540	15,430	344,970
Other comprehensive income	-	-	-	-	-	1,528	211,113	-	212,641	212,641	-	212,641
Total amount of other current comprehensive gains and losses	-	-	-	329,540	329,540	1,528	211,113	-	212,641	542,181	15,430	557,611
Appropriation of legal reserve	-	-	124,294	(124,294)	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	(410,799)	(410,799)	-	-	-	-	(410,799)	-	(410,799)
Disposal of equity instruments designated at fair value through other comprehensive income (Note 6 (2))	-	-	-	182,342	182,342	-	(182,342)	-	(182,342)	-	-	-
Balance on June 30, 2026	**$ 586,855**	**74,381**	**774,941**	**2,142,283**	**2,917,224**	**2,469**	**322,956**	**195**	**325,620**	**3,904,080**	**39,384**	**3,943,464**

(Please refer to notes to the consolidated financial statements for details)

Chairman: Shen Yi-Tong **Manager: Shen Yi-Tong** **Accounting Manager: Liu Ya-Ping**

Mildef Crete Inc. and Its Subsidiaries
Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2026 and 2025
Unit: In Thousands of New Taiwan Dollars

	January to June 2026	January to June 2025
Cash flows from operating activities:		
Net income before tax	$ 482,534	265,295
Adjustments for:		
Profit and loss		
Depreciation expense	40,880	39,415
Amortization expense	979	1,444
Expected credit (reversal gain) loss	(387)	1,107
Net gain on financial assets at fair value through profit or loss	(2,962)	(1,247)
Interest expense	588	864
Unrealized exchange gain on financial assets measured at fair value through other comprehensive income	(2,284)	-
Interest income	(27,435)	(10,724)
Dividend income	(2,824)	(4,058)
Gain on disposal of property, plant and equipment	-	(91)
Total profit/(loss)	6,555	26,710
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Notes and accounts receivable	(346,567)	(169,356)
Accounts receivable from related parties	-	151,556
Inventories	(535,095)	132,242
Other current assets	(6,561)	(5,599)
Other non-current assets	-	52
Total net changes in assets related to operating activities	(888,223)	108,895
Net changes in liabilities related to operating activities:		
Contract liabilities	181,034	(11,434)
Notes payable	3,330	(17,265)
Accounts payable	25,378	(13,546)
Provisions for warranty liabilities	(371)	(8,686)
Other accounts payable and other current liabilities	67,392	18,407
Net defined benefit liabilities	(1,862)	(1,754)
Total amount of net changes in liabilities related to operating activities	274,901	(34,278)
Total amount of net changes in assets and liabilities related to operating activities	(613,322)	74,617
Total adjustments	(606,767)	101,327

(Please refer to notes to the consolidated financial statements for details)

Chairman: Shen Yi-Tong **Manager: Shen Yi-Tong** **Accounting Manager: Liu Ya-Ping**

Mildef Crete Inc. and Its Subsidiaries
Consolidated Statements of Cash Flows (Continued)
For the Six Months Ended June 30, 2026 and 2025

Unit: In Thousands of New Taiwan Dollars

	January to June 2026	January to June 2025
Cash inflow (outflow) from operations	(124,233)	366,622
Interest received	23,271	10,303
Income tax paid	(272,615)	(124,279)
Net cash inflow (outflow) from operating activities	(373,577)	252,646
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive income	(77,273)	(19,682)
Disposal of financial assets at fair value through other comprehensive income	294,073	683,131
Purchase of financial assets at fair value through profit or loss	(200,000)	-
Disposal of financial assets at fair value through profit or loss	300,000	-
Acquisition of property, plant and equipment (including prepayment for equipment)	(30,043)	(24,073)
Disposal of property, plant and equipment	-	1,861
(Increase) decrease in refundable deposits	(2,335)	956
Acquisition of intangible assets	(1,617)	(95)
(Increase) Decrease in other current financial assets	(3,000)	19,671
Increase in other non-current assets	(175)	-
Dividends received	2,824	4,058
Net cash inflow from investing activities	282,454	665,827
Cash flows from financing activities:		
Payment of the principal portion of lease liabilities	(20,386)	(19,350)
Interests paid	(588)	(864)
Net cash outflow from financing activities	(20,974)	(20,214)
Effect of exchange rate changes on cash and cash equivalents	1,528	2,318
Increase (decrease) in cash and cash equivalents in this period	(110,569)	900,577
Beginning cash and cash equivalents balance	1,558,801	533,521
Ending cash and cash equivalents balance	$ 1,448,232	1,434,098

(Please refer to notes to the consolidated financial statements for details)

Chairman: Shen Yi-Tong **Manager: Shen Yi-Tong** **Accounting Manager: Liu Ya-Ping**

Mildef Crete Inc. and Its Subsidiaries
Notes to the Consolidated Financial Statements
Second quarter of 2026 and 2025
(In thousands of NT$, except otherwise specified)

I. Company History

Mildef Crete Inc. (hereinafter referred to as the “Company”) was incorporated on March 15, 1990 with the approval of the Ministry of Economic Affairs. Its registered address is 7/F, No. 250, Section 3, Beishen Road, Shenkeng District, New Taipei City. The Company and its subsidiaries (hereinafter referred to as the “Group”) mainly engage in the research, design, planning, manufacturing, sales, and import and export of various computer software and hardware and components thereof, as well as computer hardware and software combination, manufacturing, installation, and consulting services, and investment in relevant businesses.

II. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were approved and released by the Board of Directors on August 5, 2026.

III. Application of New and Amended Standards and Interpretations

(I) Effect of the application of new and amended International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) as endorsed by the Financial Supervisory Commission (FSC)

The Group has applied the following newly revised IFRS accounting standards since January 1, 2026, which has not caused any material impact on its consolidated financial statements.

- IFRS 17 “Insurance Contracts” and Amendments to IFRS 17
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual improvements to IFRSs
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(II) Effect of the IFRSs as endorsed by the FSC, but not yet adopted

The Group has evaluated applying the following newly revised IFRSs effective on January 1, 2027, which will not cause any significant impact on its consolidated financial statements.

- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and the Amendments to IFRS 19
- Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"

The Group expects to adopt the following newly issued and revised IFRS accounting standards since January 1, 2028.

1. International Financial Reporting Standard No. 18 "Presentation and Disclosure of Financial Statements"

   The new guidelines introduce three categories of income and expenses, two subtotals on the income statement, and a single footnote regarding management performance measurement. The following three amendments and enhancements to the guidance on segmenting information in financial statements lay the foundation for providing users with improved and consistent information, and will have an impact on all companies.

   - A more structured income statement: The company currently uses various formats to express its financial performance, which makes it challenging for investors to compare the financial performance of different companies. The new guidelines have implemented a more structured income statement. They have introduced a new subtotal called "operating profit" and require that all revenues and expenses be classified into three new categories based on the company's main business activities.
   - Management Performance Measurement (MPM): The new criteria introduce the concept of management performance measurement. Companies are now required to provide an explanation, in a single footnote in the financial statements, regarding the usefulness of each measurement indicator, its calculation method, and how it is adjusted for amounts recognized in accordance with international financial reporting standards accounting principles.
   - More detailed information: The new guidelines provide instructions on how companies can improve the organization of information in financial statements. This guidance includes determining whether the information should be included in the primary financial statements or further disaggregated in the notes.

IAS 7 “Statement of Cash Flows” has been amended in connection with the new standard to require companies using the indirect method to present cash flows from operating activities using the newly defined subtotal of operating profit or loss as the starting point. As a result of the new starting point, certain adjustments included in the reconciliation will change. In addition, the consequential amendments provide specific guidance on the classification of cash receipts and payments arising from interest and dividends.

The Group is continuing to assess the impact of the initial application of the Standard on its consolidated financial statements.

2. Amendments to IAS 28 "Fair value option for investments in associates and joint ventures"

   The Group has assessed that the application of the amendments will not have a material impact on its consolidated financial statements.

(III) New and amended standards and interpretations not yet endorsed by the FSC

The Group does not expect that the new and amended standards below not yet endorsed by the FSC will have a material impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
- IFRS 20 "Regulated Assets and Regulated Liabilities"

IV. Summary of Significant Accounting Policies

Except as stated below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the 2025 consolidated financial statements. Please refer to Note 4 to the 2025 consolidated financial statements for relevant information.

(I) Declaration of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and the IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. This consolidated financial statements do not include all the necessary information shall be disclosed in the entire annual consolidated financial statements prepared in accordance with the IFRSs approved accounting standards and issued into effect by the FSC.

(II) Basis of consolidation

1. Subsidiaries included in the consolidated financial statements include:

Name of investor	Name of subsidiary	Nature of business	% of equity held 2026.6.30	2025.12.31	2025.6.30
The Company	Flexbasis Technology Inc. (Flexbasis)	Manufacturing of metal casings	56.2%	56.2%	56.2%
The Company	MilDef Crete Australasia Pty. Ltd.	Sale of rugged products	100%	100%	100%

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

(III) Employee benefits

The pension under the defined benefit plan during the interim period is calculated at actuarially determined pension cost rate on the balance sheet date of the prior year, from the beginning of the year to the end of this period and adjusted as per major market fluctuations after the balance sheet date, major reductions, settlements, or other major one-off events.

(IV) Income tax

The Group measured and disclosed income tax expense incurred during the interim period in accordance with paragraph B12 of IAS 34 "Interim Financial Reporting". Income tax expense is measured by multiplying the net income before tax for the interim reporting period by the management team's best estimate of the average effective tax rate for the entire year and is fully recognized as current income tax expense.

Income tax expense recognized directly in equity or other comprehensive income is measured at the tax rate that is expected to be applicable when temporary differences between the carrying amounts of the relevant assets and liabilities and their tax bases at the balance sheet date are realized or settled.

V. Critical Accounting Judgments, Assumptions, and Key Sources of Estimation Uncertainty

In preparing the consolidated financial statements, the management should exercise judgments and make estimates about the future (including climate-related risks and opportunities) in accordance with the IAS 34 "Interim Financial Reporting" endorsed by the FSC, which will affect the adoption of accounting policies and the amounts of assets, liabilities, income, and expenses reported. Actual results may differ from estimates.

When the consolidated financial statements were prepared, the critical judgments exercised by the management in adopting the Group's accounting policies and the key sources of estimation uncertainty are consistent with Note 5 to the 2025 consolidated financial statements.

VI. Description of Significant Accounts

Except as stated below, there is no significant difference between the description of important accounting titles in these consolidated financial statements and the 2025 consolidated financial statements. Please refer to Note 6 to the 2025 consolidated financial statements for relevant information.

(I) Cash and cash equivalents

	2026.6.30	2025.12.31	2025.6.30
Cash on hand	$ 414	425	460
Checking deposit and demand deposit	728,068	820,923	815,882
Time deposits with original maturities of three months or less	719,750	737,453	617,756
	$ 1,448,232	1,558,801	1,434,098

The Group's bank time deposits with the initial duration of more than three months as of June 30, 2026, December 31, 2025, and June 30, 2025 were NT$170,900 thousand, NT$167,900 thousand, and NT$215,100 thousand, respectively, which are recognized in other financial assets - current.

(II) Financial instruments

1. Financial assets at fair value through profit or loss - current

	2026.6.30	2025.12.31	2025.6.30
Money funds	$ 204,019	301,057	212,103
Contingent consideration	-	-	10,840
	$ 204,019	301,057	222,943

The aforementioned contingent consideration relates to the Group's disposal of shares in Roda Computer GmbH, an unlisted company, in March 2025. Under the terms of the share disposal agreement, the Group is entitled to receive additional consideration based on Roda Computer GmbH's profitability performance for fiscal year 2024. The contingent consideration was settled in August 2025. Please refer to Note 6 (17) for the amount re-measured at fair value and recognized in profit or loss.

2. Financial assets at fair value through other comprehensive income

	2026.6.30	2025.12.31	2025.6.30
Debt instruments measured at fair value through other comprehensive income:			

	2026.6.30	2025.12.31	2025.6.30
Foreign government bonds	$ 18,344	18,522	16,666
Foreign corporate bonds	214,116	139,344	15,836
Domestic corporate bonds	199,982	201,958	-
Equity instruments measured at fair value through other comprehensive income:			
Foreign-listed company stocks	578,171	606,996	1,427,368
Total	**$ 1,010,613**	**966,820**	**1,459,870**
Current	$ 525,693	576,846	1,378,151
Non-current	484,920	389,974	81,719
	$ 1,010,613	**966,820**	**1,459,870**

(1) Debt instrument investments measured at fair value through other comprehensive income

The Group assesses that its bond investments are held within a business model aimed at achieving objectives through the collection of contractual cash flows and the sale of financial assets. Therefore, they are reported as financial assets measured at fair value through other comprehensive income.

(2) Equity investments measured at fair value through other comprehensive income

The Group holds these equity investments as long-term strategic investments, not for trading purposes. Therefore, they are designated as measured at fair value through other comprehensive income.

During the periods from January 1 to June 30, 2026 and 2025, the Group sold a portion of the overseas listed stocks mentioned above as part of its investment strategy. The fair values at the time of disposal were NT$294,073 thousand and NT$484,443 thousand, respectively. The accumulated gains (after tax) from the disposal were NT$182,342 thousand and NT$322,335 thousand, respectively. These accumulated gains have been transferred from other equity to retained earnings.

In March 2025, the Group disposed of its entire equity interest in Roda Computer GmbH, an unlisted company, to Mildef Group AB. The total transaction consideration amounted to NT$268,303 thousand, comprising cash of NT$198,688 thousand (EUR 5,600 thousand), 110 thousand shares of Mildef Group AB stock (with a fair value of NT$58,419 thousand), and contingent consideration of NT$11,197 thousand. The cumulative disposal gain (after tax) totaled NT$188,871 thousand, and the aforementioned cumulative gain has been reclassified from other equity to retained earnings. The aforementioned Mildef Group AB shares acquired are subject to a two-year lock-up period (until March 2027). In addition, pursuant to the share disposal agreement, the Group is entitled to receive additional consideration based on the profit performance of Roda Computer GmbH for 2024. Such contingent consideration was actually received in August 2025 in the amount of NT$11,401 thousand.

As of June 30, 2026, December 31, 2025, and June 30, 2025, none of the Group’s financial assets above had been pledged as collateral.

(III) Notes and accounts receivable (related parties)

	2026.6.30	2025.12.31	2025.6.30
Notes and accounts receivable	$ 436,523	89,956	233,057
Less: Allowance for losses	(153)	(540)	(1,605)
	$ 436,370	89,416	231,452

The Group estimated expected credit losses using a simplified approach for all notes and accounts receivable, i.e., using lifetime expected credit losses, and included forward-looking information. The analysis of expected credit losses on the Group's notes and accounts receivable is as follows:

	2026.6.30		
	Carrying amount of notes and accounts receivable	**Weighted average expected credit loss ratio**	**Allowance for lifetime expected credit losses**
Not past due	$ 360,597	0.01608%	58
Payment is due within 90 days	75,926	0.12512%	95
	$ 436,523		153

	2025.12.31		
	Carrying amount of notes and accounts receivable	Weighted average expected credit loss ratio	Allowance for lifetime expected credit losses
Not past due	$ 89,497	0.09079%	81
Past due for more than 91 days	459	100%	459
	$ 89,956		540

	2025.6.30		
	Carrying amount of notes and accounts receivable	Weighted average expected credit loss ratio	Allowance for lifetime expected credit losses
Not past due	$ 204,033	0.09079%	185
Payment is due within 30 days	28,493	3.27613%	934
Overdue for 61 to 90 days	48	6.55787%	3
Past due for more than 91 days	483	100%	483
	$ 233,057		1,605

Changes in allowance for loss on notes and accounts receivable of the Group are as follows:

	January to June 2026	January to June 2025
Opening balance	$ 540	498
Provision (reversal) recognized for the current period	(387)	1,107
Closing balance	$ 153	1,605

(IV) Inventories

	2026.6.30	2025.12.31	2025.6.30
Merchandise	$ 203,584	147,205	142,402
Finished goods	7,276	2,881	18,429
Semi-finished goods	181,172	204,156	146,284
Work in process	299,985	220,872	209,171
Raw materials	1,066,912	648,720	569,233
	$ 1,758,929	1,223,834	1,085,519

The breakdown of the cost of goods sold is as follows:

	April to June 2026	April to June 2025	January to June 2026	January to June 2025
Costs of inventories sold	$ 639,690	511,855	1,100,594	1,003,675
Losses on inventory obsolescence	40,718	-	40,718	-
Warranty provision (reversal)	(1,515)	732	316	(8,015)
Inventory valuation loss (gain on reversal)	(31,678)	20,037	(28,125)	14,877
	$ 647,215	**532,624**	**1,113,503**	**1,010,537**

The above inventory valuation loss (gain on reversal) refers to the inventory valuation loss recognized by the Group due to the write-down of the inventory to the net realizable value; or recovery gains recognized within the scope of previously recorded inventory valuation losses when certain obsolete inventory from the beginning of the period was sold or consumed during the current period, resulting in the reversal of the original valuation to net realizable value.

(V) Property, plant and equipment

Details of changes in the Group's property, plant and equipment are as follows:

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Total
Cost:							
Balance on January 1, 2026	$ 147,478	80,484	191,596	8,355	2,980	150,584	581,477
Additions	-	2,524	3,791	346	89	12,765	19,515
Disposal	-	-	-	-	-	(612)	(612)
Reclassification (Note)	-	-	79	-	-	2,360	2,439
Balance on June 30, 2026	**$ 147,478**	**83,008**	**195,466**	**8,701**	**3,069**	**165,097**	**602,819**
Balance on January 1, 2025	$ 147,478	76,876	181,855	8,355	2,337	120,004	536,905
Additions	-	2,351	8,733	-	-	8,616	19,700
Disposal	-	-	(1,900)	-	-	-	(1,900)
Reclassification (Note)	-	-	-	-	-	14,798	14,798
Balance on June 30, 2025	**$ 147,478**	**79,227**	**188,688**	**8,355**	**2,337**	**143,418**	**569,503**
Depreciation:							
Balance on January 1, 2026	$ -	36,396	82,926	6,691	1,202	106,581	233,796
Depreciation	-	1,545	8,274	310	178	10,249	20,556
Disposal	-	-	-	-	-	(612)	(612)
Balance on June 30, 2026	**$ -**	**37,941**	**91,200**	**7,001**	**1,380**	**116,218**	**253,740**
Balance on January 1, 2025	$ -	33,359	69,602	5,484	895	83,891	193,231
Depreciation	-	1,493	7,909	617	145	9,876	20,040
Disposal	-	-	(130)	-	-	-	(130)
Reclassification (Note)	-	-	-	-	-	3,850	3,850
Balance on June 30, 2025	**$ -**	**34,852**	**77,381**	**6,101**	**1,040**	**97,617**	**216,991**
Book value:							
June 30, 2026	**$ 147,478**	**45,067**	**104,266**	**1,700**	**1,689**	**48,879**	**349,079**
January 1, 2026	**$ 147,478**	**44,088**	**108,670**	**1,664**	**1,778**	**44,003**	**347,681**
June 30, 2025	**$ 147,478**	**44,375**	**111,307**	**2,254**	**1,297**	**45,801**	**352,512**

(Note) This amount has been transferred from the payments for prepaid equipment.

(VI) Right-of-use assets

The cost and accumulated depreciation of properties and buildings leased by the Group, along with the details of changes, are as follows:

	Buildings
Cost of right-of-use assets:	
Balance on January 1, 2026	$ 251,481
Additions	31,448
Decrease	(164,092)
Effect of exchange rate changes	91
Balance on June 30, 2026	**$ 118,928**
Balance on January 1, 2025	$ 227,929
Additions	8,534
Effect of exchange rate changes	(121)
Balance on June 30, 2025	**$ 236,342**
Accumulated depreciation of right-of-use assets:	
Balance on January 1, 2026	$ 185,869
Depreciation in this period	20,324
Decrease	(158,926)
Effect of exchange rate changes	61
Balance on June 30, 2026	**$ 47,328**
Balance on January 1, 2025	$ 147,125
Depreciation in this period	19,375
Effect of exchange rate changes	(87)
Balance on June 30, 2025	**$ 166,413**
Book value:	
June 30, 2026	**$ 71,600**
January 1, 2026	**$ 65,612**
June 30, 2025	**$ 69,929**

(VII) Intangible assets

	Computer software
Carrying amount	
June 30, 2026	**$ 5,668**
January 1, 2026	**$ 5,030**
June 30, 2025	**$ 4,373**

There was no significant addition, disposal, provision for impairment, or reversal of the Group's intangible assets during the six months ended June 30, 2026 and 2025. Please refer to the depreciation amount for the current period. Please refer to Note

12(1) for the amortization amount in this period. Please refer to Note 6(7) of the 2025 consolidated financial statements for other relevant information.

(VIII) Lease liabilities

The carrying amounts of the Group's lease liabilities are as follows:

	2026.6.30	2025.12.31	2025.6.30
Current	$ 35,374	33,887	33,309
Non-current	$ 36,888	32,449	37,375

For maturity analysis, please refer to Note 6 (17) Financial Instruments.

The amounts of leases recognized in profit or loss are as follows:

	April to June 2026	April to June 2025	January to June 2026	January to June 2025
Interest expenses on lease liabilities	$ 280	331	571	612
Short-term lease expenses	$ 157	39	244	158

The amounts recognized in the cash flow statement are as follows:

	January to June 2026	January to June 2025
Total cash outflow from leases	$ 21,201	20,120

The Group leases retail stores and factories, with lease terms typically ranging from one to five years. Upon expiration of the lease period, the lease agreements are renegotiated for the lease duration and payment terms.

The Group leases parking spaces for scooters, and these leases are low-value leases. The Group elects to apply recognition exemptions and does not recognize its relevant right-of-use assets and lease liabilities.

(IX) Provision for Liabilities

	Warranty
Balance on January 1, 2026	$ 12,492
Provision for liabilities used in the current period	(687)
Provision for new liabilities in the current period	316
Balance on June 30, 2026	$ 12,121
Balance on January 1, 2025	$ 21,621
Provision for liabilities used in the current period	(671)
Liability provisions reversed during the period	(8,015)
Balance on June 30, 2025	$ 12,935

The provision for warranty liabilities primarily relates to computer sales. The provision is estimated based on historical warranty data for the sold goods. The Group expects that the majority of these liabilities will be incurred gradually over one to three years following the sale.

(X) Employee benefits

1. Defined benefit plan

As there were no major market fluctuation, major reduction, settlement, or other major one-off events after the balance sheet date of the prior year, the Group measured and disclosed pension costs for interim periods at the actuarial determined pension costs on December 31, 2025 and 2024.

The details of pension expenses under the Group's defined benefit plan are as follows:

	April to June 2026	April to June 2025	January to June 2026	January to June 2025
Operating costs	$ 7	18	13	20
Operating expenses	39	59	83	134
	$ 46	**77**	**96**	**154**

2. Defined contribution plan

The details of pension expenses under the Group's defined contribution plan are as follows:

	April to June 2026	April to June 2025	January to June 2026	January to June 2025
Operating costs	$ 1,337	1,122	2,575	2,224
Operating expenses	2,141	2,121	4,260	4,338
	$ 3,478	**3,243**	**6,835**	**6,562**

(XI) Income tax

1. The details of the Group's income tax expenses are as follows:

	April to June 2026	April to June 2025	January to June 2026	January to June 2025
Income tax expenses	**$ 96,095**	**19,540**	**137,564**	**61,895**

2. The details of income tax expenses (benefits) recognized by the Group in other comprehensive income are as follows:

	April to June 2026	April to June 2025	January to June 2026	January to June 2025
Financial assets at fair value through other comprehensive income	$ 33,357	(30,562)	47,196	179,870

3. The Company has submitted tax return applications until the year of 2024, as prescribed by the tax authority, upon settlement and audit.

(XII) Capital and other equity

Except as stated below, there was no significant change in the Group's capital and other equity during the six months ended June 30, 2026 and 2025. Please refer to Note 6(12) to the 2025 consolidated financial statements for relevant information.

1. Earnings distribution:

As per the Articles of Incorporation, the Company shall pay the tax first to make up for the previous losses if there are any earnings in the Company's annual general final accounts, and it shall then set aside 10% of the legal reserve. However, it may not set aside when the legal reserve has reached the amount of the paid-in capital of the Company. Furthermore, after the special reserve is set aside or reversed depending on the needs or as per laws and regulations, any remaining profit, together with any cumulative undistributed earnings, shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal, which shall then be submitted to the shareholders' meeting for a resolution before distribution.

The annual shareholders' meeting passed the resolutions for the 2025 and 2024 earnings distribution proposals on June 10, 2026, and June 11, 2025, respectively. The dividends distributed to owners are as follows:

	2025		2024	
	Dividend per share (NT$)	**Amount**	**Dividend per share (NT$)**	**Amount**
Dividends distributed to owners of ordinary shares:				
Cash	$ 7.00	410,799	6.00	352,113

Relevant information of the earnings distribution is available on the Market Observation Post System (MOPS).

2. Other equity (net after-tax)

	Exchange differences arising from the translation of Financial Report of foreign operations	Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	Remeasurement of defined benefit plan	Total
Balance on January 1, 2026	$ 941	294,185	195	295,321
Exchange differences arising from the net assets of foreign operations	1,528	-	-	1,528
Unrealized gains on financial assets at fair value measurement through other comprehensive income	-	211,113	-	211,113
Disposal of equity instruments designated at fair value through other comprehensive income	-	(182,342)	-	(182,342)
Balance on June 30, 2026	$ 2,469	322,956	195	325,620
Balance on January 1, 2025	$ (408)	671,387	(580)	670,399
Exchange differences arising from the net assets of foreign operations	(1,995)	-	-	(1,995)
Unrealized gains on financial assets at fair value measurement through other comprehensive income	-	710,281	-	710,281
Disposal of equity instruments designated at fair value through other comprehensive income	-	(511,206)	-	(511,206)
Balance on June 30, 2025	$ (2,403)	870,462	(580)	867,479

(XIII) Earnings per share

1. Basic earnings per share

	April to June 2026	April to June 2025	January to June 2026	January to June 2025
Net income attributable to holders of the Company's ordinary shares	$ 177,289	34,696	329,540	200,844
Weighted average number of outstanding ordinary shares (in thousands of shares)	58,685	58,685	58,685	58,685
Basic earnings per share (NT$)	$ 3.02	0.59	5.62	3.42

2. Diluted earnings per share

		April to June 2026	April to June 2025	January to June 2026	January to June 2025
Net income attributable to holders of the Company's ordinary shares	$	177,289	34,696	329,540	200,844
Weighted average number of outstanding ordinary shares (in thousands of shares)		58,685	58,685	58,685	58,685
The effect of employee remuneration		410	294	631	513
Weighted average number of outstanding ordinary shares (after adjustment for the effect of potentially dilute ordinary shares)		59,095	58,979	59,316	59,198
Diluted earnings per share (NT$)	$	3.00	0.59	5.56	3.39

(XIV) Revenue from customer contracts

1. Breakdown of income

		April to June 2026	April to June 2025	January to June 2026	January to June 2025
Major sales market:					
Asia	$	394,630	416,380	823,186	831,680
Europe		598,429	329,733	893,237	602,800
Oceania		617	10,721	1,126	65,967
Americas		14,051	12,484	18,459	31,566
Total	$	1,007,727	769,318	1,736,008	1,532,013
Main product/service lines:					
Business computer	$	328,582	355,546	670,862	688,244
Rugged computer		659,770	404,121	1,023,198	802,969
Repair and maintenance services and others		19,375	9,651	41,948	40,800
	$	1,007,727	769,318	1,736,008	1,532,013

2. Contract balance

		2026.6.30	2025.12.31	2025.6.30
Notes and accounts receivable	$	436,523	89,956	233,057
Less: Allowance for losses		(153)	(540)	(1,605)
Total	$	436,370	89,416	231,452
Contract liabilities	$	395,634	214,600	152,139

Please refer to Note 6(3) for the notes and accounts receivable and impairment thereof disclosed.

The contract liabilities mainly arise from advances received from the sales of rugged computers, which will be reclassified to revenue when the Group delivers the products to clients. The opening balances of contract liabilities as of January 1, 2026 and 2025 recognized in income for the six months ended June 30, 2026 and 2025 were NT$90,061 thousand and NT$25,900 thousand, respectively.

(XV) Remuneration to employees and directors

On June 11, 2025, the Company’s shareholders’ meeting resolved to amend the Articles of Incorporation. According to the amended Articles, if the Company has earnings in a given year, 5% to 10% shall be appropriated as employee compensation and up to 3% as director compensation. Of the employee compensation mentioned above, no less than 10% shall be allocated to frontline employees. However, it shall reserve an amount to compensate a deficit in advance if the Company has a cumulative deficit. Prior to the amendment, the Articles of Incorporation provided that, if the Company had earnings in a given year, 5% to 10% should be appropriated as employee compensation and up to 3% as director compensation. However, it shall reserve an amount to compensate a deficit in advance if the Company has a cumulative deficit. The recipients of the employee remuneration in stock or cash in the preceding paragraph include employees at subsidiaries who meet certain criteria.

The estimated amounts of the Company's employee remuneration for the three months and six months ended June 30, 2026 and 2025 were NT$29,207 thousand, NT$6,150 thousand, NT$49,417 thousand, and NT$28,058 thousand, respectively, and the estimated amounts of directors' remuneration for the periods then ended were NT$5,854 thousand, NT$1,232 thousand, NT$9,904 thousand, and NT$5,623 thousand, respectively. The amounts were estimated based on the Company’s net income before tax before the remuneration to employees and directors was deducted for each period, multiplied by the percentages of the profit for employee and directors' remuneration as stipulated in the Company's Articles of Incorporation, and the amounts were recognized in operating costs or operating expenses for the period. If there is a difference between the amounts distributed in the following year and the estimated amounts, it will be treated as a change in accounting estimates, and the difference will be recognized in profit and loss for the following year.

The estimated amounts of the Company's 2025 and 2024 employee remuneration were NT$59,300 thousand and NT$67,752 thousand, respectively, and the estimated amounts of directors' remuneration for the periods then ended were NT$11,885 thousand and NT$13,579 thousand, respectively. The amounts are the same as those resolved by the Board of Directors and all were distributed in cash. Relevant information is available on the MOPS.

(XVI) Non-operating income and expenses

1. Interest income

	April to June 2026	April to June 2025	January to June 2026	January to June 2025
Interest income from cash in banks	$ 8,527	6,188	16,058	7,591
Other interest income	6,050	1,743	11,377	3,133
	$ 14,577	7,931	27,435	10,724

2. Other income

	April to June 2026	April to June 2025	January to June 2026	January to June 2025
Dividend income	$ 2,824	4,058	2,824	4,058
Others	291	453	1,437	1,148
	$ 3,115	4,511	4,261	5,206

3. Other gains and losses

	April to June 2026	April to June 2025	January to June 2026	January to June 2025
Foreign exchange gains (losses)	$ (10,273)	(109,617)	3,275	(100,954)
Gains on financial assets measured at fair value through profit or loss	1,367	289	2,962	1,247
Gain (loss) on disposal of property, plant, and equipment	-	91	-	91
Others	(7)	-	(7)	-
	$ (8,913)	(109,237)	6,230	(99,616)

4. Financial cost

	April to June 2026	April to June 2025	January to June 2026	January to June 2025
Interest expense				
Lease liabilities	$ (280)	(331)	(571)	(612)
Others	(7)	(9)	(17)	(252)
	$ (287)	(340)	(588)	(864)

(XVII) Financial instruments

Except as stated below, there was no significant change in the fair value of the Group's financial instruments and exposure to credit risk, liquidity risk, and market risk due to the financial instruments held. For related information, please refer to Note 6(17) to the consolidated financial statements for 2025.

1. Types of financial instruments

(1) Financial assets

	2026.6.30	2025.12.31	2025.6.30
Financial assets at fair value through profit or loss - current:			
Money funds	$ 204,019	301,057	212,103
Contingent consideration	-	-	10,840
Financial assets at fair value through other comprehensive income - current			
Overseas listed stocks	525,693	576,846	1,378,151
Financial assets at fair value through other comprehensive income - non-current			
Foreign government bonds	18,344	18,522	16,666
Foreign corporate bonds	214,116	139,344	15,836
Domestic corporate bonds	199,982	201,958	-
Overseas listed stocks subject to lock-up period	52,478	30,150	49,217
Financial assets at amortized cost:			
Cash and cash equivalents	1,448,232	1,558,801	1,434,098
Notes and accounts receivable	436,370	89,416	231,452
Other financial assets - current	170,900	167,900	215,100
Other non-current assets - guarantee deposits paid	11,909	9,574	8,828
Total	$ 3,282,043	3,093,568	3,572,291

(2) Financial liabilities

	2026.6.30	2025.12.31	2025.6.30
Financial liabilities at amortized cost:			
Notes and accounts payable	$ 274,658	245,950	96,599
Other payables and dividends payables	631,948	154,190	533,894
Lease liabilities	72,262	66,336	70,684
Total	$ 978,868	466,476	701,177

2. Liquidity risk

The contract maturity date of the Group's financial liabilities, including the estimated interest, is analyzed as follows:

	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years
June 30, 2026					
Notes and accounts payable	$ (274,658)	(274,658)	-	-	-
Other payables and dividends payables	(631,948)	(631,948)	-	-	-
Lease liabilities	(74,313)	(21,289)	(15,114)	(21,680)	(16,230)
	$ (980,919)	(927,895)	(15,114)	(21,680)	(16,230)
December 31, 2025					
Notes and accounts payable	$ (245,950)	(245,950)	-	-	-
Other accounts payable	(154,190)	(154,190)	-	-	-
Lease liabilities	(67,463)	(18,492)	(15,990)	(30,398)	(2,583)
	$ (467,603)	(418,632)	(15,990)	(30,398)	(2,583)
June 30, 2025					
Notes and accounts payable	$ (96,599)	(96,599)	-	-	-
Other payables and dividends payables	(533,894)	(533,894)	-	-	-
Lease liabilities	(72,385)	(19,577)	(14,477)	(31,618)	(6,713)
	$ (702,878)	(650,070)	(14,477)	(31,618)	(6,713)

The Group does not expect the cash flows analyzed at maturity to be materially earlier or the actual amount to be materially different.

3. Exchange rate risk

The Group's financial assets and liabilities exposed to significant foreign currency exchange rate risk are as follows:

	2026.6.30			2025.12.31			2025.6.30		
	Foreign currency	Exchange rate	NT$	Foreign currency	Exchange rate	NT$	Foreign currency	Exchange rate	NT$
Financial assets									
Monetary item									
USD	$ 37,931	31.850	1,208,102	31,401	31.430	986,947	30,308	29.300	888,024
SEK	84,652	3.280	277,657	74,457	3.420	254,643	91,399	3.090	282,422
AUD	172	21.900	3,767	721	21.010	15,148	170	19.140	3,254
Non-monetary item									
SEK	176,272	3.280	578,171	177,484	3.420	606,996	461,931	3.090	1,427,368

Due to the diverse transactional currencies within the Group, the information on foreign exchange gains or losses related to monetary items is disclosed on an aggregated basis. The foreign exchange (losses) gains (including realized and unrealized) for the periods from January 1 to June 30, 2026 and 2025 amounted to NT$3,275 thousand and NT$(100,954) thousand, respectively.

The Group's exchange rate risk primarily arises from foreign-currency-denominated cash and cash equivalents, accounts receivable (including related parties), debt instrument investments at fair value through other comprehensive income (corporate bonds and government bonds), financial instruments measured at fair value through profit or loss (contingent consideration), accounts payable, and other payables (including related parties), leading to foreign exchange gains or losses upon conversion. For the six-month periods ended June 30, 2026 and 2025, if the NT$ depreciated or appreciated by 1% against USD, SEK, and AUD with all other variables remaining unchanged, the Group's net income before tax for the six months ended June 30, 2026 and 2025 would have increased or decreased by NT$14,895 thousand and NT$11,737 thousand, respectively. The analysis for both periods was prepared on a consistent basis.

4. Fair value information

(1) Financial instruments not at fair value

The Group's management believes that the carrying amounts of financial assets and financial liabilities at amortized cost in the financial statements approximate their fair values.

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

The Group’s financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value on a recurring basis. The fair value levels are defined as follows:

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

B. Level 2: Inputs, other than quoted market prices within level 1 that are observable, either directly (i.e. prices) or indirectly (i.e. derived from prices) for assets or liabilities.

C. Level 3: Unobservable inputs for assets or liabilities not based on observable market data (unobservable inputs).

	2026.6.30				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss:					
Money funds	$ 204,019	204,019	-	-	204,019
Financial assets at fair value through other comprehensive income:					
Foreign government bonds	$ 18,344	-	18,344	-	18,344
Foreign corporate bonds	214,116	-	214,116	-	214,116
Domestic corporate bonds	199,982	199,982	-	-	199,982
Foreign-listed company stocks	525,693	525,693	-	-	525,693
Overseas listed stocks subject to lock-up period	52,478	-	-	52,478	52,478
Total	$ 1,010,613	725,675	232,460	52,478	1,010,613

	2025.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss:					
Money funds	$ 301,057	301,057	-	-	301,057
Financial assets at fair value through other comprehensive income:					
Foreign government bonds	$ 18,522	-	18,522	-	18,522
Foreign corporate bonds	139,344	-	139,344	-	139,344
Domestic corporate bonds	201,958	201,958	-	-	201,958
Foreign-listed company stocks	576,846	576,846	-	-	576,846
Overseas listed stocks subject to lock-up period	30,150	-	-	30,150	30,150
Total	$ 966,820	778,804	157,866	30,150	966,820

	2025.6.30				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss:					
Money funds	$ 212,103	212,103	-	-	212,103
Contingent consideration	10,840	-	-	10,840	10,840
Total	$ 222,943	212,103	-	10,840	222,943
Financial assets at fair value through other comprehensive income:					
Foreign government bonds	$ 16,666	-	16,666	-	16,666
Foreign corporate bonds	15,836	-	15,836	-	15,836
Foreign-listed company stocks	1,378,151	1,378,151	-	-	1,378,151
Overseas listed stocks subject to lock-up period	49,217	-	-	49,217	49,217
Total	$ 1,459,870	1,378,151	32,502	49,217	1,459,870

There were no transfers of financial assets between fair value hierarchy levels during the six months ended June 30, 2026 and 2025.

(3) Fair value valuation techniques for financial instruments at fair value

When the quoted market price of a financial instrument is available, the price shall be adopted as the fair value.

A financial instrument is considered to have a quoted price in an active market if such quotes can be obtained promptly and regularly from exchanges, brokers, underwriters, industry associations, pricing services, or regulatory agencies, and if the price represents actual and frequent fair market transactions. If these conditions are not met, the market is deemed inactive. Generally, wide bid-ask spreads, significant increases in bid-ask spreads, or minimal trading volume are indicators of an inactive market.

There are standard terms and conditions for the money funds, overseas listed stocks and domestic corporate bonds held by the Group, and such funds and stocks are traded in active markets; thus, the fair values thereof are determined as per the quoted market prices.

Except for the above-mentioned financial instruments with active markets, the fair value of other financial instruments is obtained through valuation techniques or with reference to the quoted prices of counterparties. For the fair value obtained through the valuation techniques, the Company refers to the current fair value of other financial instruments with similar conditions and characteristics, the discounted cash flow method, or other valuation techniques, including calculations using models based on the market information available at the balance sheet date.

The fair value of foreign government bonds and foreign corporate bonds held by the Group is determined based on quotes provided by third-party institutions. The restricted shares of foreign listed companies held by the Group are measured primarily based on quoted market prices of the listed companies, with adjustments made for discounts reflecting the lack of marketability of the equity securities.

(4) Details of changes in the level 3

	Financial assets measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income
	Contingent consideration	**Equity instruments**
January 1, 2026	$ -	30,150
Total profit or loss		
Recognized in other comprehensive income	-	22,328
June 30, 2026	**$ -**	**52,478**
January 1, 2025	$ -	141,640
Total profit or loss		
Recognized in profit or loss	(357)	-
Recognized in other comprehensive income	-	117,462
Acquisition	11,197	58,419
Disposal	-	(268,304)
June 30, 2025	**$ 10,840**	**49,217**

The above total gains or losses are presented in the statement of comprehensive income under “Other gains and losses” and “Unrealized gains (losses) on equity instruments measured at fair value through other comprehensive income.” Of which, those related to assets still held as of June 30, 2026 and 2025 are as follows:

		January to June 2026	January to June 2025
Total profit or loss			
Recognized in profit or loss (presented under "Other gains and losses")		-	(357)
Recognized in other comprehensive income (presented under “Unrealized gains (losses) on equity instruments at fair value through other comprehensive income”)	$	22,328	(9,202)

(5) Quantitative information on measurement of significant unobservable fair value input (Level 3)

The Group's financial instruments measured at fair value and classified as Level 3 consist of financial assets at fair value through profit or loss - contingent consideration and financial assets at fair value through other comprehensive income - overseas listed stocks subject to lock-up period.

Quantitative information on significant unobservable inputs is listed as follows:

Item	Valuation technique	Significant unobservable input	Relations between significant unobservable input and fair value
Financial assets measured at fair value through other comprehensive income - overseas listed stocks subject to lock-up period	Market approach	· Discounts for lack of marketability were 21.18%, 33.06%, and 26.93% as of June 30, 2026, December 31, 2025, and June 30, 2025, respectively	· The higher the discount for lack of market liquidity, the lower the fair value
Financial assets measured at fair value through profit or loss - contingent consideration	Discounted cash flow method	· Discount rate (8.52% as of June 30, 2025)	· The higher the discount rate, the lower the fair value

(6) Analysis of sensitivity of Level 3 fair value to reasonably possible alternative assumptions

The measurement of fair values of financial instruments by the Group is reasonable, but the use of different valuation models or valuation parameters may result in different valuation results. For financial instruments classified as Level 3, if the valuation parameters change, the effect on the current period's gains or losses and other comprehensive income in this period is as follows:

	Input	Increase or decrease change	Changes in fair value reflected in the current period's profit or loss		Changes in fair value reflected in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
June 30, 2026						
Financial assets at fair value through other comprehensive income						
Overseas listed stocks subject to lock-up period	Market liquidity discount	5.00%	$ -	-	3,329	3,329
December 31, 2025						
Financial assets at fair value through other comprehensive income						
Overseas listed stocks subject to lock-up period	Market liquidity discount	5.00%	$ -	-	2,252	2,252
June 30, 2025						
Financial assets measured at fair value through profit or loss - contingent consideration	Discount rate discount	1.00%	$ 17	17	-	-
Financial assets at fair value through other comprehensive income						
Overseas listed stocks subject to lock-up period	Market liquidity discount	5.00%	$ -	-	3,368	3,368

The Group’s favorable and unfavorable changes refer to the fluctuations of fair values, and fair values are calculated with the valuation techniques based on different unobservable inputs. If the fair value of a financial instrument is affected by more than one input, the above table only reflects the effect of changes in a single input without taking into account the correlation and variability between the inputs.

(XVIII) Financial risk management

There is no significant difference between the Group’s financial risk management goals and policies and those disclosed in Note 6(18) to the 2025 consolidated financial statements.

(XIX) Capital management

The Group's objectives, policies, and procedures for capital management are consistent with those disclosed in Note 6(19) to the consolidated financial statements for 2025.

(XX) Non-cash transactions in investing and financing activities

1. Please refer to Note 6(6) for details of right-of-use assets acquired by way of leasing

2. The reconciliation of liabilities from financing activities is as follows:

			Non-cash changes			
	2026.1.1	Cash flow	Additions	Decrease	Effect of exchange rate changes	June 30, 2026
Lease liabilities	$ 66,336	(20,386)	31,448	(5,166)	30	72,262

			Non-cash changes			
	2025.1.1	Cash flow	Additions	Decrease	Effect of exchange rate changes	June 30, 2025
Lease liabilities	$ 81,534	(19,350)	8,534	-	(34)	70,684

3. Investing activities involving partial cash payments only

	January to June 2026	January to June 2025
Acquisition of property, plant and equipment	$ 19,515	19,700
Add: Equipment prepayments at end of period	12,946	4,556
Less: Equipment prepayments at beginning of period	(4,857)	(1,557)
Add: Increase in equipment prepayments	2,439	1,374
Cash paid during the current period	$ 30,043	24,073

VII. Related-Party Transactions

(I) Name of related party and relations

The related parties with transactions with the Group during the period covered by these consolidated financial statements are as follows:

Name of related party	Relations with the Group
Roda Computer GmbH	The Group is one of the company's three shareholders (Note)

(Note) The Group disposed of its entire equity interest in Roda Computer GmbH on

March 6, 2025. From that date forward, the company is no longer a related party of the Group.

(II) Significant Transactions with Related Parties

1. Operating revenue

	April to June 2026	April to June 2025	January to June 2026	January to June 2025
Other related parties				
Roda Computer GmbH (Note 1)	$ -	-	-	233,235

Note 1: No longer a related party from March 6, 2025; therefore, related transaction amounts and related balances are no longer presented from that date forward.

The Group's sales transactions with related parties, except for certain product specifications that lack comparable market prices, are generally not significantly different from regular market prices. Additionally, the credit period, originally set at 45 days from delivery, have been extended to up to 90 days starting from July 2023 based on the sales conditions.

2. Repair and maintenance and other operating revenue

	April to June 2026	April to June 2025	January to June 2026	January to June 2025
Other related parties				
Roda Computer GmbH (Note 1)	$ -	-	-	657

All receivables from the above transactions have been received.

3. Technical service, repair and maintenance, and other fees

	Technical service fees, repair and maintenance fees, and others			
	April to June 2026	April to June 2025	January to June 2026	January to June 2025
Other related parties (Note 1)	$ -	-	-	118

(III) Remuneration to key management personnel

Remuneration to key management personnel includes:

	April to June 2026	April to June 2025	January to June 2026	January to June 2025
Short-term employee benefits	$ 7,141	3,324	14,054	9,938
Post-employment benefits	79	87	159	174
	$ 7,220	3,411	14,213	10,112

VIII. Pledged Assets

The details of the book values of the assets pledged by the Group are as follows:

Name of asset	Item pledged as collateral	2026.6.30	2025.12.31	2025.6.30
Time deposit (under "other non-current assets")	Customs guarantee	$ 1,000	1,000	1,000

IX. Material Contingent Liabilities and Unrecognized Contractual Commitments: None.

X. Major Disaster Losses: None.

XI. Material Events After the Balance Sheet Date

The Group sold 174 thousand shares of MilDef Group AB between July 1, 2026, and August 5, 2026. The fair value at the time of disposal amounted to NT$116,303 thousand, and the cumulative disposal gain (net of tax) was NT$76,004 thousand. The aforementioned cumulative gain will be reclassified from other equity to retained earnings.

XII. Others

(I) Employee benefits and depreciation and amortization expense are summarized by function as follows:

By function / By nature	April to June 2026			April to June 2025		
	Related to operating costs	Related to operating expenses	Total	Related to operating costs	Related to operating expenses	Total
Cost of employee benefits						
Salary and wages	40,265	58,336	98,601	23,311	41,424	64,735
Labor and health insurance	2,732	3,812	6,544	2,426	3,931	6,357
Pension	1,344	2,180	3,524	1,140	2,180	3,320
Other employee benefits	468	981	1,449	463	693	1,156
Depreciation expense	13,017	7,463	20,480	12,310	7,696	20,006
Amortization expense	158	327	485	283	374	657

By function By nature	January to June 2026			January to June 2025		
	Related to operating costs	**Related to operating expenses**	**Total**	**Related to operating costs**	**Related to operating expenses**	**Total**
Cost of employee benefits						
Salary and wages	73,346	106,083	179,429	54,595	93,766	148,361
Labor and health insurance	5,419	7,748	13,167	4,920	8,117	13,037
Pension	2,588	4,343	6,931	2,244	4,472	6,716
Other employee benefits	1,071	1,773	2,844	972	1,451	2,423
Depreciation expense	26,006	14,874	40,880	24,083	15,332	39,415
Amortization expense	311	668	979	651	793	1,444

(II) Seasonality of operations

The Group's operations are not materially affected by seasonal or cyclical factors.

XIII. Additional Disclosures

(I) Information on Material Transactions

The material transactions during the six months ended June 30, 2026 that the Group needs to disclose in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers are as follows:

1. Loans to Others: None.
2. Endorsements/Guarantees provided to others: None.
3. Securities Held at the End of the Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures):

Unit: In thousands of shares/thousands of units/thousands of NT$

Company	Type and name of securities held	Relations with the securities issuer	Account	End of the period				Remark
				Number of shares	Carrying amount	Shareholding	Fair value/Net worth	
The Company	Kingdom of Saudi Arabia Government 5.75% USD Foreign Bond due 01/16/54	-	Financial assets at fair value through other comprehensive income - non-current	6	18,344	-	18,344	
The Company	Verizon Communications Inc. Corporate Bond	-	〃	29	82,988	-	82,988	
The Company	Saudi Arabian Petrodollar Bonds	-	〃	10	30,375	-	30,375	
The Company	SoftBank Corporate Bonds	-	〃	10	31,632	-	31,632	
The Company	Ford Motor Company Corporate Bonds	-	〃	10	30,995	-	30,995	
The Company	Fubon Life Insurance Unsecured Corporate Bonds	-	〃	200	199,982	-	199,982	
The Company	UBS corporate bonds	-	〃	3	9,634	-	9,634	
The Company	Standard Chartered corporate bonds	-	〃	6	19,231	-	19,231	
The Company	JPMorgan Chase & Co. Corporate Bond		〃	3	9,261	-	9,261	
The Company	Shares of MilDef Group AB (lock-up period)	-	〃	110	52,478	0.23%	52,478	

Company	Type and name of securities held	Relations with the securities issuer	Account	End of the period				Remark
				Number of shares	Carrying amount	Shareholding	Fair value/Net worth	
The Company	Shares of MilDef Group AB	-	Financial assets at fair value through other comprehensive income - current	868	525,693	1.84%	525,693	
The Company	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	5,882	101,973	-	101,973	
The Company	UPAMC James Bond Money Market Fund	-	〃	5,735	102,046	-	102,046	

4. Total Purchases from or Sales to Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital: None.

5. Receivables from Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital: None.

6. Business Relations and Significant Transactions Between Parent Company and Subsidiaries:

Unit: In Thousands of New Taiwan Dollars

No. (Note 1)	Name of trader	Transaction counterparty	Relationship with transaction counterparty (Note 2)	Transaction details			
				Account	Amount	Transaction terms	As a percentage of consolidated total revenue or total assets (%)
1	Flexbasis	The Company	2	Sales income	128,631	Net 60 days end of the following month	7.41

Note 1: Businesses are coded as follows:

1. “0” stands for parent company.
2. Subsidiaries are numbered sequentially starting with the Arabic numeral "1" for each company.

Note 2: The types of relations with the counterparty are indicated as follows:

1. Parent company to subsidiary
2. Subsidiary to parent company

Note 3: In disclosing the business relationships and significant transactions between the parent and subsidiary companies, only information related to sales and accounts receivable representing 0.5% or more of the consolidated revenue or assets is disclosed. Detailed information about corresponding purchases and accounts payable is not provided.

Note 4: The above transactions were eliminated in the preparation of consolidated financial statements.

(II) Information on Investees:

The information on the Group’s investees during the six months ended June 30, 2026 is as follows:

Unit: In thousands of shares/thousands of NT$

Name of investor	Name of investee	Location	Main business	Initial investment amount		End of the period			Gain or loss on investee in this period	Investment income (loss) recognized in this period	Remark
				End of this period	End of last year	Number of shares	Percentage	Carrying amount			
The Company	Flexbasis Technology Inc.	New Taipei City	Manufacturing	23,424	23,424	2,080	56.22%	54,274	42,448	23,520	(Note)
The Company	MilDef Crete Australasia Pty. Ltd.	Australia	Trade	12,548	12,548	600	100.00%	34,697	(2,203)	(2,203)	(Note)

Note: Has been written off in the consolidated financial report.

(III) Information on Investment in Mainland China: None.

XIV. Segment Information

The Group mainly engages in the production and sales of various computer software, hardware, and peripherals. The operating financial information provided to the operating decision makers for review covers a single segment, and the accounting policies adopted by the Group's operating segment are consistent with the summary of significant accounting policies described in Note 4. The operating segment's income or loss is measured based on the operating income or loss before tax, which serves as the basis for evaluating performance. The segment's revenue, income or loss, and total assets under the Group are consistent with those in presented in the financial statements. Please refer to the consolidated balance sheet and the consolidated statements of comprehensive income.