Stock Code：4938

PEGATRON CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024

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Table of contents

Representation Letter

The entities that are required to be included in the consolidated financial statements of Pegatron Corporation as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements." endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Pegatron Corporation and Subsidiaries do not prepare a separate set of consolidated financial statements.

Company name: Pegatron Corporation
Chairman: Tzu-Hsien Tung
Date: March 11, 2026.

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Independent Auditors' Report

To the Board of Directors of Pegatron Corporation:

Opinion

We have audited the consolidated financial statements of Pegatron Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2025 and 2024, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 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 with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Based on our professional judgment, key audit matters pertain to the most important matters in the audit of consolidated financial statements for the year ended December 31, 2025 of the Group. Those matters have been addressed in our audit opinion on the said consolidated financial statements and during the formation of our audit opinion. However, we do not express an opinion on these matters individually. The key audit matters that, in our professional judgment, should be communicated are as follows:

1. Revenue recognition

   Please refer to Note 4(q) and Note 6(y) to the consolidated financial statements for the accounting policies and detailed descriptions.

   (a) Key audit matters:

   The timing for recognition of revenue and the transfer of control are relatively complex because the transaction terms vary with each client and the offshore hubs are established depending on the clients' needs. These factors expose the Group to a significant risk of untimely recognition of revenues.

   Therefore, the test of revenue recognition was one of the key audit matters in the audit of financial reports of the Group.

   (b) Auditing procedures performed:

   - Vouching external documents with records on ledger to confirm whether the counterparty involved in the sales transaction is the same with that involved in the cash collection.
   - Random sampling of material sales contracts and examining the transaction terms in order to evaluate the accuracy of the timing for recognition of revenue.
   - Performing cut-off test for revenues during the periods before and after the balance sheet date.

2. Inventory valuation

   Please refer to Notes 4(h), 5, and 6(f) of the notes to consolidated financial statement for the accounting policies on measuring inventory, assumptions used and uncertainties considered in determining net realizable value, allowances for impairment loss and obsolescence and balances of impairment loss and obsolescence, respectively.

   (a) Key audit matters:

   Inventories are measured at the lower of cost and net realizable value in the financial statements. However, the cost of inventory might exceed its net realizable value because products change fast and the industry in which the Group operates is very competitive.

   (b) Auditing procedures performed:

   - Analyze the amount of obsolete inventory and inventory market price decline during the year and understand reasons of the difference.
   - Obtain an inventory aging analysis and randomly select items to verify the accuracy for age of inventory.
   - Obtain the most recent selling price for finished goods and replacement cost for raw material, and recalculate net realizable value with selling expense rate to check whether the net realizable value measurement adopted by the Group is reasonable.

3. Significant equity transaction

   Please refer to Note 4(j) and Note 6(h) to the consolidated financial statements for the accounting policies and detailed descriptions.

   (a) Key audit matters:

   The Group disposed of part of its ownership interest in Luxsan Precision Industry (Kunshan) Co., Ltd., resulting in the loss of significant influence over the investee. The Group discontinued the application of the equity method and remeasured its retained interest at fair value, and recognized the resulting gain or loss on disposal in profit or loss.

   The accounting treatment for this equity transaction was based on the International Accounting Standard 28 "Investments in Associates and Joint Ventures." The management used its subjective judgement and assumption as a basis of measurement in recognizing the transaction's fair value and the gain or loss on disposal, which have a significant impact on the financial statements. Therefore, the transaction is of our key audit matters.

   (b) Auditing procedures performed:

   - Interview the management to understand the purpose of the equity transaction, and assess the process and how the price was determined, as well as obtain the opinion report about the price rationality issued by external experts.

   - Review the board meeting minutes and equity transaction contracts, and confirm the resolutions to ensure that they are consistent with the equity transaction contract.

   - Evaluate the suitability and objectivity of the external valuation experts engaged by the management, and review the report issued by external valuation experts, as well as examine the plausibility of the original data and major assumptions.

   - Examine the completeness of the equity net value derecognition amount and the accuracy of the amount of gain or loss on disposal.

Other Matter

We did not audit the financial statements of certain subsidiaries of the Group. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those subsidiaries, is based solely on the reports of other auditors. The financial statements of the subsidiaries reflect total assets constituting 18.27% and 15.59% of consolidated total assets at December 31, 2025 and 2024, respectively, and total operating revenues constituting 8.66% and 5.79% of consolidated total operating revenues for the years then ended December 31, 2025 and 2024, respectively. We did not audit the financial statements of an associate of the Group, which represented investment in another entity accounted for using the equity method. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the associate, is based solely on the report of another auditor. The investment in the associate accounted for using the equity method constituting 6.39% and 7.17% of consolidated total assets at December 31, 2025 and 2024, respectively and the related share of profit of associates and joint ventures accounted for using the equity method constituting 15.66% and 12.46% of consolidated total profit before tax for the years then ended, respectively.

Pegatron Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2025 and 2024, on which we have issued an unmodified opinion with Other Matter paragraph.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 the 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 consolidated 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chih, Shih-Chin and Mao, Sheng-Wei.

KPMG

Taipei, Taiwan (Republic of China)
March 11, 2026

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

PEGATRON CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current assets:				
1100	Cash and cash equivalents (Notes 6(a) and (i))	$ 119,380,486	19.2	121,625,346	18.0
1110	Current financial assets at fair value through profit or loss (Note 6(b))	5,266,045	0.8	9,445,203	1.4
1170	Accounts receivable, net (Notes 6(d), (e), (i) and (y))	193,805,743	31.1	172,829,567	25.6
1180	Accounts receivable due from related parties, net (Notes 6(d), (y) and 7)	27,219,641	4.4	92,341,686	13.7
1200	Other receivables, net (Notes 6(i) and 7)	10,279,271	1.7	1,531,629	0.2
130X	Inventories (Notes 6(f) and (i))	81,234,870	13.0	101,702,256	15.1
1460	Non-current assets classified as held for sale (disposal groups) (Note 6(g))	-	-	4,168,370	0.6
1476	Other current financial assets (Notes 6(i), (m) and 8)	15,262,833	2.4	3,931,524	0.6
1479	Other current assets (Notes 6(i) and (m))	6,840,599	1.1	7,241,690	1.1
		459,289,488	73.7	514,817,271	76.3
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	12,290,268	2.0	4,132,365	0.6
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	3,535,109	0.5	3,723,715	0.6
1540	Non-current financial assets at amortised cost, net	800,000	0.1	800,000	0.1
1550	Investments accounted for using equity method (Note 6(h))	44,727,201	7.2	49,509,201	7.4
1600	Property, plant and equipment (Notes 6(i), (k) and 8)	84,677,257	13.7	79,016,943	11.7
1755	Right-of-use assets (Notes 6(i) and (l))	5,103,394	0.8	6,255,284	0.9
1760	Investment property, net	25,835	-	30,025	-
1780	Intangible assets (Note 6(i))	457,893	0.1	283,682	-
1840	Deferred tax assets (Notes 6(i) and (t))	2,740,726	0.4	2,779,572	0.4
1915	Prepayments on purchase of equipment (Note 9)	8,408,777	1.3	12,825,318	1.9
1980	Other non-current financial assets (Notes 6(i), (m) and 8)	507,973	0.1	508,315	0.1
1990	Other non-current assets (Notes 6(i), (m) and (s))	551,258	0.1	70,434	-
		163,825,691	26.3	159,934,854	23.7
	Total assets	**$ 623,115,179**	**100.0**	**674,752,125**	**100.0**

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

PEGATRON CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets (CONT'D)

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term loans (Notes 6(i) and (n))	$ 42,212,236	6.8	23,818,649	3.5
2130	Current contract liabilities (Note 6(y))	2,164,451	0.3	1,587,338	0.2
2170	Accounts payable (Note 6(i))	222,352,571	35.7	204,550,755	30.4
2180	Accounts payable to related parties (Note 7)	26,888,429	4.3	104,762,746	15.5
2209	Accrued expenses (Notes 6(i) and (z))	22,251,521	3.6	20,577,776	3.0
2219	Other payables (Notes 6(i) and 9)	3,217,298	0.5	3,476,314	0.5
2230	Current tax liabilities	4,003,441	0.6	2,982,444	0.5
2260	Liabilities related to non-current assets classified as held for sale (disposal groups) (Note 6(g))	-	-	1,503,890	0.2
2281	Current lease liabilities (Notes 6(i) and (r))	481,307	0.1	604,836	0.1
2321	Bonds payable, current portion (Note 6(q))	12,200,000	2.0	7,500,000	1.1
2322	Long-term loans payable, current portion (Note 6(p))	4,695,203	0.8	3,775,061	0.6
2399	Other current liabilities (Notes 6(i), (o), (p) and (s))	4,765,880	0.8	10,917,182	1.6
		345,232,337	55.5	386,056,991	57.2
	Non-Current liabilities:				
2527	Non-current contract liabilities (Note 6(y))	2,293,153	0.4	3,329,927	0.5
2530	Bonds payable (Note 6(q))	2,696,221	0.4	14,891,310	2.2
2540	Long-term loans (Notes 6(p) and 8)	11,446,767	1.8	14,526,273	2.2
2570	Deferred tax liabilities (Note 6(t))	8,299,034	1.3	6,418,015	1.0
2581	Non-current lease liabilities (Notes 6(i) and (r))	1,364,014	0.2	1,920,453	0.2
2650	Credit balance of investments accounted for using equity method (Note 6(h))	-	-	6,916	-
2670	Other non-current liabilities (Notes 6(i), (o), (p) and (s))	5,325,773	0.9	5,902,756	0.9
		31,424,962	5.0	46,995,650	7.0
	Total liabilities	376,657,299	60.5	433,052,641	64.2
	Equity Attributable to Owners of the Parent Company (Notes 6(u) and (v)):				
3110	Share capital	26,821,651	4.3	26,631,771	3.9
	Capital surplus:				
3210	Capital surplus, premium on capital stock	79,696,458	12.8	79,691,155	11.8
3280	Capital surplus, others	7,224,477	1.2	5,207,374	0.8
		86,920,935	14.0	84,898,529	12.6
	Retained earnings:				
3310	Legal reserve	22,569,086	3.6	20,808,569	3.1
3320	Special reserve	-	-	6,984,734	1.0
3350	Unappropriated retained earnings	73,171,376	11.7	64,237,214	9.5
		95,740,462	15.3	92,030,517	13.6
	Other equity interest:				
3410	Exchange differences on translation of foreign financial statements	(2,262,048)	(0.4)	2,771,268	0.5
3420	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	652,941	0.1	766,703	0.1
3491	Other equity, unearned compensation	(530,650)	(0.1)	(5,655)	-
		(2,139,757)	(0.4)	3,532,316	0.6
	Equity attributable to the parent company	207,343,291	33.2	207,093,133	30.7
36xx	**Non-controlling interests (Notes 6(j) and (u))**	39,114,589	6.3	34,606,351	5.1
	Total equity	246,457,880	39.5	241,699,484	35.8
	Total liabilities and equity	**$ 623,115,179**	**100.0**	**674,752,125**	**100.0**

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

PEGATRON CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the years ended December 31			
		2025		2024	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6(y) and 7)**	$1,117,160,381	100.0	1,125,348,517	100.0
5000	**Cost of sales (Notes 6(f), (k), (l), (r), (s), (v), (w), (z) and 7)**	1,074,659,121	96.2	1,079,315,725	95.9
	Gross profit from operations	42,501,260	3.8	46,032,792	4.1
6000	**Operating expenses (Notes 6(d), (k), (l), (r), (s), (v), (w), (z) and 7):**				
6100	Selling expenses	5,202,156	0.5	4,711,008	0.4
6200	General and administrative expenses	9,589,103	0.9	12,696,122	1.1
6300	Research and development expenses	16,101,322	1.4	16,125,076	1.5
	Total operating expenses	30,892,581	2.8	33,532,206	3.0
	Net operating income	11,608,679	1.0	12,500,586	1.1
	Non-operating income and expenses:				
7100	Interest income (Note 6(aa))	4,451,611	0.4	5,561,916	0.5
7010	Other income (Note 6(aa))	4,665,254	0.4	2,123,943	0.2
7020	Other gains and losses (Notes 6(h), (i), (k) and (aa))	1,906,771	0.2	4,879,817	0.4
7050	Finance costs (Notes 6(q), (r) and (aa))	(1,349,414)	(0.1)	(1,376,210)	(0.1)
7060	Share of profit of associates and joint ventures accounted for using equity method (Note 6(h))	3,651,120	0.3	3,534,296	0.3
	Total non-operating income and expenses	13,325,342	1.2	14,723,762	1.3
	Profit before tax	24,934,021	2.2	27,224,348	2.4
7950	**Less: Tax expenses (Note 6(t))**	6,824,434	0.6	8,070,844	0.7
	Profit for the year	**18,109,587**	**1.6**	**19,153,504**	**1.7**
8300	**Other comprehensive income (loss):**				
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	3,381	-	29,090	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,165,354	0.1	1,136,052	0.1
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method (Note 6(h))	(538)	-	-	-
8349	Income tax related to components of other comprehensive income (loss) that will not be reclassified to profit or loss (Note 6(t))	402	-	1,159	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	1,167,795	0.1	1,163,983	0.1
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(3,885,856)	(0.4)	8,657,924	0.7
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method (Note 6(h))	(1,381,776)	(0.1)	1,811,677	0.2
8399	Income tax related to components of other comprehensive income (loss) that will be reclassified to profit or loss (Note 6(t))	2,753	-	2,253	-
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	(5,270,385)	(0.5)	10,467,348	0.9
8300	**Other comprehensive income (loss) for the year, net of tax**	(4,102,590)	(0.4)	11,631,331	1.0
8500	**Total comprehensive income (loss) for the year**	**$ 14,006,997**	**1.2**	**30,784,835**	**2.7**
	Profit attributable to:				
8610	Owners of the parent company	$ 14,402,600	1.3	16,876,878	1.5
8620	Non-controlling interests	3,706,987	0.3	2,276,626	0.2
		$ 18,109,587	**1.6**	**19,153,504**	**1.7**
	Comprehensive income (loss) attributable to:				
8710	Owners of the parent company	$ 10,532,760	0.9	28,158,543	2.5
8720	Non-controlling interests	3,474,237	0.3	2,626,292	0.2
		$ 14,006,997	**1.2**	**30,784,835**	**2.7**
	Earnings per share, net of tax (Note 6(x))				
9750	**Basic earnings per share**	**$**	**5.39**		**6.34**
9850	**Diluted earnings per share**	**$**	**5.34**		**6.28**

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

PEGATRON CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of the parent company												
	Share capital		Retained earnings				Total other equity interest						
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unearned compensation	Total other equity interest	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
Balance as of January 1, 2024	$ 26,642,241	84,195,646	19,239,612	7,523,660	58,318,738	85,082,010	(7,359,989)	375,255	(125,271)	(7,110,005)	188,809,892	32,807,875	221,617,767
Profit (loss) for the year	-	-	-	-	16,876,878	16,876,878	-	-	-	-	16,876,878	2,276,626	19,153,504
Other comprehensive income (loss) for the year	-	-	-	-	14,356	14,356	10,131,257	1,136,052	-	11,267,309	11,281,665	349,666	11,631,331
Total comprehensive income (loss) for the year	-	-	-	-	16,891,234	16,891,234	10,131,257	1,136,052	-	11,267,309	28,158,543	2,626,292	30,784,835
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	1,568,957	-	(1,568,957)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(538,926)	538,926	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(10,656,662)	(10,656,662)	-	-	-	-	(10,656,662)	-	(10,656,662)
Other changes in capital surplus:													
Changes in equity of associates and joint ventures accounted for using equity method	-	365,655	-	-	-	-	-	-	-	-	365,655	-	365,655
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	175,360	-	-	-	-	-	-	-	-	175,360	(175,360)	-
Changes in ownership interests in subsidiaries	-	(29,557)	-	-	-	-	-	-	-	-	(29,557)	29,557	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	744,604	744,604	-	(744,604)	-	(744,604)	-	-	-
Expiration of restricted shares of stock issued to employees	(10,470)	10,470	-	-	(30,669)	(30,669)	-	-	-	-	(30,669)	-	(30,669)
Compensation cost arising from restricted shares of stock	-	180,955	-	-	-	-	-	-	119,616	119,616	300,571	-	300,571
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(682,013)	(682,013)
Balance as of December 31, 2024	26,631,771	84,898,529	20,808,569	6,984,734	64,237,214	92,030,517	2,771,268	766,703	(5,655)	3,532,316	207,093,133	34,606,351	241,699,484
Profit (loss) for the year	-	-	-	-	14,402,600	14,402,600	-	-	-	-	14,402,600	3,706,987	18,109,587
Other comprehensive income (loss) for the year	-	-	-	-	(1,878)	(1,878)	(5,033,316)	1,165,354	-	(3,867,962)	(3,869,840)	(232,750)	(4,102,590)
Total comprehensive income (loss) for the year	-	-	-	-	14,400,722	14,400,722	(5,033,316)	1,165,354	-	(3,867,962)	10,532,760	3,474,237	14,006,997
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	1,760,517	-	(1,760,517)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(6,984,734)	6,984,734	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(11,984,263)	(11,984,263)	-	-	-	-	(11,984,263)	-	(11,984,263)
Changes in equity of associates and joint ventures accounted for using equity method	-	244,373	-	-	-	-	-	-	-	-	244,373	-	244,373
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	138,200	-	-	-	-	-	-	-	-	138,200	(138,200)	-
Changes in ownership interests in subsidiaries	-	818,970	-	-	-	-	-	-	-	-	818,970	(818,970)	-
Share-based payments	207,140	-	-	-	-	-	-	-	-	-	207,140	-	207,140
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	1,279,116	1,279,116	-	(1,279,116)	-	(1,279,116)	-	-	-
Expiration of restricted shares of stock issued to employees	(17,260)	17,260	-	-	14,370	14,370	-	-	-	-	14,370	-	14,370
Compensation cost arising from restricted shares of stock	-	803,603	-	-	-	-	-	-	(524,995)	(524,995)	278,608	-	278,608
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,991,171	1,991,171
Balance as of December 31, 2025	**$ 26,821,651**	**86,920,935**	**22,569,086**	**-**	**73,171,376**	**95,740,462**	**(2,262,048)**	**652,941**	**(530,650)**	**(2,139,757)**	**207,343,291**	**39,114,589**	**246,457,880**

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

PEGATRON CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2025	2024
Cash flows from operating activities:		
Profit before tax	$ 24,934,021	27,224,348
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	14,537,260	15,547,589
Amortization expense	192,410	153,474
Expected credit loss (reversal gain)	142,866	(63,934)
Loss (gain) on financial assets and liabilities at fair value through profit or loss	(876,374)	(1,552,591)
Interest expense	1,326,945	1,360,349
Interest income	(4,451,611)	(5,561,916)
Dividend income	(303,839)	(202,324)
Compensation cost arising from employee stock options	708,565	431,169
Amortization of issuance costs on bonds payable	4,911	6,921
Share of profit or loss of associates and joint ventures accounted for using equity method	(3,651,120)	(3,534,296)
Loss (gain) on lease remeasurement	(11,814)	(15,072)
Loss (gain) on disposal of property, plant and equipment	(968,595)	(211,084)
Property, plant and equipment charged to expenses	(495,566)	51,784
Loss (gain) on disposal of intangible assets	(188)	-
Intangible assets charged to expenses	(4,301)	-
Loss (gain) on disposal of investments	(1,128,272)	(2,877,114)
Other income	(2,704,477)	-
Impairment loss on non-financial assets	-	19,242
Government grants income	(51,993)	(50,486)
Total adjustments to reconcile profit	2,264,807	3,501,711
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in financial assets at fair value through profit or loss	4,203,348	2,725,463
Decrease (increase) in notes and accounts receivable	40,677,093	(37,864,673)
Increase in other receivables	(2,540,382)	(948,025)
Decrease in inventories	5,195,739	2,289,037
Increase in other current assets	(714,569)	(2,112,276)
(Increase) decrease in other financial assets	(11,331,308)	1,640,215
Increase in other non-current assets	(281,732)	(115,022)
Total changes in operating assets	35,208,189	(34,385,281)
Changes in operating liabilities:		
Decrease in contract liabilities	(459,662)	(853,882)
(Decrease) increase in accounts payable	(40,745,811)	64,078,469
Decrease in accrued expenses	1,439,272	323,926
Increase in other payable	249,617	486,664
Decrease in other current liabilities	(3,129,360)	(452,730)
(Decrease) increase in other non-current liabilities	(509,220)	389,745
Total changes in operating liabilities	(43,155,164)	63,972,192
Total changes in operating assets and liabilities	(7,946,975)	29,586,911
Total adjustments	(5,682,168)	33,088,622
Cash flows generated from operations	19,251,853	60,312,970
Interest received	4,497,790	5,482,405
Dividends received	328,229	272,548
Interest paid	(1,522,102)	(1,148,822)
Income taxes paid	(2,916,170)	(8,970,873)
Net cash flows from operating activities	19,639,600	55,948,228

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

PEGATRON CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2025	2024
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(323,042)	(1,847,001)
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,546,871	996,680
Acquisition of financial assets at amortized cost	-	(800,000)
Acquisition of investments accounted for using equity method	(30,000)	-
Proceeds from disposal of investments accounted for using equity method	6,561,520	-
Proceeds from disposal of subsidiaries	(6,775,670)	(3,338,078)
Acquisition of property, plant and equipment	(20,883,387)	(21,200,367)
Proceeds from disposal of property, plant and equipment	3,939,232	1,111,852
Acquisition of intangible assets	(410,229)	(199,583)
Proceeds from disposal of intangible assets	1,839	-
Acquisition of right-of-use assets	(83,946)	(199,621)
Proceeds from disposal of right-of-use assets	228,884	42,216
Increase in other financial assets	(90,919)	(129,297)
(Increase) decrease in prepayments on purchase of equipment	(513,888)	4,296,726
Net cash flows used in investing activities	(16,832,735)	(21,266,473)
Cash flows from financing activities:		
Increase (decrease) in short-term loans	17,502,576	2,788,661
Repayments of bonds	(7,500,000)	(8,000,000)
Proceeds from long-term loans	1,755,000	1,577,369
Repayments of long-term loans	(3,950,045)	(3,854,308)
Repayments of lease liabilities	(561,210)	(999,482)
Cash dividends paid	(13,454,899)	(11,969,361)
Issuance (redemption) of restricted stock	184,805	(10,040)
Changes in non-controlling interests	2,858,725	48,766
Net cash flows used in financing activities	(3,165,048)	(20,418,395)
Effect of exchange rate fluctuations on cash and cash equivalents held	(3,347,549)	6,249,914
Net (decrease) increase in cash and cash equivalents	(3,705,732)	20,513,274
Cash and cash equivalents, beginning of the year	123,086,218	102,572,944
Cash and cash equivalents, end of the year	**$ 119,380,486**	**123,086,218**
Components of cash and cash equivalents, beginning of the year:		
Cash and cash equivalents reported in the balance sheet	$ 121,625,346	97,721,592
Reclassification to non-current assets classified as held for sale (disposal groups)	1,460,872	4,851,352
Cash and cash equivalents, beginning of the year	**$ 123,086,218**	**102,572,944**

See accompanying notes to financial statements.

PEGATRON 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, Unless Otherwise Specified)

(1) Company history

PEGATRON CORPORATION (the "Company") was established on June 27, 2007. The Company's registered office address is located at 5F., No.76, Ligong St., Beitou District, Taipei City 112, Taiwan. In order to enhance competitiveness and boost productivity, the Company resolved to absorb the OEM business from ASUSTek Computer Inc. on January 1, 2008 as part of the Company's business restructuring. On April 1, 2008, ASUSALPHA Computer Inc. was merged with the Company. The main activities of the Company are to produce, design and sell OEM business. In January 2010, pursuant to the resolutions of the respective Board of Directors, the Company merged with Pegatron International Investment Co., Ltd., effective June 10, 2010. As the surviving entity from this merger, the Company applied for initial public offering (IPO) to TWSE. The Company's shares were listed on TWSE on June 24, 2010.

In accordance with Article 19 of the Business Mergers and Acquisitions Act, the Company merged with its subsidiary, UNIHAN CORPORATION, pursuant to the resolutions of the Board of Directors in November, 2013.

The consolidated financial statements of the Company as of and for the years ended December 31, 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates entities.

(2) Approval date and procedures of the consolidated financial statements

The accompanying consolidated financial statements were authorized for issuance by the Board of Directors on March 11, 2026.

(3) New standards, amendments and interpretations adopted

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 "Lack of Exchangeability"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.	January 1, 2027 Note:On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
	● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its 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 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies

The accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language consolidated financial statements, the Chinese version shall prevail.

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (altogether referred to “ IFRS Accounting Standards” endorsed by the “FSC”).

(b) Basis of preparation

(i) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the balance sheets:

1) Financial assets at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income are measured at fair value;

3) The net defined benefit liability is recognized as the present value of the defined benefit obligation less the fair value of plan assets.

(ii) Functional and presentation currency

The functional currency of each entity of the Group is determined based on the primary economic environment in which the entities operate. The consolidated financial statements are presented in New Taiwan Dollar, which is the Company’s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized income arising from investment accounted for using equity method is eliminated against the Group invested in its subsidiaries. The accounting treatment for unrealized loss is the same as unrealized income only when there is no indication of impairment.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Acquisition of non-controlling interests

Acquisition of non-controlling interests is accounted for as an equity transaction with owners. Under the aforesaid transaction, goodwill is not recognized.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(iv) Business combination under common control

The business combinations under common control often occur as the group activities are recognized in which the direct ownership of subsidiaries changes but the ultimate parent remains the same. These combinations are treated as the later of either the earliest comparative period in financial statements or the date of common control that requires the restatement of comparative information of prior period. Upon consolidation, assets and liabilities of the acquired entity are recognized at their carrying amount in the consolidated financial statements of owners of the Group. The equity of the consolidated entity is accounted for under the non-controlling interest, and related income and loss are directly recognized in profits attributable to non-controlling interest.

(v) Losing control

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognized in profit or loss, and any investment retained in the former subsidiary is measured at its fair value at the date when control is lost. Subsequently, the retained investment is recognized as either investments accounted for using equity method or financial instruments at FVOCI depending on the extent of its impact.

(vi) List of subsidiaries included in the consolidated financial statements:

			Shareholding ratio		
Investor	**Subsidiary**	**Nature of business**	**December 31, 2025**	**December 31, 2024**	**Notes**
THE COMPANY	UNIHAN HOLDING LTD. (UNIHAN)	Investing activities	100.00 %	100.00 %	
UNIHAN	CASETEK HOLDINGS LIMITED (CASETEK)	Investing and trading activities	100.00 %	100.00 %	
CASETEK	SLITEK HOLDINGS LIMITED (SLITEK)	Investing and trading activities	100.00 %	100.00 %	
CASETEK	CASETEK COMPUTER (SUZHOU) CO., LTD. (CASETEK SUZHOU)	Manufacturing, developing and selling computers, computer parts, application systems, and providing after-sales service	100.00 %	100.00 %	
CASETEK	KAEDAR HOLDINGS LIMITED (KHL)	Investing and trading activities	100.00 %	100.00 %	
KHL	KAEDAR ELECTRONICS (KUNSHAN) CO., LTD. (KAEDAR)	Tooling molds of stainless-steel computer cases	- %	100.00 %	Note 19
CASETEK	KAEDAR TRADING LTD. (KTL)	Investing and trading activities	100.00 %	100.00 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio December 31, 2025	Shareholding ratio December 31, 2024	Notes
CASETEK	CORE-TEK (SHANGHAI) LIMITED (CORE-TEK)	Researching and producing spare parts for notebook computers, designing nonmetal tooling, electronic specific equipment and related products, repairing and producing precision equipment and providing after-sales service	100.00 %	100.00 %	
CASETEK	KAI-CHUAN ELECTRONICS (CHONGQING) CO., LTD. (KAI-CHUAN)	Manufacturing, developing and inspecting computers and application systems, designing and producing precision stamping dies and standard molds, designing and manufacturing nonmetal and metal tooling, developing and producing plastic and electronic component, selling self-manufactured products	100.00 %	100.00 %	
THE COMPANY, ASUSPOWER INVESTMENT AND ASUSTEK INVESTMENT	AZUREWAVE TECHNOLOGIES, INC. (AZUREWAVE)	Wireless network development and computer and business equipment, wholesale and retail sales of telecommunications equipment and information software, provision of computer peripheral hardware and mobile e-commerce services.	31.91 %	32.41 %	Note 1
AZUREWAVE	EZWAVE TECHNOLOGIES, INC. (EZWAVE)	Manufacturing office machinery, electronic parts and computer peripherals	100.00 %	100.00 %	
AZUREWAVE	Azurenet Technology (USA) INC. (Azurenet USA)	Market development activities	- %	100.00 %	Note 2 and Note 3
AZUREWAVE	AZURE LIGHTING TECHNOLOGIES, INC. (AZURE)	Selling electronic parts	100.00 %	100.00 %	
AZUREWAVE	Azurewave Technologies (Vietnam) Company Limited (Azurewave(VN))	Development, design and sale of communication equipment	100.00 %	100.00 %	
AZUREWAVE	Azwave Holding (Samoa) Inc. (Azwave)	Investing activities	100.00 %	100.00 %	
AZUREWAVE	AzureNet Technology Inc. (AzureNet)	Sale of 5G modules and system products.	100.00 %	- %	Note 21
AzureNet	Azurenet Technology (USA) INC. (Azurenet USA)	Market development activities	100.00 %	- %	Note 2 and Note 3
Azwave	Azurewave Technologies (Shanghai) Inc. (Azurewave Shanghai)	Designing, manufacturing and trading computer products	100.00 %	100.00 %	
Azwave	AIGALE CORPORATION (SHANGHAI) (AIGALE)	Designing and selling electronic products and communication equipment	100.00 %	100.00 %	
THE COMPANY	AMA PRECISION INC. (AMA)	Designing and developing computer parts	100.00 %	100.00 %	
THE COMPANY	PEGATRON HOLLAND HOLDING B.V. (PHH)	Investing activities	100.00 %	100.00 %	
PHH	PEGATRON Czech s.r.o. (PCZ)	Installing, repairing and selling electronic products	100.00 %	100.00 %	
THE COMPANY	PEGATRON HOLDING LTD. (PEGA HOLDING)	Investing activities	100.00 %	100.00 %	
PEGA HOLDING	POWTEK HOLDINGS LIMITED (POWTEK)	Investing and trading activities	100.00 %	100.00 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio December 31, 2025	Shareholding ratio December 31, 2024	Notes
POWTEK	POWTEK (SHANGHAI) LTD. (POWTEK SHANGHAI)	Selling main boards, computer peripherals, notebooks, servers and software, and providing after-sales service	100.00 %	100.00 %	
PEGA HOLDING, KINSUS SAMOA	PIOTEK HOLDINGS LTD. (CAYMAN) (PIOTEK CAYMAN)	Investing activities	100.00 %	100.00 %	
PIOTEK CAYMAN	PIOTEK HOLDINGS LIMITED (PIOTEK)	Investing activities	100.00 %	100.00 %	
PIOTEK	PIOTEK (H.K.) TRADING LIMITED (PIOTEK(H.K.))	Trading activities	- %	100.00 %	Note 19
PEGA HOLDING	GRAND UPRIGHT TECHNOLOGY LIMITED (GUT)	Investing and trading activities	100.00 %	100.00 %	
PEGA HOLDING	ASLINK PRECISION CO., LTD. (ASLINK)	Investing and trading activities	100.00 %	100.00 %	
ASLINK	PEGAGLOBE INVESTMENT (JIANGSU) CO., LTD. (PEGAGLOBE JIANGSU)	Investing activities with own funds; equity investment	100.00 %	100.00 %	
PEGA HOLDING	DIGITEK GLOBAL HOLDINGS LIMITED (DIGITEK)	Investing and trading activities	100.00 %	100.00 %	
DIGITEK	DIGITEK (CHONGQING) CO., LTD. (DIGITEK CHONGQING)	Research and development, manufacture, sale of satellite communication equipment, satellite navigation receive equipment, cellphone, internet related equipment, computer, video decoding equipment, car-used electrical equipment and component. The company also provides export, proxy, after-sales repair services, and providing related technical consulting services	100.00 %	100.00 %	
DIGITEK CHONGQING	CHONGQING ZUANSHUO TRADING CO., LTD. (ZUANSHUO)	Computer software and hardware, computer parts, electronic products (excluding electronic publications), electric appliance, industrial communication device (excluding wireless receiving facilities and transmitter), communication equipment (excluding wireless transmitter and satellite ground receiving facilities), and providing related technical consulting services. Import and export of goods and technology. Packaging service, product design, marketing planning, business consulting	100.00 %	100.00 %	
PEGA HOLDING	MAGNIFICENT BRIGHTNESS LIMITED (MAGNIFICENT)	Investing and trading activities	100.00 %	100.00 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio December 31, 2025	Shareholding ratio December 31, 2024	Notes
MAGNIFICENT	MAINTEK COMPUTER (SUZHOU) CO., LTD. (MAINTEK)	Manufacture, develop and research and sale of power supplier, new electronic component, computer case, and computer system. Repair of laptop, motherboard and related product.	100.00 %	100.00 %	
PEGA HOLDING	PROTEK GLOBAL HOLDINGS LTD. (PROTEK)	Investing and trading activities	100.00 %	100.00 %	
PROTEK	PROTEK (SHANGHAI) LTD. (PROTEK SHANGHAI)	Develop and research, manufacture, assemble, repair, sale and design of satellite communication equipment, satellite navigation receive equipment and essential component, cellphone, medium and large sized computer, portable computer, printing machine and electrical component.	100.00 %	100.00 %	
PEGA HOLDING	COTEK HOLDINGS LIMITED (COTEK)	Investing and trading activities	100.00 %	100.00 %	
COTEK	COTEK ELECTRONICS (SUZHOU) CO., LTD. (COTEK SUZHOU)	Developing, manufacturing and selling new electronic components, circuit boards and relevant products, and providing technical services and after-sales service	100.00 %	100.00 %	
THE COMPANY	ASUSPOWER INVESTMENT CO., LTD. (ASUSPOWER INVESTMENT)	Investing activities	100.00 %	100.00 %	
THE COMPANY	ASUS INVESTMENT CO., LTD. (ASUS INVESTMENT)	Investing activities	100.00 %	100.00 %	
THE COMPANY	ASUSTEK INVESTMENT CO., LTD. (ASUSTEK INVESTMENT)	Investing activities	100.00 %	100.00 %	
ASUSPOWER INVESTMENT, ASUS INVESTMENT AND ASUSTEK INVESTMENT	ASROCK INCORPORATION (ASROCK)	Selling motherboards, related product development and design	54.60 %	54.59 %	Note 5
ASROCK	ASIAROCK TECHNOLOGY LIMITED (ASIAROCK)	Investing and holding activities	100.00 %	100.00 %	
ASIAROCK	CALROCK HOLDINGS, LLC (Calrock)	Office building leasing	- %	100.00 %	Note 6
ASIAROCK	ASRock Europe B.V. (ASRock Europe)	Data storage and electronic material sales, international trade, etc.	100.00 %	100.00 %	
ASROCK	ASRock Holding Inc.(ASRock VG)	Investing and holding activities	100.00 %	- %	Note 6
ASRock VG	CALROCK HOLDINGS, LLC (Calrock)	Office building leasing	100.00 %	- %	Note 6
ASRock VG	ASRock America, Inc.(ASRock America)	Data storage and electronic material sales, international trade, etc.	100.00 %	- %	Note 11 and Note 12

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio December 31, 2025	Shareholding ratio December 31, 2024	Notes
ASROCK	LEADER INSIGHT HOLDINGS LIMITED (Leader)	Investing and holding activities	- %	100.00 %	Note 10
Leader	FIRSTPLACE INTERNATIONAL LTD. (Firstplace)	Investing and holding activities	- %	100.00 %	Note 10
Firstplace	ASRock America, Inc. (ASRock America)	Data storage and electronic material sales, international trade, etc.	- %	100.00 %	Note 10 and Note 11
ASROCK	ASRock Rack Incorporation (ASRock Rack)	Manufacturing and selling computer and related peripherals	46.22 %	53.03 %	Note 7
ASRock Rack	ASROCK RACK AMERICA INC. (ASRock USA)	Sales service center in America	100.00 %	100.00 %	Note 21
ASROCK	ASRock Industrial Computer Corporation (ASRock Industrial)	Manufacturing and selling computer and related peripherals	55.99 %	58.23 %	Note 8
ASRock Industrial	ASROCK INDUSTRIAL COMPUTER SEA SDN. BHD. (ASEA)	Sales service center in Asia Pacific	100.00 %	100.00 %	Note 21
ASRock Industrial	ASROCK Industrial Computer Europe GmbH (ASRock Gmbh)	Sales service center in Europe	100.00 %	100.00 %	Note 21
ASROCK	Soaring Asia Limited (Soaring)	International trading activities	100.00 %	100.00 %	
ASROCK	ASJade Technology Incorporation (ASJade)	Information software service	83.06 %	82.50 %	Note 9
ASJade	ASJade Technology Japan Corp. (ASJade Japan)	Information software service	100.00 %	100.00 %	
THE COMPANY, ASUSPOWER INVESTMENT, ASUS INVESTMENT AND CASETEK CAYMAN	PEGATRON Mexico, S.A. DE C.V. (PMX)	Manufacture of consumer electronics and electronic parts	100.00 %	100.00 %	
ASUSPOWER INVESTMENT, ASUS INVESTMENT AND ASUSTEK INVESTMENT	KINSUS INTERCONNECT TECHNOLOGY CORP. (KINSUS)	Manufacturing electronic parts, whole selling and retailing of electronic components, as well as providing business management consultant service	38.07 %	38.09 %	Note 4
KINSUS	KINSUS INVESTMENT CO., LTD. (KINSUS INVESTMENT)	Investing activities	100.00 %	100.00 %	
KINSUS, KINSUS INVESTMENT, ASUSPOWER INVESTMENT AND ASUSTEK INVESTMENT	PEGAVISION CORPORATION (PEGAVISION)	Manufacturing medical appliances	44.05 %	44.05 %	Note 13
PEGAVISION	PEGAVISION VIETNAM COMPANY LIMITED (PEGAVISION VIETNAM)	Manufacturing and selling medical appliances	100.00 %	100.00 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio December 31, 2025	Shareholding ratio December 31, 2024	Notes
PEGAVISION	PEGAVISION JAPAN INC. (PEGAVISION JAPAN)	Selling medical appliances	100.00 %	100.00 %	
PEGAVISION	Pegavision (Jiangsu) Limited (Pegavision Jiangsu)	Manufacturing and selling medical appliances	100.00 %	100.00 %	
PEGAVISION	Mayin Investment Co., Ltd. (Mayin)	Investing activities	100.00 %	100.00 %	
PEGAVISION	Pegavision (Shanghai) Company Limited (Pegavision Shanghai Company)	Selling medical appliances	100.00 %	100.00 %	Note 18
PEGAVISION	PEGAVISION NETHERLANDS B.V. (PEGAVISION NL)	Selling medical appliances	100.00 %	- %	Note 14
Mayin	BeautyTech Platform Corporation(BeautyTech)	Selling medical appliances and cosmetics	85.00 %	85.00 %	
BeautyTech	Pegavision (Shanghai) Limited (Pegavision Shanghai)	Selling medical appliances	- %	100.00 %	Note 15
Pegavision Shanghai	Gemvision Technology (Zhejiang) Limited (Gemvision Zhejiang)	Selling medical appliances and cosmetics	- %	100.00 %	Note 15
BeautyTech	Gemvision Technology (Zhejiang) Limited (Gemvision Zhejiang)	Selling medical appliances and cosmetics	100.00 %	- %	Note 15
BeautyTech	BEAUTYTECH PLATFORM (SINGAPORE) PTE. LTD. (BEAUTYTECH SG)	Selling medical appliances and cosmetics	- %	100.00 %	Note 16
BeautyTech	BeautyTech Platform (Shanghai) Corporation (BeautyTech Shanghai)	Selling medical appliances and cosmetics	100.00 %	100.00 %	Note 15
BeautyTech	FORIMART Corporation (FORIMART)	Selling medical appliances and cosmetics	100.00 %	100.00 %	
BeautyTech	BEAUTYTECH PLATFORM (VIETNAM) LIMITED LIABILITY COMPANY (BTP VN)	Selling medical appliances and cosmetics	70.00 %	70.00 %	
Mayin	FacialBeau International Corporation (FacialBeau)	Selling medical appliances and cosmetics	55.00 %	55.00 %	
FacialBeau	FacialBeau (Jiangsu) Corporation (FacialBeau Jiangsu)	Selling medical appliances and cosmetics	100.00 %	100.00 %	Note 18
FacialBeau	Aquamax Vision Corporation (Aquamax)	Selling medical appliances and cosmetics	100.00 %	100.00 %	
FacialBeau	IKIDO Inc. (IKIDO)	Selling medical appliances and cosmetics	100.00 %	100.00 %	
FacialBeau	RODNA CO., LTD. (RODNA)	Selling medical appliances and cosmetics	100.00 %	100.00 %	
KINSUS	KINSUS CORP. (USA) (KINSUS USA)	Designing substrates, formulating marketing strategy analysis, developing new customers, researching and development new product technology	100.00 %	100.00 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio December 31, 2025	Shareholding ratio December 31, 2024	Notes
KINSUS	KINSUS HOLDING (SAMOA) LIMITED (KINSUS SAMOA)	Investing activities	100.00 %	100.00 %	
KINSUS SAMOA	KINSUS HOLDING (CAYMAN) LIMITED (KINSUS CAYMAN)	Investing activities	100.00 %	100.00 %	
KINSUS CAYMAN	KINSUS INTERCONNECT TECHNOLOGY (SUZHOU) CORP. (KINSUS SUZHOU)	Manufacturing and selling printed circuit board (PCB) (not high-density fine-line)	100.00 %	100.00 %	
PIOTEK, KINSUS SUZHOU, PEGAGLOBE JIANGSU	PIOTEK COMPUTER (SUZHOU) CO., LTD. (PIOTEK SUZHOU)	Researching, developing, producing and selling new electronic components, PCBs and related products and providing after-sale services	100.00 %	100.00 %	
ASUSPOWER INVESTMENT, ASUS INVESTMENT AND ASUSTEK INVESTMENT	ASUSPOWER CORPORATION (ASUSPOWER)	Investing and trading activities	100.00 %	100.00 %	
THE COMPANY	CASETEK HOLDINGS LIMITED (CAYMAN) (CASETEK CAYMAN)	Investing activities	100.00 %	100.00 %	
CASETEK CAYMAN	RIH LI INTERNATIONAL LIMITED (RIH LI)	Investing activities	100.00 %	100.00 %	
RIH LI	RI-TENG COMPUTER ACCESSORY (SHANGHAI) CO., LTD. (RI-TENG)	Designing, researching, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling	- %	100.00 %	Note 23
RIH LI	RI-PRO PRECISION MODEL (SHANGHAI) CO., LTD. (RI-PRO)	Designing, researching, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling	100.00 %	100.00 %	
CASETEK CAYMAN	RI-KUAN METAL CORPORATION (RI-KUAN)	Selling iron and aluminum products	100.00 %	100.00 %	
RI-KUAN	RITENG USA, INC. (RITENG)	Market survey	100.00 %	100.00 %	
CASETEK CAYMAN	MEGA MERIT LIMITED (MEGA)	Trading activities	100.00 %	100.00 %	
ASUS INVESTMENT	AS FLY TRAVEL SERVICE LIMITED (AS FLY)	Travel agency	100.00 %	100.00 %	
ASUSPOWER INVESTMENT	PEGATRON TECHNOLOGY SERVICE INC. (PTSI)	Sales and repair service center in North America	100.00 %	100.00 %	
PTSI	PEGATRON SERVICOS DE INFORMATICA LTDA.(PCBR)	Maintenance service	100.00 %	100.00 %	
PTSI	PEGATRON TECHNOLOGIES LLC (PTX)	Researching, designing, manufacturing, and maintenance of information, communication, and consumer electronic products	100.00 %	- %	Note 21

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

			Shareholding ratio		
Investor	Subsidiary	Nature of business	December 31, 2025	December 31, 2024	Notes
ASUSPOWER INVESTMENT	PEGA INTERNATIONAL LIMITED (PEGA INTERNATIONAL)	Design service and sales	100.00 %	100.00 %	
ASUSPOWER INVESTMENT	PEGATRON JAPAN INC.(PJ)	Sales and repair service center in Japan	100.00 %	100.00 %	
ASUSPOWER INVESTMENT, ASUS INVESTMENT AND ASUSTEK INVESTMENT	Lumens Digital Optics Inc. (Lumens)	Researching, developing, manufacturing and selling computer data projectors and related peripherals	53.30 %	53.57 %	Note 20
Lumens	Lumens Integration Inc. (Lumens Integration)	Selling computer communication products and peripherals	100.00 %	100.00 %	
Lumens	Lumens Digit Image Inc. (SAMOA)(Lumens SAMOA)	Investing activities	100.00 %	100.00 %	
Lumens SAMOA	Lumens (Suzhou) Digital Image Inc.(Lumens Suzhou)	Manufacturing and selling computer data projectors and related peripherals	100.00 %	100.00 %	
ASUSPOWER INVESTMENT	PEGATRON SERVICE SINGAPORE PTE. LTD. (PSG)	Sales and repair service center in Singapore	100.00 %	100.00 %	
PSG	PEGATRON SERVICE KOREA LLC. (PKR)	Sales and repair service center in Korea	100.00 %	100.00 %	
THE COMPANY	HUA-YUAN INVESTMENT CO., LTD. (HUA-YUAN)	Investing activities	100.00 %	- %	Note 22
ASUS INVESTMENT	HUA-YUAN INVESTMENT CO., LTD. (HUA-YUAN)	Investing activities	- %	100.00 %	Note 22
THE COMPANY	PEGATRON SERVICE AUSTRALIA PTY. LTD.(PAU)	Sales and repair service center in Australia	100.00 %	100.00 %	
THE COMPANY	PEGATRON USA, INC. (PUSA)	Sales and repair service center in North America	100.00 %	100.00 %	
THE COMPANY, ASUSPOWER INVESTMENT	PT PEGAUNIHAN TECHNOLOGY INDONESIA (PTB)	Data storage and processing equipment, manufacturing wired and wireless communication equipment, installing and selling of computer equipment and electronic components	100.00 %	100.00 %	
THE COMPANY, CASETEK CAYMAN	PEGATRON VIETNAM COMPANY LIMITED (PVN)	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	100.00 %	100.00 %	
THE COMPANY	PEGATRON TECHNOLOGY HAI PHONG COMPANY LIMITED (PHP)	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	100.00 %	100.00 %	
THE COMPANY, ASUSPOWER INVESTMENT	TATA ELECTRONICS PRODUCTS AND SOLUTIONS PRIVATE LIMITED (TEPS)(Former PTI)	Manufacturing and selling consumer electronics	- %	100.00 %	Note 17
THE COMPANY, ASUSPOWER INVESTMENT	PEGARTON ELECTRONICS INDIA PRIVATE LIMITED (PELI)	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	100.00 %	100.00 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio December 31, 2025	Shareholding ratio December 31, 2024	Notes
THE COMPANY	PEGATRON TECHNOLOGY TEXAS INC. (PTT) (Former PTX)	Sales service center in North America	100.00 %	100.00 %	
THE COMPANY	PEGATRON ELECTRONICS INC. (PEL)	Sales service center in North America	100.00 %	100.00 %	
THE COMPANY	PEGAUNIHAN TECHNOLOGY MALAYSIA SDN. BHD. (PTM)	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	100.00 %	100.00 %	
THE COMPANY	Pegapower Investment Co., Ltd. (Pegapower Investment)	Investing activities	100.00 %	100.00 %	
THE COMPANY	Pegatron Investment Co., Ltd. (Pegatron Investment)	Investing activities	100.00 %	100.00 %	
Pegapower Investment, Pegatron Investment	Pegatron Venture Capital Co., Ltd. (Pegatron Venture)	Investing activities	100.00 %	100.00 %	
Pegapower Investment, KINSUS INVESTMENT, PEGAVISION, ASROCK, AZUREWAVE	Zhuhe Investment Co., Ltd. (Zhuhe)	Investing activities	85.00 %	85.00 %	
Pegatron Investment	AzureMoto Technology, Inc. (AzureMoto)	Presearch, design, and sale of power semiconductor derices and modules.	90.00 %	90.00 %	Note 21
Pegatron Venture	PEGABella CO., Ltd. (PEGABella)	Electrical appliance wholesale and retail	100.00 %	- %	Note 21

Note 1: During 2025 and 2024, AZUREWAVE resolved to reduce the capital through cancellation of the repurchases of restricted employee new shares, resulting in a decrease in the shareholding of the Group to 31.91%. The Group held 31.91% voting shares of AZUREWAVE; however, the Group considered the remaining 68.09% of shareholdings are not concentrated and the Group has an ability to lead the decision making in relevant activities of the investee company based on the experience in its previous shareholders' meeting. In addition, there is no indication that other shareholders are collaborating together for passing any resolution. Therefore, the Group included AZUREWAVE into the consolidated financial report.

Note 2： In October 2025, Azurewave Technologies (USA) Inc. (Azurewave USA) changed its name to Azurenet Technology (USA) Inc. (Azurenet USA).

Note 3: In December 2025, AZUREWAVE conducted an organizational restructuring and transferred all of its shareholdings in Azurenet Technology (USA) Inc. to AzureNet.

Note 4： During 2025 and 2024, KINSUS issued restricted shares for its employees and repurchase the treasury shares that lapsed due to those restricted shares, resulting in the Group’ s shareholding to decrease to 38.07%. The Group held 38.07% voting shares of KINSUS; however, the Group considered the remaining 61.93% of shareholdings are not concentrated and the Group has an ability to lead the decision making in relevant activities of the investee company based on the experience in its previous shareholders' meeting. In addition, there is no indication that other shareholders are collaborating together for passing any resolution. Therefore, the Group included KINSUS into the consolidated financial report.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Note 5: During 2025 and 2024, ASROCK resolved to reduce the capital through cancellation of the repurchases of restricted employee new shares and repurchase the treasury shares that lapsed due to those restricted shares, increasing the Group’s shareholding to 54.60%.

Note 6: ASIAROCK initially established ASRock VG as a wholly-owned subsidiary by contributing its equity interest in Calrock as capital, and obtained incorporation registration on May 13, 2025. In July 2025, ASIAROCK conducted a capital reduction and transferred the equity interest in ASRock VG back to ASROCK.

Note 7: During 2024, ASRock Rack issued restricted shares for its employees pursuant to a resolution of the Board of Directors. On November 27, 2024, the Group disposed of a portion of its shareholding in ASRock Rack, resulting in a decrease in the Group’ s shareholding to 53.03%. During 2025, ASRock Rack cancelled its treasury shares and issued new shares through capital increase. As the Group did not subscribe in proportion to its ownership interest, the Group’s shareholding percentage decreased to 46.22%.

Note 8: During 2024, the Board of Directors of ASRock Industrial resolved to issued restricted shares for its employees, resulting in a decrease in the Group’s shareholding to 58.23%. During 2025, ASRock Industrial cancelled its treasury shares, and the Group disposed of ASRock Industrial shares, resulting in a decrease in the Group's shareholdings to 55.99%.

Note 9： In 2025, ASJade increased its capital by issuing 16,000 thousand new shares. As the Group did not subscribe in proportion to its ownership interest, the Group’ s shareholding percentage increased to 83.06%.

Note 10: LEADER INSIGHT HOLDINGS LTD.(Leader) completed its dissolution and liquidation in August 2025, and distributed its equity interest in FIRSTPLACE INTERNATIONAL LTD.(Firstplace) as remaining assets to ASROCK.

Note 11: In November 2025, FIRSTPLACE INTERNATIONAL LTD. distributed its equity interest in ASRock America, Inc. to ASROCK as remaining assets. The subsidiary subsequently completed its dissolution and liquidation in December 2025.

Note 12: On December 31, 2025, ASROCK contributed its equity interest in ASRock America as consideration for its investment in ASRock VG.

Note 13： The Group holds 44.05% of the voting shares of PEGAVISION. However, considering that the remaining 55.95% of the shares are widely dispersed and that the level of participation by other shareholders in previous shareholders’ meetings indicates the Group’s practical ability to direct the relevant activities, and in the absence of any contractual arrangements among the other shareholders to make collective decisions, PEGAVISION is included in the consolidated financial statements.

Note 14： To develop the European market, the Board of Directors of PEGAVISION resolved on December 31, 2024 to set up PEGAVISION NETHERLANDS B.V., which was 100% directly held by PEGAVISION. The registration was completed on February 28, 2025.

Note 15： As part of the Group’s business restructuring, Beauty Tech Platform (Shanghai) Corporation and Pegavision (Shanghai) Limited were merged in 2025. Beauty Tech Platform (Shanghai) Corporation is the surviving entity, while Pegavision (Shanghai) Limited was dissolved upon the merger.

Note 16： As part of the group's business restructuring, BEAUTYTECH PLATFORM (SINGAPORE) PTE. LTD. was deregistered in 2025.

Note 17: On January 24, 2025, the Board of Directors of Pegatron Technology India Private Limited (PTI), a former subsidiary of the Group, approved a cash capital increase, with all newly issued shares subscribed by strategic investors. As a result, the Group lost control over PTI. Later in 2025, PTI changed its name to TATA ELECTRONICS PRODUCTS AND SOLUTIONS PRIVATE LIMITED (TEPS).

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Note 18: The subsidiary was founded, however, the capital infusion has not been completed as of December 31, 2025.

Note 19: The subsidiary had been liquidated as of December 31, 2025.

Note 20: During 2025, the subsidiary issued new shares for employee stock options, decreasing the Group’s shareholding to 53.30% after the capital increase.

Note 21: The subsidiary was newly established during 2025 and 2024, with the capital infusion having been completed as of December 31, 2025.

Note 22: The subsidiary was originally named HUA-YUAN INVESTMENT LIMITED and it completed its name change in 2024, and in 2025, the subsidiary was directly 100% owned by the Company.

Note 23: The dissolution and liquidation of the subsidiary was resolved by the shareholders' meeting on July 22, 2025. In January 2026, the subsidiary applied to the local government for the dissolution and liquidation procedures.

(vii) Subsidiaries excluded from consolidation: None.

(d) Foreign currency

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the Group’s functional currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the Group’s functional currency at average exchange rate. Exchange differences are recognized in other comprehensive income.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of investment in an associate of joint venture that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

(e) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

(i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

(ii) It holds the asset primarily for the purpose of trading;

(iii) It expects to realize the asset within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

(i) It expects to settle the liability in its normal operating cycle;

(ii) It holds the liability primarily for the purpose of trading;

(iii) The liability is due to be settled within twelve months after the reporting period; or

(iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investment that are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in value.

Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(Continued)

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value, not at fair value through other comprehensive income ("FVPTL"), plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income ("FVOCI") – debt investment, FVOCI – equity investment or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Financial assets at fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

a) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Some accounts receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Group, therefore, those receivables are measured at FVOCI. However, they are included in the ‘ accounts receivable’ line item.

(Continued)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Financial assets at fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

a) the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

b) how the performance of the portfolio is evaluated and reported to the Group's management;

c) the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

d) the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

(Continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

5) Assess whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

a) contingent events that would change the amount or timing of cash flows;

b) terms that may adjust the contractual coupon rate, including variable rate features;

c) prepayment and extension features; and

d) terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features)

6) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets measured at amortized cost, including cash and cash equivalents, financial assets measured at amortized cost, notes receivable, trade receivables, finance lease receivables, installment receivables, other receivables, and other financial assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

a) debt securities that are determined to have low credit risk at the reporting date; and

b) other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience, informed credit assessment and forward-looking information.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 180 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

a) significant financial difficulty of the borrower or issuer;

b) a breach of contract such as a default or being more than 180 days past due;

c) the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

d) it is probable that the borrower will enter bankruptcy or other financial reorganization; or

e) the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion there of.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due.

7) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(Continued)

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and presented in net amount in the balance sheet when, and only when, the Group currently has a legally enforceable right to offset the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

7) Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortized cost changed as a result of interest rate benchmark reform, the Group will update the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

– the change is necessary as a direct consequence of the reform; and

– the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group will first update the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. Thereafter, the Group will apply applied the policies on accounting for modifications to the additional changes.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The replacement cost of raw material is its net realizable value.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Non-current assets classified as held for sale (disposal groups)

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated.

(j) Investment in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for using equity method and are recognized initially at cost. The cost of investment includes transaction costs. The carrying amount of investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The Group's share of the profit or loss and other comprehensive income of investments accounted for using equity method are included, after adjustments to align the said investees' accounting policies with those of the Group, in the consolidated financial statements from the date on which significant influence commences until the date that significant influence ceases.

Gains and losses resulting from the transactions between the Group and an associate are recognized only to the extent of unrelated. Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interest in associates, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Group's investment ceases to qualify as an investment in an associate, the application of the equity method is discontinued. The retained interest is measured at fair value, and the difference between the fair value of the retained interest and the proceeds from disposal, compared with the carrying amount of the investment on the date the equity method is discontinued, is recognized in profit or loss.All amounts previously recognized in other comprehensive income relating to that investment are accounted for on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. In other words, any gains or losses previously recognized in other comprehensive income that would be reclassified to profit or loss (or retained earnings) upon the disposal of the related assets or liabilities are reclassified from equity to profit or loss (or retained earnings) when the equity method is discontinued.If the Group's ownership interest in an associate is reduced but the equity method continues to apply, the Group reclassifies to profit or loss (or retained earnings), on a proportionate basis, the amounts previously recognized in other comprehensive income that relate to the reduction in ownership interest, consistent with the principles described above.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Investment property

Investment property is a property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at cost less accumulated depreciation and accumulated impairment loss. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

Depreciation is provided over the estimated economic lives using the straight-line method as the method most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Land has an unlimited useful life and therefore is not depreciated.

The estimated useful lives of investment properties are as follows:

Buildings	20 years

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

(l) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(Continued)

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	1 - 50 years
Machinery	1 - 10 years
Instrument equipment	3 - 6 years
Miscellaneous equipment	1 - 25 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

(m) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

(Continued)

Lease payments included in the measurement of the lease liability comprise the following:

1) fixed payments, including in-substance fixed payments;

2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3) amounts expected to be payable under a residual value guarantee; and

4) the exercise price of a purchase option if the Company is reasonably certain to exercise that option or payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

1) there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;

2) there is a change in the amount expected to be payable under a residual value guarantee;

3) there is a change in the assessment of an option to purchase the underlying asset;

4) there is a change in the assessment of the lease term resulting from a change in the assessment on whether it is reasonably certain to exercise a purchase, or termination option;

5) there is any modification on lease object, scope or other items

When the lease liability is remeasured due to the conditions mentioned above, the amount of the remeasurement of the lease liability shall be recognized as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, any remaining amount of the remeasurement shall be recognized in profit or loss.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

Assets held under finance leases are presented as lease receivable at the amount of the net investment in the lease. Initial direct costs incurred in negotiating and arranging a lease are included in the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. For operating leases, the Group recognizes lease payments received as rental income on a straight-line basis over the lease term.

(n) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives of intangible assets are as follows:

Computer software cost	1-20 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Impairment of non financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset' s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGUs is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGUs.

An impairment loss is recognized if the carrying amount of an asset or CGUs exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs, and then to reduce the carrying amounts of the other assets in the CGUs on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(p) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Carbon fees

Carbon fees levied in accordance with Taiwan' s Climate Change Response Act and Regulations Governing the Collection of Carbon Fees are recognized when the annual greenhouse gas emissions are probably to exceed the threshold, and the amount is estimated based on the proportion of greenhouse gas emissions that have occurred as of the reporting date to the total annual emissions.

(q) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Sale of goods

The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group grants its main customers the right to return the product within certain period. Therefore, the Group reduces its revenue by the amount of expected returns and discounts, and recognizes a refund liability and a right to the returned goods. Accumulated experience is used to estimate such returns and discounts at the time of sale. Also, it is highly probable that a significant reversal in the cumulative revenue recognized will not occur. At each reporting date, the Group reassesses the estimated amount of expected returns and discounts.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(ii) Rendering of services

Revenue from providing services is recognized in the accounting period in which performance obligation is satisfied.

(iii) Financial components

Except for installment sales transactions, the Group does not expect to have any contracts where the period between the transfer of goods or services to the customer and payment by the customer exceeds one year. Accordingly, the Group does not adjust any of the transaction prices for the time value of money.

(iv) Interest Income from Installment Sales

The Group engages in installment sales transactions. The difference between installment sales price and the cash sales price is recorded as unearned interest income and is subsequently recognized as installment sales interest income over the installment period using the interest method. The balance of unearned interest income is presented as a deduction from notes and accounts receivable.

(r) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations, or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

(Continued)

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are not recognized for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(s) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed as the related service is provided.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(t) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which the Board of Directors authorized the price and number of a new award.

(u) Government grants

The Group recognizes an unconditional government grant in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

Government assistance in the form of a guarantee from the government for loans from financial institutions is using market interest rate to calculate the fair value of the loan, and recognizes the difference between the amount received and the fair value as deferred revenues. The deferred revenues will then be amortized as other income on a systematic basis.

(v) Earnings per share

Disclosures are made of basic and diluted earnings per share attributable to ordinary equity holders of the Company. The basic earnings per share is calculated based on the profit attributable to the ordinary shareholders of the Company divided by weighted average number of ordinary shares outstanding. The diluted earnings per share is calculated based on the profit attributable to ordinary shareholders of the Company, divided by weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as remuneration of employees and employee stock options.

(w) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Each operating segment consists of standalone financial information.

The operating results to report to the chief operating decision maker include items that can be directly attributable to the operating segment and be allocated on a reasonable basis. Unallocated items are majorly corporate assets (mainly the headquarter of the Group), corporate expenses, and tax assets and liabilities. The capital expenditure of the segments is referring the total costs of acquiring property, plant, and equipment, and intangible assets other than goodwill within the reporting period.

(Continued)

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

- The judgment regarding the control of subsidiaries involves significant accounting decisions, which have a substantial impact on the amounts recognized in the consolidated financial report. For more detailed information, please refer to Note 4(c).

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

- Valuation of inventories

  As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to Note 6(f) for further description of the valuation of inventories.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	$ 8,627	11,147
Cash in banks	56,350,177	75,602,053
Time deposits	57,004,298	41,220,783
Cash equivalents	6,017,384	4,791,363
	$ 119,380,486	**121,625,346**

(i) The above cash and cash equivalents were not pledged as collateral. Pledged time deposits were accounted for under other financial assets. Please refer to Notes 6(m) and 8 for details.

(ii) Please refer to Note 6(ab) for the currency risk and sensitivity analysis.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	December 31, 2025	December 31, 2024
Current mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Shares of stock of listed companies	$ 2,662,193	7,069,842
Beneficiary certificates and others	2,603,852	2,375,361
Subtotal	5,266,045	9,445,203
Non-current mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Shares of stock of listed companies	$ 353,923	475,390
Shares of stock of unlisted companies	9,870,154	1,379,867
Beneficiary certificates	2,066,191	2,277,108
Subtotal	12,290,268	4,132,365
Total	**$ 17,556,313**	**13,577,568**

(i) Please refer to Note 6(aa) for re-measurement at fair value recognized in profit or loss.

(ii) Please refer to Note 6(ab) for the credit risk and market risk.

(iii) The aforesaid financial assets were not pledged as collateral.

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

	December 31, 2025	December 31, 2024
Equity instruments at fair value through other comprehensive income:		
Shares of stock of listed companies	$ 1,040,849	1,396,006
Shares of stock of unlisted companies	2,494,260	2,327,709
Total	**$ 3,535,109**	**3,723,715**

(i) Equity instruments at fair value through other comprehensive income

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

For year ended December 31, 2025 and 2024, the dividend income of $9,893 thousand and $33,089 thousand, related to equity investments at fair value through other comprehensive income were recognized, respectively.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For year ended December 31, 2025 and 2024, the Group has sold its shares as a result of investment strategy with fair value of $1,546,871 thousand and $996,680 thousand and recognized a cumulative gain of $1,279,116 thousand and $744,604 thousand, which was transferred to retained earnings from other equity interest.

(ii) Please refer to Note 6(ab) for credit risk and market risk.

(iii) The aforesaid financial assets were not pledged as collateral.

(d) Accounts receivable, net

(i) The components of notes and accounts receivable were as follows:

	December 31, 2025	December 31, 2024
Notes receivables from operating activities	$ -	2,730
Accounts receivable-measured at amortized cost	191,378,372	172,923,418
Accounts receivable-related parties	27,291,392	92,342,749
Finance lease receivables	2,315,049	-
Installment receivables	686,370	-
Less: Allowance for impairment	233,582	97,644
Unrealized interest income	412,217	-
	$ 221,025,384	265,171,253

(ii) Credit loss

The Group applies the simplified approach in measuring expected credit losses for all notes receivable, trade receivables, finance lease receivables, and installment receivables, whereby lifetime expected credit losses are recognized. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward-looking information, including macroeconomic and relevant industry information.

The loss allowance provision was determined as follows:

	December 31, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 217,749,987	0%~1%	(40,144)
Overdue 0 to 30 days	3,149,787	0%~30%	(26,066)
Overdue 31 to 120 days	166,810	2%~100%	(28,143)
Overdue 121 to 365 days	191,436	6%~100%	(138,283)
Over 365 days past due	946	100%	(946)
	$ 221,258,966		(233,582)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 263,859,957	0%~2%	(51,410)
Overdue 0 to 30 days	1,171,066	0%~30%	(21,197)
Overdue 31 to 120 days	220,887	1%~100%	(8,823)
Overdue 121 to 365 days	15,928	50%~100%	(15,155)
Over 365 days past due	1,059	100%	(1,059)
	$ 265,268,897		**(97,644)**

The movement in the allowance for notes and accounts receivable was as follows:

	For the years ended December 31	
	2025	2024
Balance as of January 1	$ 97,644	160,171
Impairment losses (reversed) recognized	142,867	(64,474)
Amounts written off	(5,841)	-
Effect of movement in exchange rates	(1,088)	1,947
Balance as of December 31	**$ 233,582**	**97,644**

The aforesaid financial assets were not pledged as collateral.

(iii) Please refer to Note 6(ab) for credit risk and currency risk.

(e) Finance lease receivables

The Company leases out manufactured inventories under finance leases. Since substantially all the risks and rewards incidental to ownership of the underlying assets have been transferred, these leases are classified as finance leases. Please refer to Note 6(d) for further details.

The maturity analysis of lease payments is presented as the undiscounted lease payments to be received after the reporting date, is as follows:

	December 31, 2025
Within 1 year	$ 835,990
1-2 years	771,683
2-3 years	707,376
Total Lease Investment	2,315,049
Unearned financing income	336,236
Present value of lease payments receivable	**$ 1,978,813**

Please refer to Note 6(ab) for credit risk.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Inventories

	December 31, 2025	December 31, 2024
Merchandise	$ 2,245,474	2,508,432
Finished goods	31,432,718	51,033,734
Work in process	10,993,313	10,534,434
Raw materials	36,563,365	37,625,656
	$ 81,234,870	**101,702,256**

The components of cost of goods sold were as follows:

	For the years ended December 31 2025	2024
Cost of goods sold	$ 1,069,890,253	1,074,039,692
Provision on (reversal of) evaluation of inventory	27,145	(1,217,718)
Loss on disposal of inventory	4,336,726	6,203,205
Others	404,997	290,546
	$ 1,074,659,121	**1,079,315,725**

As of December 31, 2025 and 2024, the aforesaid inventories were not pledged as collateral.

(g) Non-current assets classified as held for sale (disposal groups)

The Group was approved by the Board of Directors on August 13, 2025 through the resolution to dispose of its 18.5% investment in Luxsan Precision Industry (Kunshan) Co., Ltd., which was accounted for using the equity method to Luxsan Precision iTech (Kunshan) Co., Ltd., indirectly through its subsidiary ASLINK PRECISION CO., LTD.

The Group was approved by the Board of Directors on May 14, 2025 through the resolution for the disposal of land and building of Baoqiao Section, Xindian District, New Taipei City.

The Group was approved by the Board of Directors on December 30, 2024 through the resolution for the disposal of the Group's shares in the KINSUS HOLDING (CAYMAN) LTD of 80.5%, PIOTEK HOLDINGS LIMITED of 100% and Pegaglobe Investment (Jiangsu) CO., LTD. of 100%, and indirectly transfer the companies to reinvest 100% equity interest in KINSUS INTERCONNECT TECHNOLOGY (SUZHOU) CORP. and 100% equity interest in PIOTEK COMPUTER (SUZHOU) CO., LTD. On April 28, 2025, the transaction was not intended to be executed due to the lack of consensus with the original counterparties on certain conditions.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The unit has been reclassified as a held for sale (disposal group) and it is presented separately in the consolidated balance sheet. As the expected fair value less cost of disposal is higher than the carrying amount of the disposal group, liabilities directly related to non-current assets held for sale and non-current asset held for sale are transferred based on the carrying amounts of such assets and liabilities, the main categories of which are as follows:

	December 31, 2025	December 31, 2024
Non-current assets classified as held for sale (disposal groups):		
Cash and cash equivalents	$ -	1,460,872
Net other receivables	-	25,015
Inventories	-	347,771
Other current assets	-	121,096
Property, plant and equipment	-	1,834,707
Right-of-use assets	-	158,477
Intangible assets	-	5,032
Prepayments on purchase of equipment	-	147,467
Other non-current assets	-	67,933
	$ -	**4,168,370**
Liabilities related to non-current assets classified as held for sale (disposal groups):		
Short-terms loans	$ -	891,011
Accounts payable	-	349,201
Other payable	-	216,867
Current tax liabilities	-	15,479
Other current liabilities	-	598
Other non-current liabilities	-	30,734
	$ -	**1,503,890**

(h) Investments accounted for using equity method

The Group’s investments accounted for using equity method at reporting date were as follows:

	December 31, 2025	December 31, 2024
Associates	**$ 44,727,201**	**49,509,201**
Credit balance of investments accounted for using equity method-associate	**$ -**	**6,916**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group has lost control over its wholly-owned subsidiary, PTI and PEGAGLOBE KUNSHAN, on January 24, 2025 and June 28, 2024 respectively. The remaining equity of 40% and 37.5% has been remeasured at fair value, and the Group has significant influence over PTI and PEGAGLOBE KUNSHAN thereafter. On October 31, 2025, the Company disposed of a portion of its investment in Luxsan Precision Industry (Kunshan) Co., Ltd. to Luxsan Precision iTech (Kunshan) Co., Ltd. As a result, the Group lost significant influence over the investee. Accordingly, the Group ceased applying the equity method and remeasured its retained interest at fair value. The difference between the fair value of the retained interest and the disposal proceeds, as compared with the carrying amount of the investment on the date the equity method was discontinued, was recognized in gain or loss on disposal of investments for the period. Please refer to Note 6(aa) for further details.

Associates which are material to the Group consisted of the followings:

Name of Associates	Nature of Relationship with the Group	Main operating location/ Registered Country of the Company	Proportion of shareholding and voting rights December 31, 2025	December 31, 2024
Luxcase Precision Technology (Yancheng) Co., Ltd. (Luxcase (Yancheng))	Designing, developing, manufacturing and selling electronic components, precision, non-metal and metal tooling, 3C electronic product parts and accessories	China	48.17 %	48.17 %
Luxsan Precision Industry (Kunshan) Co., Ltd. (LUXSAN KUNSAN) (Former PEGAGLOBE KUNSHAN)	Manufacturing consumer electronic products, such as mobile phones and communication equipment	China	- %	37.5 %
TATA ELECTRONICS PRODUCTS AND SOLUTIONS PRIVATE LIMITED (TEPS) (Former PTI)	Manufacturing and selling consumer electronics	India	40 %	- %

The consolidated financial information of the material associate for the Group is listed below. The amounts in such financial information has been adjusted to reflect the fair value and accounting differences adjustments made by the Group upon acquiring associates.

(i) Luxcase (Yancheng)

	December 31, 2025	December 31, 2024
Current assets	$ 248,113,675	155,168,276
Non-current assets	48,178,153	52,311,103
Current liabilities	(208,437,007)	(130,379,897)
Non-current liabilities	(5,105,940)	(1,855,336)
Net assets	**$ 82,748,881**	**75,244,146**
Net assets attributable to non-controlling interests	**$ 134,876**	**-**
Net assets attributable to shareholders	**$ 82,614,005**	**75,244,146**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the years ended December 31 2025	2024
Operating revenue	$ **362,451,341**	**410,757,653**
Profit (loss) from continuing operations	$ 8,076,501	6,993,156
Other comprehensive income (loss)	(81,622)	48,683
Total comprehensive income (loss)	$ **7,994,879**	**7,041,839**
Comprehensive income (loss) attributable to non-controlling interests	$ **(41,249)**	**-**
Comprehensive income (loss) attributable to shareholders	$ **8,036,127**	**7,041,839**

	For the years ended December 31 2025	2024
Shares of net assets of the associate as of January 1	$ 36,247,362	30,944,923
Profit (loss) attributable to the Group	3,904,863	3,364,921
Other comprehensive income (loss) attributable to the Group	(676,851)	1,653,155
Changes in the ownership interest attributable to the Group	322,271	284,363
Shares of net assets of associates	39,797,645	36,247,362
Add: Goodwill	117,028	122,129
Carrying amount of the associate's equity as of December 31	$ **39,914,673**	**36,369,491**

(ii) LUXSAN KUNSHAN

	December 31, 2025	December 31, 2024
Current assets	$ -	169,324,507
Non-current assets	-	9,317,347
Current liabilities	-	(144,493,202)
Non-current liabilities	-	(1,718,947)
Net assets attributable to shareholders	$ **-**	**32,429,705**

	For the ten months ended October 31, 2025	For the six months ended December 31, 2024
Operating revenue	$ **480,893,455**	**366,483,838**
Profit (loss) from continuing operations	$ (664,116)	279,174
Other comprehensive income (loss)	(2,625)	-
Comprehensive income (loss) attributable to shareholders	$ **(666,741)**	**279,174**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the ten months ended October 31, 2025	For the year ended December 31, 2024
Shares of net assets of the associate as of January 1	$ 12,161,139	-
Addition	-	11,894,118
Decrease during the period	(5,767,358)	-
Profit (loss) profit attributable to the Group	(137,939)	27,301
Other comprehensive income (loss) attributable to the Group	(330,243)	158,428
Changes in ownership interest attributable to the Group	(77,898)	81,292
Transferred to non-current assets held for sale	(5,847,701)	-
Carrying amount of the associate's equity as of December 31	**$ -**	**12,161,139**

Note: The new share of net assets of affiliated companies included a gain on bargain purchase of $482,534 thousand (recognized as other gains and losses on gains on disposal of investments) for the year ended December 31, 2024.

(iii) TEPS

	December 31, 2025
Current assets	$ 51,468,476
Non-current assets	22,901,325
Current liabilities	(64,067,840)
Non-current liabilities	(482,470)
Net assets attributable to shareholders	**$ 9,819,491**

	For the eleven months ended December 31, 2025
Operating revenue	**$ 190,864,675**
Profit (loss) from continuing operations	$ 154,291
Other comprehensive income (loss)	(1,345)
Comprehensive income (loss) attributable to shareholders	**$ 152,946**

(Continued)

	For the eleven months ended December 31, 2025
Shares of net assets of the associate as of January 1	$ -
Addition	4,324,501
Profit (loss) attributable to the Group	(27,103)
Other comprehensive income (loss) attributable to the Group	(369,602)
Carrying amount of the associate's equity as of December 31	**$ 3,927,796**

Note: The new share of net assets of affiliated companies included a gain on bargain purchase of $642,085 thousand (recognized as other gains and losses on gains on disposal of investments).

The Group's financial information on investments accounted for using equity method that are individually insignificant are as follows, which are included in the Consolidated Financial Statements:

	December 31, 2025	December 31, 2024
Carrying amount of individually insignificant associates' equity	**$ 884,732**	**971,655**

	For the years ended December 31	
	2025	2024
Attributable to the Group:		
Profit (loss) from continuing operations	$ (88,701)	142,074
Other comprehensive income (loss)	(5,618)	94
Total comprehensive income (loss)	**$ (94,319)**	**142,168**

As of December 31, 2025 and 2024, the aforesaid investments accounted for using equity method were not pledged as collateral.

(i) Loss of control over a subsidiary

On January 24, 2025, the Board of Directors of our subsidiary, Pegatron Technology India Private Limited (PTI), approved a cash capital increase to be subscribed by Tata Electronics Systems Solutions Private Limited, resulting the Group's shareholding ratio in PTI decreased from 100% to 40% and lost control over PTI on the record date of January 24, 2025. At the record date, the Group remeasured the remaining 40% equity. The difference between the fair value and the net book value and the loss reclassified from the accumulated balance previously recognized as other comprehensive loss comprise the net loss on disposal of $726,805 thousand, presented as other gains or losses on losses on disposal of investments in the consolidated statement of comprehensive income. For more details, please refer to Note 6(aa).

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group approved a board resolution on December 28, 2023 to authorize its wholly-owned indirect subsidiary, PEGAGLOBE KUNSHAN to raise its capital on the record date of June 28, 2024, and to authorize another indirect subsidiary, ASLINK to waive its pre-emptive right toward the capital increase of PEGAGLOBE KUNSHAN, resulting the Group’ s shareholding ratio in PEGAGLOBE KUNSHAN decreased from 100% to 37.50% and lost control over PEGAGLOBE KUNSHAN. At the record date, the Group remeasured the remaining 37.50% equity. The difference between the fair value and the net book value and the loss reclassified from the accumulated balance previously recognized as other comprehensive gain comprise the net gain on disposal of $1,708,317 thousand, presented as other gains or losses on gains on disposal of investments in the consolidated statement of comprehensive income. For more details, please refer to Note 6(aa).

The carrying amounts of assets and liabilities of PTI on January 24, 2025 were as follows:

Cash and cash equivalents	$ 501,578
Accounts receivable	41,439,012
Other receivables	203,781
Inventories	15,619,418
Other current assets	752,234
Property, plant and equipment	5,126,206
Right-of-use assets	581,159
Intangible assets	301
Deferred income tax assets	191,134
Other non-current financial assets	89,502
Accounts payable	(57,788,996)
Other payable	(824,676)
Expense payable	(518,606)
Lease liabilities	(642,218)
Other current liabilities	(18,529)
Other non-current liabilities	(30,685)
	$ 4,680,615

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The carrying amounts of assets and liabilities of PEGAGLOBE KUNSHAN on June 28, 2024 were as follows:

Cash and cash equivalents	$	4,027,585
Accounts receivable		56,549,021
Other receivables		232,522
Inventories		27,744,328
Other current assets		744,762
Property, plant and equipment		7,562,639
Right-of-use assets		1,512,868
Deferred income tax assets		142,019
Other financial assets		30,549
Short-term loans		(23,243,345)
Accounts payable		(60,993,217)
Other payables		(1,210,418)
Dividend payable		(244,306)
Expense payable		(2,090,059)
Lease liabilities		(1,077,045)
Other current liabilities		(100,828)
Other non-current liabilities		(114,714)
	$	**9,472,361**

(j) Subsidiaries that have material non-controlling interest

Subsidiaries that have material non-controlling interest were as follows:

Subsidiaries	Main operation place/Country of registration	Percentage of ownership and voting rights held by non-controlling interests December 31, 2025	December 31, 2024
KINSUS and its subsidiaries	Taiwan	61.93 %	61.91 %
ASROCK and its subsidiaries	Taiwan	45.40 %	45.41 %

The financial information regarding the above-mentioned subsidiaries, which was not adjusted in proportion to the Group’s percentage of ownership, is summarized as follows:

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Information regarding KINSUS and its subsidiaries

	December 31, 2025	December 31, 2024
Current assets	$ 28,937,637	29,676,727
Non-current assets	51,035,643	49,758,570
Current liabilities	(20,106,416)	(16,990,377)
Non-current liabilities	(18,493,667)	(22,566,687)
Net assets	**$ 41,373,197**	**39,878,233**
Non-controlling interest	**$ 26,912,869**	**25,882,806**

	For the years ended December 31	
	2025	**2024**
Operating revenue	**$ 39,351,096**	**30,534,979**
Net income for the period	$ 2,717,328	1,331,050
Other comprehensive income (loss)	(194,035)	201,406
Comprehensive income	**$ 2,523,293**	**1,532,456**
Net income attribute to non-controlling interest	**$ 1,921,465**	**1,075,221**
Comprehensive income attribute to non-controlling interest	**$ 1,845,338**	**1,152,876**

	For the years ended December 31	
	2025	**2024**
Cash flows from operating activities	$ 8,092,985	7,705,101
Cash flows used in investing activities	(7,868,506)	(9,107,203)
Cash flows (used in) from financing activities	(3,270,318)	995,997
Effect of movement in exchange rate	(38,577)	70,991
Net decrease in cash and cash equivalents	**$ (3,084,416)**	**(335,114)**
Dividends paid to non-controlling interest	**$ 771,730**	**724,376**

(ii) Information regarding ASROCK and its subsidiaries

	December 31, 2025	December 31, 2024
Current assets	$ 25,120,093	17,674,496
Non-current assets	2,009,979	1,962,889
Current liabilities	(11,970,132)	(9,187,833)
Non-current liabilities	(60,580)	(87,910)
Net assets	**$ 15,099,360**	**10,361,642**
Non-controlling interest	**$ 8,591,155**	**5,306,897**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the years ended December 31 2025	2024
Operating revenue	$ **47,838,613**	**25,653,837**
Net income for the period	$ 2,362,563	1,580,728
Other comprehensive income (loss)	(253,533)	328,154
Comprehensive income	$ **2,109,030**	**1,908,882**
Net income attribute to non-controlling interest	$ **1,331,895**	**867,426**
Comprehensive income attribute to non-controlling interest	$ **1,216,846**	**1,014,910**
Cash flows from operating activities	$ 1,272,878	906,302
Cash flows used in investing activities	(499,059)	(406,625)
Cash flows from (used in) financing activities	1,946,777	(248,645)
Effect of movement in exchange rate	(197,237)	283,699
Net increase in cash and cash equivalents	$ **2,523,359**	**534,731**
Dividends paid to non-controlling interest	$ **493,342**	**438,696**

(k) Property, plant and equipment

The movements in the cost, depreciation, and impairment of the property, plant and equipment of the Group were as follows:

	Land	Buildings	Machinery equipment	Instrument equipment	Other facilities	Construction in progress	Total
Cost or deemed cost:							
Balance as of January 1, 2025	$ 13,154,409	56,605,466	54,362,184	1,309,051	41,309,647	8,653,163	175,393,920
Additions	4,439,414	3,482,872	672,400	252,594	3,551,419	3,389,939	15,788,638
Disposals and obsolescence	(2,019,211)	(2,763,644)	(9,098,789)	(192,737)	(3,927,010)	-	(18,001,391)
Reclassifications	-	10,456,455	5,020,856	6,007	10,805,284	(7,349,079)	18,939,523
Disposal of subsidiaries	-	(1,416,275)	(3,783,614)	(19,931)	(9,036,998)	(12,420)	(14,269,238)
Effect of movement in exchange rate	4,462	(1,233,387)	(431,162)	(34,742)	(877,751)	148,594	(2,423,986)
Balance as of December 31, 2025	**$ 15,579,074**	**65,131,487**	**46,741,875**	**1,320,242**	**41,824,591**	**4,830,197**	**175,427,466**
Balance as of January 1, 2024	$ 12,776,594	53,043,646	52,808,699	1,299,178	38,178,891	8,667,164	166,774,172
Additions	343,189	2,398,611	639,941	142,655	4,994,531	2,411,142	10,930,069
Disposals and obsolescence	-	(2,029,953)	(2,561,221)	(192,550)	(2,418,187)	(245)	(7,202,156)
Reclassifications	42,271	3,609,156	6,522,149	3,931	1,315,930	(2,063,505)	9,429,932
Disposal of subsidiaries	-	(357,163)	(433,169)	(35)	(1,437,190)	(7,873)	(2,235,430)
Transferred to non-current assets held for sale	-	(2,746,614)	(3,652,726)	-	(1,242,952)	-	(7,642,292)
Effect of movement in exchange rate	(7,645)	2,687,783	1,038,511	55,872	1,918,624	(353,520)	5,339,625
Balance as of December 31, 2024	**$ 13,154,409**	**56,605,466**	**54,362,184**	**1,309,051**	**41,309,647**	**8,653,163**	**175,393,920**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Land	Buildings	Machinery equipment	Instrument equipment	Other facilities	Construction in progress	Total
Depreciation and impairment loss:							
Balance as of January 1, 2025	$ -	28,401,008	38,891,845	1,020,407	28,063,717	-	96,376,977
Depreciation for the period	-	3,399,256	5,027,810	169,894	5,155,347	-	13,752,307
Disposals and obsolescence	-	(1,942,617)	(9,079,053)	(189,584)	(3,819,500)	-	(15,030,754)
Reclassifications	-	1,833,658	2,909,863	(1)	1,630,376	-	6,373,896
Disposal of subsidiaries	-	(410,317)	(3,162,022)	(19,931)	(5,550,762)	-	(9,143,032)
Effect of movement in exchange rate	-	(628,476)	(334,709)	(31,507)	(584,493)	-	(1,579,185)
Balance as of December 31, 2025	**$ -**	**30,652,512**	**34,253,734**	**949,278**	**24,894,685**	**-**	**90,750,209**
Balance as of January 1, 2024	$ -	27,202,810	38,298,383	1,001,448	24,968,111	-	91,470,752
Depreciation for the period	-	3,435,207	5,245,180	158,507	5,451,519	-	14,290,413
Impairment loss	-	19,242	-	-	-	-	19,242
Disposals and obsolescence	-	(1,662,281)	(2,393,363)	(190,362)	(2,113,136)	-	(6,359,142)
Reclassifications	-	150,327	-	-	(202,517)	-	(52,190)
Disposal of subsidiaries	-	(277,644)	(203,793)	-	(275,111)	-	(756,548)
Transferred to non-current assets held for sale	-	(1,851,947)	(2,909,864)	-	(1,045,774)	-	(5,807,585)
Effect of movement in exchange rate	-	1,385,294	855,302	50,814	1,280,625	-	3,572,035
Balance as of December 31, 2024	**$ -**	**28,401,008**	**38,891,845**	**1,020,407**	**28,063,717**	**-**	**96,376,977**
Carrying value:							
Balance as of December 31, 2025	**$ 15,579,074**	**34,478,975**	**12,488,141**	**370,964**	**16,929,906**	**4,830,197**	**84,677,257**
Balance as of January 1, 2024	**$ 12,776,594**	**25,840,836**	**14,510,316**	**297,730**	**13,210,780**	**8,667,164**	**75,303,420**
Balance as of December 31, 2024	**$ 13,154,409**	**28,204,458**	**15,470,339**	**288,644**	**13,245,930**	**8,653,163**	**79,016,943**

(i) Based on the results of its evaluation of the recoverability of property, plant and equipment, the Group recognized impairment loss as follows:

	For the years ended December 31	
	2025	**2024**
Impairment loss	**$ -**	**19,242**

(ii) KINSUS and its subsidiaries purchased 40 parcels of land with a total area of 36,115.24 square meters. Lands are located at the addresses of No.1113, 1114, 1438 to 1443, 1479, 1486 to 1487 at ShiLeiZi Sub-section, ShiLeiZi Section, No.1044, 1047 to 1049 at QingHua Section, and No.0001, 697 to 700 and 712 to 726 at RongHua Section, XinFeng Village. Due to regulatory restrictions, the agricultural land cannot be registered under KINSUS's name while it has been temporarily registered under the chief executive officer and general manager’s name and, to secure KINSUS's right to the land, mortgage registration has been set aside with KINSUS being the obligee.

(iii) Please refer to Note 6(aa) for gain and loss on the disposal of property, plant and equipment.

(iv) Please refer to Note 8 for the details of property, plant and equipment pledged as collateral for bank loans.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Right-of-use assets

The movements in the cost and depreciation of the right-of-use assets of the leased land, buildings and transportation equipment were as follows:

	Land	Buildings	Transportation equipment	Total
Cost:				
Balance as of January 1, 2025	$ 3,931,004	4,992,429	2,954	8,926,387
Additions	76,998	446,257	1,933	525,188
Reductions	(346,398)	(567,804)	-	(914,202)
Reclassification	240,374	(32,885)	628	208,117
Disposal of subsidiaries	-	(870,881)	-	(870,881)
Effect of movement in exchange rate	(174,627)	(55,387)	(122)	(230,136)
Balance as of December 31, 2025	**$ 3,727,351**	**3,911,729**	**5,393**	**7,644,473**
Balance as of January 1, 2024	$ 3,842,627	3,448,595	4,809	7,296,031
Additions	279,887	2,253,335	492	2,533,714
Reductions	(192,093)	(612,964)	(1,191)	(806,248)
Disposal of subsidiaries	(29,052)	(269,998)	-	(299,050)
Transferred to non-current assets held for sale	(240,374)	-	-	(240,374)
Effect of movement in exchange rate	270,009	173,461	(1,156)	442,314
Balance as of December 31, 2024	**$ 3,931,004**	**4,992,429**	**2,954**	**8,926,387**
Accumulated depreciation:				
Balance as of January 1, 2025	$ 1,019,261	1,650,674	1,168	2,671,103
Depreciation for the period	94,913	685,496	1,483	781,892
Reductions	(117,514)	(521,497)	-	(639,011)
Reclassification	81,897	(105)	104	81,896
Disposal of subsidiaries	-	(289,722)	-	(289,722)
Effect of movement in exchange rate	(42,072)	(22,976)	(31)	(65,079)
Balance as of December 31, 2025	**$ 1,036,485**	**1,501,870**	**2,724**	**2,541,079**
Balance as of January 1, 2024	$ 999,270	1,366,367	1,753	2,367,390
Depreciation for the period	110,802	1,142,072	1,142	1,254,016
Reductions	(66,436)	(457,794)	(1,191)	(525,421)
Disposal of subsidiaries	(9,871)	(507,625)	-	(517,496)
Transferred to non-current assets held for sale	(81,897)	-	-	(81,897)
Effect of movement in exchange rate	67,393	107,654	(536)	174,511
Balance as of December 31, 2024	**$ 1,019,261**	**1,650,674**	**1,168**	**2,671,103**
Carrying value:				
Balance as of December 31, 2025	**$ 2,690,866**	**2,409,859**	**2,669**	**5,103,394**
Balance as of January 1, 2024	**$ 2,843,357**	**2,082,228**	**3,056**	**4,928,641**
Balance as of December 31, 2024	**$ 2,911,743**	**3,341,755**	**1,786**	**6,255,284**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Other financial assets and other assets

Other financial assets and other assets were as follows:

	December 31, 2025	December 31, 2024
Other financial assets - current	$ 15,262,833	3,931,524
Other financial assets - non-current	507,973	508,315
Other current assets	6,840,599	7,241,690
Other non-current assets	551,258	70,434
	$ 23,162,663	**11,751,963**

(i) Other financial assets are assets that do not qualify as cash equivalents which consisted of time deposits, restricted time deposits, callable bonds, and guarantee deposits. Please refer to Note 8 for details.

(ii) Other current assets consisted of prepayments, temporary payments, rights to the returned goods, and others.

(iii) Other non-current assets consisted of prepayments on other long-term expenses and others.

(n) Short-term loans

	December 31, 2025	December 31, 2024
Unsecured bank loans	**$ 42,212,236**	**23,818,649**
Range of interest rate	**1.7%~5.52%**	**1.47%~6.5%**

The Group has no related assets pledged as collateral for bank loans.

(o) Other current liabilities and other non-current liabilities

	December 31, 2025	December 31, 2024
Other current liabilities	$ 4,765,880	10,917,182
Other non-current liabilities	5,325,773	5,902,756
	$ 10,091,653	**16,819,938**

(i) Other current liabilities consisted of temporary receipts, receipts under custody, refund liabilities, and others.

(ii) Other non-current liabilities consisted of guarantee deposits received and others.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Long-term loans

The details, terms and conditions were as follows:

	December 31, 2025	December 31, 2024
Unsecured bank loans	$ 15,992,972	18,071,428
Secured bank loans	148,998	229,906
	16,141,970	18,301,334
Less: current portion	(4,695,203)	(3,775,061)
Total	**$ 11,446,767**	**14,526,273**
Range of interest rate	**1.15%~5.16%**	**1.1%~6.23%**

(i) For the interest expenses of the Group for the year ended December 31, 2025 and 2024, please refer to Note 6(aa).

(ii) Collateral for bank loans

Please refer to Note 8 for the details of related assets pledged as collateral for bank loans.

(iii) Government low-interest loan

The Group obtained government low-interest loans. The loans were measured at their fair value by applying the market interest rate. The deferred differences between the amounts paid and the fair value were classified as other current liabilities and other non-current liabilities, respectively.

(q) Bonds payable

The Group's unsecured ordinary corporate bonds were as follows:

	December 31, 2025	December 31, 2024
Ordinary corporate bonds issued	$ 14,900,000	22,400,000
Unamortized discount on bonds payable	(3,779)	(8,690)
Bonds payable, end of the period	14,896,221	22,391,310
Less: current portion	(12,200,000)	(7,500,000)
	$ 2,696,221	**14,891,310**

	For the years ended December 31	
	2025	**2024**
Interest expense	**$ 118,631**	**186,962**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

On May 9, 2017, the Group' s Board of Directors approved to issue unsecured ordinary corporate bonds amounting to no more than $15,000,000 thousand, which were approved and declared effective by the Taipei Exchange (TPEx) on December 29, 2017, respectively. The offering information and main rights and obligations were as follows:

Item	2nd unsecured ordinary bonds issued in 2017
1.Issuing amount	The Bonds are issued at $8,000,000 thousand, which comprise Tranche A, Tranche B and Tranche C. The issuing amounts of Tranche A, Tranche B and Tranche C are $1,000,000 thousand, $4,500,000 thousand and $2,500,000 thousand, respectively.
2.Par value	Each unit is valued at $1,000 thousand.
3.Offering price	The Bonds are issued by par value at the issuance date.
4.Issuance period	Each of Tranche A, Tranche B and Tranche C has 3-year term, 5-year term and 7-year term, respectively. The issuance period of Tranche A commences from January 10, 2018 and matures on January 10, 2021. The issuance period of Tranche B commences from January 10, 2018 and matures on January 10, 2023. The issuance period of Tranche C commences from January 10, 2018 and matures on January 10, 2025.
5.Coupon rate	Tranche A, B and C bear annual coupon rates of 0.78%, 0.92% and 1.08%, respectively.
6.Repayment	Tranche A, Tranche B and Tranche C are repayable on maturity.
7.Interest payment	Interests are payable annually at coupon rate from the issuance date. The payment of each bond is rounded to the nearest dollar. If the repayment date and interest payment date are bank closing days, principal and interest shall be paid without extra interest on the next business day. If bondholders receive principal and interest past due the repayment date and interest payment date, there will be no calculation of extra interest.
8.Guarantee	The Bonds are unsecured ordinary corporate bonds.

On March 14, 2019, the Group's Board of Directors approved to issue unsecured ordinary corporate bonds, which were approved and declared effective by the Taipei Exchange (TPEx) on June 3, 2019, the offering information and main rights and obligations were as follows:

Item	1st unsecured ordinary bonds issued in 2019
1.Issuing amount	The Bonds are issued at $8,500,000 thousand, which comprise Tranche A, and Tranche B. The issuing amounts of Tranche A and Tranche B are $6,000,000 thousand and $2,500,000 thousand, respectively.
2.Par value	Each unit is valued at $1,000 thousand.
3.Offering price	The Bonds are issued by par value at the issuance date.
4.Issuance period	Each of Tranche A and Tranche B has 5-year term, 7-year term, respectively. The issuance period of Tranche A commences from June 13, 2019 and matures on June 13, 2024. The issuance period of Tranche B commences from June 13, 2019 and matures June 13, 2026.
5.Coupon rate	Tranche A, B bear annual coupon rates of 0.85%, 0.95%, respectively.
6.Repayment	Tranche A, Tranche B are repayable on maturity.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Item	1st unsecured ordinary bonds issued in 2019
7.Interest payment	Interests are payable annually at coupon rate from the issuance date. The payment of each bond is rounded to the nearest dollar. If the repayment date and interest payment date are bank closing days, principal and interest shall be paid without extra interest on the next business day. If bondholders receive principal and interest past due the repayment date and interest payment date, there will no calculation of extra interest.
8.Guarantee	The Bonds are unsecured ordinary corporate bonds.

On March 26, 2020, the Group's Board of Directors approved to issue unsecured ordinary corporate bonds with the total maximum amount of $10,000,000 thousand, which have been approved and declared effective by the Taipei Exchange (TPEx) on October 12, 2020 and December 29, 2020, respectively. The offering Information and main rights and obligations were as follows:

Item	1st unsecured ordinary bonds issued in 2020
1.Issuing amount	The Bonds are issued at $5,000,000 thousand.
2.Par value	Each unit is valued at $1,000 thousand.
3.Offering price	The Bonds are issued by par value at the issuance date.
4.Issuance period	The Bonds has 5-year term. The issuance period of the Bonds commences from October 21, 2020 and matures on October 21, 2025.
5.Coupon rate	The Bonds bears annual coupon rates of 0.65%.
6.Repayment	The Bonds are repayable on maturity.
7.Interest payment	Interests are payable annually at coupon rate from the issuance date. The payment of each bond is rounded to the nearest dollar. If the repayment date and interest payment date are bank closing days, principal and interest shall be paid without extra interest on the next business day. If bondholders receive principal and interest past due the repayment date and interest payment date, there will no calculation of extra interest.
8.Guarantee	The Bonds are unsecured ordinary corporate bonds.

On March 26, 2020, the Group's Board of Directors approved to issue unsecured ordinary corporate bonds with the total maximum amount of $10,000,000 thousand, which have been approved and declared effective by the Taipei Exchange (TPEx) on October 12, 2020 and December 29, 2020, respectively. The offering Information and main rights and obligations were as follows:

Item	2nd unsecured ordinary bonds issued in 2020
1.Issuing amount	The Bonds are issued at $3,500,000 thousand, which comprise Tranche A, and Tranche B. The issuing amounts of Tranche A, and Tranche B are $2,200,000 thousand and $1,300,000 thousand, respectively.
2.Par value	Each unit is valued at $1,000 thousand.
3.Offering price	The Bonds are issued by par value at the issuance date.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Item	2nd unsecured ordinary bonds issued in 2020
4.Issuance period	Each of Tranche A and Tranche B has 5-year term and 7-year term, respectively. The issuance period of Tranche A commences from January 8, 2021 and matures on January 8, 2026. The issuance period of Tranche B commences from January 8, 2021 and matures on January 8, 2028.
5.Coupon rate	Tranche A, and B bear annual coupon rates of 0.43% and 0.58%, respectively.
6.Repayment	Tranche A, and Tranche B are repayable on maturity.
7.Interest payment	Interests are payable annually at coupon rate from the issuance date. The payment of each bond is rounded to the nearest dollar. If the repayment date and interest payment date are bank closing days, principal and interest shall be paid without extra interest on the next business day. If bondholders receive principal and interest past due the repayment date and interest payment date, there will no calculation of extra interest.
8.Guarantee	The Bonds are unsecured ordinary corporate bonds.

On September 16, 2021, the Company's Board of Directors approved to issue unsecured ordinary corporate bonds with the total maximum amount of $20,000,000 thousand, which have been approved and declared effective by the Taipei Exchange (TPEx) on November 23, 2021. The offering information and main rights and obligations were as follows:

Item	1st unsecured ordinary bonds issued in 2021
1.Issuing amount	The Bonds are issued at $8,900,000 thousand, which comprise Tranche A, and Tranche B. The issuing amounts of Tranche A, and Tranche B are $7,500,000 thousand and $1,400,000 thousand, respectively.
2.Par value	Each unit is valued at $1,000 thousand.
3.Offering price	The Bonds are issued by par value at the issuance date.
4.Issuance period	Each of Tranche A and Tranche B has 5-year term and 7-year term, respectively. The issuance period of Tranche A commences from December 2, 2021 and matures on December 2, 2026. The issuance period of Tranche B commences from December 2, 2021 and matures on December 2, 2028.
5.Coupon rate	Tranche A, and B bear annual coupon rates of 0.56% and 0.65%, respectively.
6.Repayment	Tranche A, and Tranche B are repayable on maturity.
7.Interest payment	Interests are payable annually at coupon rate from the issuance date. The payment of each bond is rounded to the nearest dollar. If the repayment date and interest payment date are bank closing days, principal and interest shall be paid without extra interest on the next business day. If bondholders receive principal and interest past due the repayment date and interest payment date, there will no calculation of extra interest.
8.Guarantee	The Bonds are unsecured ordinary corporate bonds.

(Continued)

(r) Lease liabilities

The Group's lease liabilities were as follows:

	December 31, 2025	December 31, 2024
Current	$ 481,307	604,836
Non-current	$ 1,364,014	1,920,453

Please refer to Note 6(ab) for maturity analysis.

The amounts recognized in profit or loss were as follows:

	For the years ended December 31	
	2025	2024
Interest on lease liabilities	$ 118,476	166,991
Variable lease payments not included in the measurement of lease liabilities	$ 26,797	56,445
Income from sub-leasing right-of-use assets	$ 245	241
Expenses relating to short-term leases	$ 70,042	74,264
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	$ 5,401	5,186

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the years ended December 31	
	2025	2024
Total cash outflow for leases	$ 781,926	1,302,368

The Group leases land, buildings and transportation equipment. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term. According to the lease contracts, some leases shall not be rented, sub-leased or by any other means totally or partially transferred to third parties, unless obtaining the lessor's approval. Some leases do not contain renewal option, and no restrictions were disposed in the contracts. Some leases provide for additional rent payments that are based on changes in the facts or circumstances after the lease commencement date.

The Group leases part of employees' dormitories, parking lots and other equipment that are short-term or leases of low-value items. The Group has chosen to apply the exemption and not to recognize right-of-use assets and lease liabilities for these leases.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(s) Employee benefits

(i) Defined benefit plans

The Group's defined benefit obligations and fair value of plan assets were as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	$ 269,298	270,085
Fair value of plan assets	(271,458)	(246,805)
Net defined benefit (assets) liabilities	**$ (2,160)**	**23,280**

The Group's employee benefit liabilities were as follows:

	December 31, 2025	December 31, 2024
Short-term employee benefits liabilities	$ 574,949	518,522
Cash-settled share-based payment liabilities	76,287	7,475
Total employee benefit liabilities	**$ 651,236**	**525,997**

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provide pension benefits for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for six months prior to retirement.

1) Composition of plan assets

The Group set aside pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. Under these regulations, the minimum earnings from these pension funds shall not be less than the earnings from two-year time deposits with the interest rates offered by local banks.

The Group's contributions to the pension funds were deposited with Bank of Taiwan. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Movements in present value of the defined benefit obligations

The movements in the present value of the defined benefit obligations for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	2024
Defined benefit obligation, January 1	$ 270,085	267,111
Current service costs and interest	11,962	17,227
Re-measurements of the net defined benefit liability		
—Actuarial gains arising from changes in demographic assumptions	4	1,799
—Actuarial losses arising from changes in financial assumption	12,055	(11,670)
—Experience adjustments	1,291	(377)
Effect of movements in exchange rates	(1,676)	(648)
Benefits paid by the plan	(5,102)	(3,357)
Loss of control of a subsidiary	(19,321)	-
Defined benefit obligation, December 31	**$ 269,298**	**270,085**

3) Movements in the fair value of plan assets

The movements in the fair value of the defined benefit plan assets for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	2024
Fair value of plan assets, January 1	$ 246,805	219,815
Interests revenue	4,078	2,928
Re-measurements of the net defined benefit liability		
—Experience adjustments	16,731	18,842
Contributions made	3,844	5,220
Fair value of plan assets, December 31	**$ 271,458**	**246,805**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Expenses recognized in profit or loss

The Group's pension expenses recognized in profit or loss for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31 2025	2024
Current service cost	$ 7,494	13,810
Net interest on net defined benefit liability	390	489
	$ 7,884	**14,299**

	For the years ended December 31 2025	2024
Operating costs	$ 897	1,128
Operating expenses	6,987	13,171
	$ 7,884	**14,299**

5) Re-measurement of net defined benefit liability recognized in other comprehensive income

The Group's net defined benefit liability recognized in other comprehensive income for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31 2025	2024
Cumulative amount, January 1	$ 17,973	47,063
Recognized during the year	(3,381)	(29,090)
Cumulative amount, December 31	**$ 14,592**	**17,973**

6) Actuarial assumptions

The followings were the key actuarial assumptions at the reporting date:

	December 31, 2025	December 31, 2024
Discount rate	1.37%～1.51%	1.40%～1.75%
Future salary increase rate	2.00%～3.25%	2.00%～3.25%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $8,771 thousand.

The weighted-average duration of the defined benefit plans is between 3 and 22 years.

7) Sensitivity Analysis

In determining the present value of the defined benefit obligation, the Group's management makes judgments and estimates in determining certain actuarial assumptions on the balance sheet date, which includes discount rate and future salary increase rate. Changes in actuarial assumptions may have significant impact on the amount of defined benefit obligation.

As of December 31, 2025 and 2024, the changes in the principal actuarial assumptions will impact on the present value of defined benefit obligation as follows:

	Impact on the present value of defined benefit obligation	
	Increase by 0.50%	**Decrease by 0.50%**
December 31, 2025		
Discount rate	(17,548)	19,310
Future salary increase rate	18,877	(17,344)
December 31, 2024		
Discount rate	(16,994)	18,684
Future salary increase rate	18,296	(16,822)

The sensitivity analysis assumed all other variables remain constant during the measurement. This may not be representative of the actual change in defined benefit obligation as some of the variables may be correlated in the actual situation. The model used in the sensitivity analysis is the same as the defined benefit obligation liability.

The analysis is performed on the same basis for prior year.

(ii) Defined contribution plans

The Group contributes an amount at the specific rate of the employee's monthly wages to the Labor Pension personal account with the Bureau of the Labor Insurance and Council of Labor Affairs in R.O.C. in accordance with the provisions of the Labor Pension Act. The Group's contributions to the Bureau of the Labor Insurance and Social Security Bureau for the employees' pension benefits require no further payment of additional legal or constructive obligations.

The costs of the pension contributions to the Labor Insurance Bureau for the years ended December 31, 2025 and 2024 were amounted to $1,985,051 thousand and $2,938,807 thousand, respectively.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(t) Income tax

(i) The components of income tax expense were as follows:

	For the years ended December 31	
	2025	2024
Current income tax expense		
Current period incurred	$ 4,660,366	4,714,189
Prior years income tax adjustment	(220,741)	(93,549)
Tax on undistributed surplus earnings	605,542	210,099
Subtotal	5,045,167	4,830,739
Deferred tax expense		
The origination and reversal of temporary differences	1,779,267	3,240,105
Income tax expense	**$ 6,824,434**	**8,070,844**

(ii) The amount of income tax expense (profit) recognized in other comprehensive income was as follows:

	For the years ended December 31	
	2025	2024
Items that will not be reclassified to profit or loss:		
Remeasurements of the net defined benefit plans	**$ 402**	**1,159**
Items that will be reclassified to profit or loss:		
Exchange differences on translation of foreign financial statements	**$ 2,753**	**2,253**

(iii) Reconciliation of income tax and profit before tax were as follows:

	For the years ended December 31	
	2025	2024
Profit before income	$ 24,934,021	27,224,348
Income tax expense at the statutory rates	6,820,158	7,674,088
Permanent differences	(3,254,527)	3,348,978
Changes in unrecognized temporary differences	2,395,774	(3,585,008)
Oversea dividends received	917	39,109
Prior years income tax adjustment	(220,741)	(93,549)
Tax on undistributed surplus earnings	605,542	210,099
Others	477,311	477,127
	$ 6,824,434	**8,070,844**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

As of December 31, 2025 and 2024, the temporary differences associated with investments in subsidiaries were not recognized as deferred income tax liabilities as the Group has the ability to control the reversal of these temporary differences which are not expected to reverse in the foreseeable future. The related amounts were as follows:

	December 31, 2025	December 31, 2024
The aggregate temporary differences associated with investments in subsidiaries	$ **83,899,063**	**93,469,799**
Unrecognized deferred tax liabilities	$ **16,779,813**	**18,693,960**

2) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2025	December 31, 2024
Deductible temporary differences	$ 1,449,726	652,095
Tax losses	396,637	712,641
	$ **1,846,363**	**1,364,736**

The Income Tax Act allows the carry forward of net losses, as assessed by the tax authorities, to offset against taxable income. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2025, the Group had not recognized the prior years' loss carry-forwards as deferred tax assets, and the expiry years thereof were as follows:

Company Name	Year of occurrence	Unused balance	Expiry year
KINSUS and its subsidiaries	2021~2025	$ 1,414,228	2031~2035
ASROCK and its subsidiaries	2021~2025	266,086	2031~2035
PEGATRON and its subsidiaries	2020~2025	357,277	2029~2035
		$ **2,037,591**	

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Recognized deferred tax assets and liabilities

The movements in deferred tax assets and liabilities for the years ended December 31, 2025 and 2024 were as follows:

	Gain on foreign investments	Others	Total
Deferred tax liabilities:			
Balance as of January 1, 2025	$ 5,329,075	1,088,940	6,418,015
Recognized in loss (profit)	2,062,083	(133,252)	1,928,831
Recognized in other comprehensive income	3,159	204	3,363
Exchange differences on translation	(8,746)	(42,429)	(51,175)
Balance as of December 31, 2025	**$ 7,385,571**	**913,463**	**8,299,034**
Balance as of January 1, 2024	$ 1,910,181	722,985	2,633,166
Recognized in loss	3,368,186	320,745	3,688,931
Recognized in other comprehensive income	1,322	334	1,656
Exchange differences on translation	49,386	44,876	94,262
Balance as of December 31, 2024	**$ 5,329,075**	**1,088,940**	**6,418,015**

	Loss on valuation of inventory	Unrealized expenses	Others	Total
Deferred tax assets:				
Balance as of January 1, 2025	$ 613,588	905,311	1,260,673	2,779,572
Recognized in (loss) profit	33,336	119,482	(3,254)	149,564
Recognized in other comprehensive income	-	300	(92)	208
Loss of control of a subsidiary	(12,952)	(11,520)	(166,663)	(191,135)
Exchange differences on translation	(9,884)	29,775	(17,374)	2,517
Balance as of December 31, 2025	**$ 624,088**	**1,043,348**	**1,073,290**	**2,740,726**
Balance as of January 1, 2024	$ 840,434	552,653	831,234	2,224,321
Recognized in (loss) profit	(310,406)	357,298	401,934	448,826
Recognized in other comprehensive income	-	(946)	(810)	(1,756)
Transferred to non-current assets held for sale	80,224	-	-	80,224
Exchange differences on translation	3,336	(3,694)	28,315	27,957
Balance as of December 31, 2024	**$ 613,588**	**905,311**	**1,260,673**	**2,779,572**

(v) Status of approval of income tax

Except for 2021, the Company’s income tax returns through 2022 have been assessed and approved by the Tax Authority.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(u) Capital and other equity

(i) Issuance of ordinary shares

Reconciliation of shares outstanding for the years ended December 31, 2025 and 2024 was as follows:

	Ordinary Shares (In thousands of shares) For the years ended December 31	
	2025	**2024**
Balance as of January 1	2,663,177	2,664,224
Expiration of restricted shares of stock issued to employee	(1,726)	(1,047)
Issuance of restricted stock to employee	20,714	-
Balance as of December 31	**2,682,165**	**2,663,177**

For the years ended December 31, 2025 and 2024, the Company had retired 1,702 thousand and 1,158 thousand shares, respectively, of restricted stock to employees. The authorized ordinary shares consisted of 3,000,000 thousand shares, with par value of $10 per share of which 2,682,200 thousand and 2,663,188 thousand shares were issued and outstanding as of December 31, 2025 and 2024, respectively. All share proceeds from outstanding capital have been collected.

For the years ended December 31, 2025 and 2024, the restricted Company shares of stock issued to employees have expired, of which 35 thousand and 11 thousand shares, respectively, have not been retired.

(ii) Global depositary receipts

ASUSTEK GDRs holders who surrendered their ASUSTEK GDRs on or after the Effective Date of Spin-off and Merger in Taiwan will receive new ASUSTEK GDRs and the Company's entitlement. The Company' s entitlement represents the rights to receive 60,819,026 of the Company's common shares in Taiwan.

The Company may issue new GDRs with no more than 60,819,020 of the Company's common shares and deliver them to ASUSTEK GDR holders pursuant to the "Guidelines for Offering and Issuing by Issuer of Overseas Securities" . As of December 31, 2025 and 2024 the Company has listed, in total, 215 thousand and 225 thousand units of GDRs, respectively, on the Euro MTF market of the Luxembourg Stock Exchange. As each unit of these GDRs represents 5 common shares of the Company, the Company has listed Company shares totaling 1,076 thousand and 1,126 thousand shares of stock, respectively. Major terms and conditions for GDRs were as follows:

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1) Voting rights

Holders of GDRs may exercise voting rights with respect to the common shares in the manner set out in " Terms and Conditions of the Global Depositary Shares – Voting Rights," as such provisions may be amended from time to time to comply with applicable ROC law.

2) Dividend distributions, pre-emptive rights, and other rights

Holders of GDRs have same rights on dividend distribution and share distribution as the Company's existing common shareholders.

(iii) Capital surplus

The components of the capital surplus were as follows:

	December 31, 2025	December 31, 2024
Premium from issuance of share capital	$ 68,622,795	68,617,492
Premium from conversion of convertible bonds	11,073,663	11,073,663
From treasury stock transactions	47,865	47,865
Difference between consideration and carrying amount of subsidiaries acquired or disposed	2,586,961	2,448,761
Changes in equity of associates accounted for using equity method	982,638	738,265
Changes in ownership interest in subsidiaries	2,318,653	1,499,683
Employee stock options	1,304	1,304
Restricted stock to employees	877,139	61,579
Other	409,917	409,917
	$ 86,920,935	84,898,529

According to the R.O.C. Company Act, realized capital surplus can only be reclassified as share capital or distributed as cash dividends after offsetting against deficit. The aforementioned realized capital surplus includes share premiums and donation gains. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the amount of capital surplus that can be reclassified under share capital shall not exceed 10% of the total common stock outstanding.

(iv) Retained earnings

The Company's Articles of Incorporation requires that after tax earnings shall first be offset against any deficit, and 10% of the balance shall be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Aside from the aforesaid legal reserve, the Company may, under its Articles of Incorporation or as required by the government, appropriate for special reserve. The remaining balance of the earnings, if any, may be appropriated by the resolution of the Board of Directors and present for approval in the shareholder's meeting.

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

According to the R.O.C. Company Act, the Company should distribute dividends and bonuses, or all or part of the legal reserve and capital surplus, stipulated by the Company Act, as cash dividends based on the resolution of the Board of Directors with two-thirds directors present and approved by one-half of the present directors, and present for approval in the shareholder's meeting.

In order to bring about stability in the payment of dividends, the Company distributes dividends depending on the level of earnings of each year. The Company is facing a rapidly changing industrial environment. In consideration of the Company's long-term operating plan and funding needs, the Company adopts a stable dividend policy. Therefore, dividend distributions should not be less than 10% of distributable earnings. The distribution of cash dividend is not lower than 10% of total distribution of dividend.

1) Legal reserve

The Company may distribute legal reserve by paying cash by the resolution of the Board of Directors and present for approval in the shareholders' meeting.

2) Special reserve

In accordance with the rules issued by the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

On June 6, 2025 and June 14, 2024, the Company's shareholders' meeting resolved to appropriate the 2024 and 2023 earnings. The earnings were appropriated as follows:

	For the years ended December 31	
	2024	**2023**
Common stock dividends per share (dollars)		
－Cash	$ 4.50	4.00

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Other equity－unearned compensation	Total
Balance as of January 1, 2025	$ 2,771,268	766,703	(5,655)	3,532,316
Exchange differences on foreign operations	(3,651,540)	-	-	(3,651,540)
Exchange differences on associates and joint ventures accounted for using equity method	(1,381,776)	-	-	(1,381,776)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	1,165,354	-	1,165,354
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(1,279,116)	-	(1,279,116)
Unearned compensation	-	-	(524,995)	(524,995)
Balance as of December 31, 2025	**$ (2,262,048)**	**652,941**	**(530,650)**	**(2,139,757)**
Balance as of January 1, 2024	$ (7,359,989)	375,255	(125,271)	(7,110,005)
Exchange differences on foreign operations	8,319,580	-	-	8,319,580
Exchange differences on associates and joint ventures accounted for using equity method	1,811,677	-	-	1,811,677
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	1,136,052	-	1,136,052
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(744,604)	-	(744,604)
Unearned compensation	-	-	119,616	119,616
Balance as of December 31, 2024	**$ 2,771,268**	**766,703**	**(5,655)**	**3,532,316**

(vi) Non-controlling interests (net of tax)

	For the years ended December 31 2025	2024
Balance as of January 1	$ 34,606,351	32,807,875
Income attributable to non-controlling interests	3,706,987	2,276,626
Other comprehensive income (loss) attributable to non-controlling interests		
Exchange differences on foreign operations	(237,069)	336,091
Remeasurements of defined benefit plans	4,319	13,575
Changes in ownership interest in subsidiaries	(957,170)	(145,803)
Changes in non-controlling interests	1,991,171	(682,013)
Balance as of December 31	**$ 39,114,589**	**34,606,351**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Share-based payment

Information on share-based payment transactions as of December 31, 2025 and 2024 were as follows:

	Equity-settled share-based payment
	Restricted stock to employee
	Issuance in 2025
Thousand units granted	21,229
Contractual life	3 year
Vesting period	Note A
Actual turnover rate of employee	0.66%
Estimated future turnover rate of employee	9.31%~19.21%

Note A：Employees are entitled to receive 30%, 35% and 35% of the restricted stock in the first, second, and third year, respectively, of their service.

A resolution was passed during the shareholder's meeting on June 14, 2024, for a capital increase, wherein the Company issued 45,000 thousand new restricted shares of stock to those full-time employees who meet certain requirement of the Company. The restricted stock has been registered with and approved by the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C.. On May 14, 2025, the Board of Directors issued the restricted stock shares of 21,229 thousand. The actual issuance number for the capital increase was 20,714 thousand shares. The record date was July 3, 2025, and the registration procedures was completed on September 10, 2025, with fair value $89 each at grant date.

Employees with restricted stock awards are entitled to purchase the Company's shares at the price of NT$10 per share provided that these employees continue to work for the Company. 30%, 35%, and 35% of the restricted shares of stock is vested in year 1, 2 and 3, respectively. The restricted stock is kept by a trust, which is appointed by the Company, before it is vested. These shares of stock shall not be sold, pledged, transferred, gifted or by any other means of disposal to third parties during the custody period. These shares of stock are entitled to the right as the holders of common shares once issued, except for those shares kept by a trust or shares that do not meet the vesting condition. If the shares remain unvested after the vesting period, the Company will repurchase all the unvested shares at the issue price and cancel the shares thereafter.

	Equity-settled share-based payment
	Restricted stock to employee
	Issued in 2020
Thousand units granted	60,000
Contractual life	4 years
Vesting period	Note B
Actual turnover rate of employees	3.24% and 4.27%
Estimated future turnover rate of employees	3.6%

Note B : Employees are entitled to receive 25%, 25%, 25%, and 25% of the restricted stock in the first, second, third and fourth year, respectively, of their service.

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The provisions of the " Measures for the Issuance of New Shares of Employee Restricted stocks options for 2020" were amended by a resolution of the Board of Directors on April 18, 2023 and approved by the shareholders' meeting on June 15, 2023.

A resolution was passed during the shareholder's meeting on June 19, 2020, for a capital increase, wherein the Company issued 60,000 thousand new restricted shares of stock to those full-time employees who meet certain requirement of the Company. The restricted stock has been declared effective by the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C. On September 22, 2020, the Board of Directors approved to issue 53,103 thousand shares of restricted shares of stock with fair value of NT$63.2 each at grant date. The record date for the capital increase through issuance of restricted shares of stock was December 8, 2020. The actual issuance number for the capital increase was 52,411 thousand shares. On January 4, 2021, the registration procedures were completed. On May 11, 2021, Board of Directors of the Company approved to issue secondary new restricted shares of stock totaling 7,589 thousand shares with fair value of $69.3 each at grant date. The record date for the capital increase through issuance of restricted shares of stock was June 11, 2021. The actual issuance number for the capital increase was 7,574 thousand shares. On July 12, 2021, the registration procedures were completed.

Employees with restricted stock awards are entitled to purchase the Company's shares at the price of NT$10 per share provided that these employees continue to work for the Company. 25%, 25%, 25% and 25% of the restricted shares of stock is vested in year 1, 2, 3 and 4, respectively. The restricted stock is kept by a trust, which is appointed by the Company, before it is vested. These shares of stock shall not be sold, pledged, transferred, gifted or by any other means of disposal to third parties during the custody period. These shares of stock are entitled to the right as the holders of common shares once issued, except for those shares kept by a trust or shares that do not meet the vesting condition. If the shares remain unvested after the vesting period, the Company will repurchase all the unvested shares at the issue price and cancel the shares thereafter.

(i) Determining the fair value of equity instruments granted

The Company adopted the Black-Scholes model to measure the fair value of the stock option at grant date, and the assumptions adopted in this valuation model were as follows:

		Equity-settled share-based payment
		Restricted stock to employee 2025
		Issued in 2025
Fair value at grant date		05/14/2025
Stock price at grant date (dollars)	$	89.00
Exercise price (dollars)	$	10.00
Expected duration of the option		3 years
Current market price of the underlying stock (dollars)	$	89.00
Expected volatility		25.93%~31.67%
Expected dividend yield		-%
Risk-free interest rate		(Note C)

Note C: The risk-free interest rate is 1.2385% for the 1st year, 1.2885% for the 2nd year and 1.3474% for the 3rd year.

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Equity-settled share-based payment	
	Restricted stock to emplyee	
	Issued in 2020-1	Issued in 2020-2
Fair value at grant date	09/22/2020	05/11/2021
Stock price at grant date (dollars)	$ 63.20	$ 69.30
Exercise price (dollars)	$ 10.00	$ 10.00
Expected duration of the option	4 years	4 years
Current market price of the underlying stock (dollars)	$ 63.20	$ 69.30
Expected volatility	27.76%~31.92%	22.25%~28.65%
Expected dividend yield	-%	-%
Risk-free interest rate	(Note D)	(Note E)

Note D : The risk-free interest rate is 0.1202% for the 1st year, 0.1690% for the 2nd year, 0.2123% for the 3rd year and 0.2556% for the 4th year.

Note E : The risk-free interest rate is 0.1006% for the 1st year, 0.1486% for the 2nd year, 0.1865% for the 3rd year and 0.2244% for the 4th year.

(ii) Restricted stock to employee

For the three months ended December 31, 2025 and 2024, 1,726 thousand and 1,047 thousand shares of the restricted shares of stock awards issued to employees have expired, respectively.

(iii) Expenses recognized in profit or loss

The Company incurred expenses of share-based arrangements for the three months ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	2024
Expenses resulting from the issuance of restricted stock to employees	$ 378,974	221,688

(w) Subsidiary’s share-based payments

(i) New shares of restricted stock awards of AZUREWAVE

A resolution was decided during the shareholders' meeting held on June 20, 2024 to issue 2,500 thousand new shares of restricted stock awards to those full-time employees who meet AZUREWAVE's requirements. The restricted stock has been registered with and approved by the Securities and Futures Bureau (SFB) of the Financial Supervisory Commission, R.O.C. On May 13, 2025, the Board of Directors issued all the restricted stock, with the fair value on the grantdate of $47.75 per share. The recorddate for the capital increase through issuance of restricted shares of stock was May 13, 2025.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The restricted stock for employees is issued without consideration. The shares vest at 30%, 30%, and 40%, respectively, upon the employees' completion of one, two, and three consecutive years of service with AZUREWAVE from the subscription date, provided that the employees remain in service and satisfy the individual performance requirements. The vesting percentages corresponding to the Company's overall performance for the preceding fiscal year are as follows:

(1) Earnings per share (EPS) of NT$2.5 or above: overall weighting of 100%.

(2) EPS between NT$2.5 (exclusive) and NT$2.0 (inclusive): overall weighting of 80%.

(3) EPS between NT$2.0 (exclusive) and NT$1.5 (inclusive): overall weighting of 50%.

(4) EPS below NT$1.5 (exclusive): overall weighting of 0%.

The EPS figures above refer to basic earnings per share as presented in the consolidated financial statements audited by the independent auditors. The new shares of restricted stock awards are kept by a trust, which is appointed by AZUREWAVE, before they are vested. These shares of stock shall not be sold, pledged, transferred, gifted, or by any other means disposed to third parties during the custody period. These shares of stock are entitled to the same rights as the holders of common stock once issued, except for those shares kept by a trust or shares that do not meet the vesting condition. If the employee does not fulfill the vesting conditions, AZUREWAVE has the right to recall the shares without cost.

A resolution was decided during the shareholders meeting held on July 15, 2021 to issue 3,000 thousand new shares of restricted stock awards to those full-time employees who meet AZUREWAVE's requirements. The restricted stock has been registered with and approved by the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C. On November 10, 2021, the Board of Directors issued all the restricted stock, with the fair value on the grant date of $26.95 per share. The record date for the capital increase through issuance of restricted shares of stock was January 3, 2022.

The issuance of new shares of restricted stock awards was made free of charge, and 20%, 40%, and 40% of the restricted stock are vested in one, two, and three years of employment with AZUREWAVE from the subscription date. The new shares of restricted stock awards are kept by a trust, which is appointed by AZUREWAVE, before they are vested. These shares of stock shall not be sold, pledged, transferred, gifted, or by any other means disposed to third parties during the custody period. These shares of stock are entitled to the same rights as the holders of common stock once issued, except for those shares kept by a trust or shares that do not meet the vesting condition. If the employee does not fulfill the vesting conditions, AZUREWAVE has the right to recall the shares without cost.

The equity-settled share-based payment resulting from the issuance of new shares of restricted stock awards of AZUREWAVE for the years ended December 31, 2025 and 2024, respectively, were as follows:

	For the years ended December 31	
	2025	**2024**
Expenses resulting from equity-settled share-based payment	$ 35,376	5,331

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) New shares of restricted stock awards of ASROCK

1) ASROCK

As of December 31, 2025, the share-based payment transactions issued by ASROCK were as follows:

Type of agreement	Grant date	Number of shares granted (In thousands of shares)	Contract term	Vesting condition
New shares of restricted stock awards (Note 1)	May 29, 2024	2,300	3 years	Service period and fulfillment of performance conditions (Note 2)

Note 1: The new shares of restricted stock awards are kept by a trust, which is appointed by ASRock Rack, before they are vested. These shares of stock shall not be sold, pledged, transferred, gifted or by any other means of disposal to third parties during the custody period. These shares of stock are entitled to the same right as the holders of common shares once issued, except for those shares kept by a trust or those that do not meet the vesting condition.

Note 2: Employees must remain continuously employed for a period ranging from one to three years from the date of issuance of the restricted employee shares. The overall EPS of ASROCK ranges from $7.5 to $10, with an overall weighting of 50% and 100% respectively, and individual year-end assessment ranges from B- to B+, B+ to A, and A (including A) or above, with an individual weighting of 60%, 80%, and 100% respectively, and each year the individual weighting will be mutipliced by the number of shares subscribed to the overall mumber of shares subscribed to ASROCK, by 40%, 30%, and 30% of the shares acquired respectively.

On May 29, 2024 the shareholders' meeting of ASROCK approved a resolution to issue 2,300 thousand new shares of restricted stock awards to those full-time employees who meet certain requirements. The restricted shares of stock totaling 2,300 thousand shares have been registered with and approved by the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C. On October 16, 2024, 2,293.3 thousand shares were actually issued with the fair value on the grantdate of $199.5 per share.

As of January 1, 2025, ASRock had 2,293.3 thousand stock options outstanding at the beginning of the period. During the year, 17.3 thousand options were forfeited due to employee resignations, and 900 thousand options vested. As of December 31, 2025, the Company had 1,376 thousand stock options outstanding.

As of December 31, 2025 and 2024, the unearned employee compensation, recognized as a deduction from equity due to unvested employee share-based compensation, amounted to NT$62,780 thousand and NT$160,203 thousand, respectively, and will be recognized as salary expense over the remaining vesting periods.

2) ASRock Rack

As of December 31, 2025, the share-based payment transactions issued by ASRock Rack were as follows:

a) New shares of restricted stock awards

On September 23, 2025, the Board of Directors of ASRock Rack approved a plan for a cash capital increase through the issuance of new shares. In accordance with applicable regulations, 15% of the newly issued shares shall be reserved for subscription by eligible employees. The grant date is determined based on the date on which the employees' subscription rights are confirmed.

The subscription base date for this plan was November 12, 2025. A total of 9,360 thousand new common shares were issued through the cash capital increase, of which 1,404 thousand shares were reserved for subscription by employees. The actual number of shares subscribed by employees amounted to 694 thousand shares. The above new shares issued for the cash capital increase were offered at NT$268 per share, and November 17, 2025, was set as the capital increase base date. The relevant information is as follows:

Type of agreement	Grant date	Number of shares granted (In thousands of shares)	Contract term	Vesting condition	Employee allocation date
Cash capital increase with shares reserved for employee subscription	2025.11.12	694	-	Immediately vested	2025.11.19

The fair value information of the employee stock subscription rights of ASRock Rack is as follows:

Type of agreement	Grant date	Exercise price	Fair value per unit
Cash capital increase with shares reserved for employee subscription	2025.11.12	$ 268	-

b) Employee stock option plan

Type of agreement	Grant date	Number of shares granted (In thousands of shares)	Contract term	Vesting condition
New shares of restricted stock awards (Note 1)	August 22, 2024	2,000	4 years	Service period and fulfillment of performance conditions (Note 2)

Note 1: The new shares of restricted stock awards are kept by a trust, which is appointed by ASRock Rack, before they are vested. These shares of stock shall not be sold, pledged, transferred, gifted or by any other means of disposal to third parties during the custody period. These shares of stock are entitled to the same right as the holders of common shares once issued, except for those shares kept by a trust or those that do not meet the vesting condition.

Note 2: The performance conditions include the listing of shares of ASRock Rack on the Taiwan Stock Exchange, the Taipei Exchange, or any other recognized overseas stock exchange. Employees must remain continuously employed for a period ranging from one to four years from the date of issuance of the restricted employee shares. Annual performance assessments for individuals must fall within the ranges of B- to A, or A (inclusive) and above, with respective individual weightings of 50% and 100%. Each year, the individual weightings are multiplied by the total number of subscribed shares and further multiplied by 25% to determine the vested shares.

On June 30, 2024 the shareholders' meeting of ASRock Rack approved a resolution to issue 2,000 thousand new shares of restricted stock awards to those full-time employees who meet certain requirements. The restricted shares of stock totaling 2,000 thousand shares have been registered with and approved by the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C. On November 1, 2024, 2,000 thousand shares were actually issued with a value of 32.59 dollars per share at the grant date.

As of January 1, 2025, ASRock Rack had 2,000 thousand shares outstanding at the beginning of the period. During the year, 37 thousand shares were forfeited due to employee resignations, and 492 thousand shares vested. As of December 31, 2025, the Company had 1,471 thousand shares outstanding.

As of December 31, 2025 and 2024, the unearned employee compensation recognized as a deduction from equity, attributable to unvested employee share-based compensation, amounted to NT$12,700 thousand and NT$28,108 thousand, respectively, and will be recognized as salary expense over the remaining vesting periods.

3) ASRock Industrial

As of December 31, 2025, the share-based payment transactions issued by ASRock Industrial were as follows:

Type of agreement	Grant date	Number of shares granted (In thousands of shares)	Contract term	Vesting condition
New shares of restricted stock awards	November 21, 2024	2,000	4 years	Service period and fulfillment of performance conditions (Note 2)

On September 11, 2024, at the extraordinary shareholders' meeting, ASRock Industrial approved the issuance of 2,000 thousand restricted shares for employees (RSE). The shares are to be granted only to full-time employees of ASRock Industrial and its domestic and foreign subsidiaries who remain employed as of the grant date. The Company has filed the issuance with, and received approval from, the Financial Supervisory Commission for the issuance of 2,000 thousand shares. On November 21, 2024, the Company completed the capital increase and issued all 2,000 thousand shares. The grant-date fair value was NT$24.77 per share.

Note 1: Employees are required to place the subscribed RSE into a trust for safekeeping. Prior to meeting the vesting conditions, the shares may not be sold, pledged, transferred, gifted, encumbered, or otherwise disposed of. In accordance with ASRock Industrial’s RSE Issuance Plan, once the restricted shares are issued, except for the required custodial trust arrangement and the restrictions before vesting pursuant to the plan, the rights attached to such shares are identical to those of the Company’s outstanding common shares.

Note 2: The performance conditions include the Company’s shares being listed on the Taiwan Stock Exchange, the Taiwan Innovation Board (TIB), or being listed on any overseas stock exchange. Employees must remain in service for one to four years from the issuance date of the RSE and meet individual annual performance ratings of C, B- to A, or A (including A). The individual performance weightings are 0%, 50%, and 100%, respectively. For each year, 25% of the total granted shares are multiplied by the applicable individual weighting to determine the vested portion.

As of December 31, 2025, the unearned employee compensation recognized as a deduction from equity, attributable to unvested restricted shares, amounted to NT$16,036 thousand, which will be recognized as salary expense over the remaining vesting periods.

4) ASJade

As of December 31, 2025, the share-based payment transactions issued by ASJade were as follows:

Type of agreement	Grant date	Number of shares granted (In thousands of shares)	Contract term	Vesting condition
Employee stock option plan (Note)	September 7, 2022	3,240	10 years	2 years of service vested 50% 3 years of service vested 100%

The fair value of the options is evaluated according to the Black-Scholes pricing model, and the parameters and assumptions are based on the terms and conditions of the contract.

Expected duration period of option was estimated by historical data and current expectation. Consequently, it might not equal to actual implementation situation. Expected volatility rate assumed that historical volatility close to the duration period of the option represents future trend. Hence, it might not equal to the actual ratio in the future.

There has been no past practice of cash settlement of the stock options granted under this plan of ASJade.

The aforesaid information on the employee stock option was as follows:

	For the years ended December 31			
	2025		2024	
September 7, 2022	Outstanding number of options (In thousand units)	Weighted-average exercise price (dollars)	Outstanding number of options (In thousand units)	Weighted-average exercise price (dollars)
Outstanding as of January 1	2,154	$ 10	3,240	10
Granted during the period	-	-	-	-
Expired during the period	-	-	-	-
Exercised during the period	-	-	(1,086)	-
Outstanding as of December 31	**2,154**	10	**2,154**	10
Exercisable as of December 31	**2,154**	-	**913**	-

As of December 31, 2025 and 2024, the share-based payment transactions issued by ASJade were as follows:

	Exercise price (dollars)	Weighted-average residual duration (years)
December 31, 2025		
Outstanding option	$ 10	6.65
December 31, 2024		
Outstanding option	$ 10	7.65

5) Modification or cancellation of the share-based payment payment plan for employees

No modification or cancellation of the share-based payment payment plan has occurred for the year ended December 31, 2025.

6) The expenses resulting from share-based payment transactions were as follows:

	For the years ended December 31	
	2025	2024
Expense arising from share-based payment transaction (resulting from equity-settled share-based payment)	$ **251,304**	**125,724**

(iii) Employee stock option of Lumens

On March 11, 2021, the Board of Lumens resolved to issue 2,000 units for employee stock options. Each option certificate can purchase 1 thousand ordinary shares, delivered by issuing new shares. The option certificates are awarded to those employees who meet certain requirements of Lumens. Duration is 6 years, and the certificate owners can exercise the option certificates two years after the issuance. On September 15, 2021, Lumens issued 1,613 units of employee stock options.

Granted stock options	Accumulated exercisable stock option(%)
2 years from grant date	30%
3 years from grant date	70%
4 years from grant date	100%

1) Determining the fair value of equity instruments at the grant date

Lumens adopted the binomial option pricing model to estimate the fair value of the stock option at the grant date, which is between $23.63 and $25.22. The assumptions inputs in this valuation model were as follows:

	For the year ended December 31, 2021
Fair value at grant date (dollars)	$ 97.7
Stock price at grant date (dollars)	$ 112.2
Exercise price (dollars)	$ 78.6
Expected volatility rate	31.44%
Risk-free interest rate	0.3%
Expected duration of option	4.56 years
Excepted dividends rate	4.04%

2) Employee stock options

The aforesaid information on the employee stock option was as follows:

	For the years ended December 31			
	2025		2024	
	Weighted-average exercise price (dollars)	Units of stock option	Weighted-average exercise price (dollars)	Units of stock option
Outstanding as of January 1 (In thousand units)	$ 78.6	841	78.6	1,172
Granted during the period	78.6	(108)	78.6	(269)
Expired during the period	78.6	(49)	78.6	(62)
Outstanding as of December 31 (In thousand units)	78.6	**684**	78.6	**841**

The related information about outstanding options on the share-based payments was as follows:

	December 31, 2025	December 31, 2024
Exercise price (dollars)	$78.6	78.6
Weighted-average residual duration	1.71 years	2.71 years

3) Expenses resulting from share-based payment

The expenses resulting from share-based payment transactions for the years ended December 31, 2025 and 2024, were as follows:

	For the years ended December 31	
	2025	2024
Expense arising from employee stock options	$ 1,787	5,928

(iv) Compensated new shares of restricted stock awards of KINSUS

1) On May 27, 2022, the shareholders' meetings approved to issue 5,400 thousand new shares of restricted stock awards for certain requirements employee, with the approval from the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C. On July 25, 2022, the Board of KINSUS approved to issue 2,063 thousand shares of restricted stock, with the record date for the capital increase on August 19, 2022. However, only 1,932 thousand shares were actually issued, with a fair value of $130 per share at the grant date.

On February 13, 2023, the Board of KINSUS approved to issue 2,036 thousand new shares of restricted stock, with the record date for the capital increase on March 20, 2023. However, only 1,448 thousand shares were actually issued, with a fair value of $105 per share at the grant date.

On April 28, 2023, the Board of KINSUS approved to issue 456 thousand new shares of restricted stock, with the record date for the capital increase on May 19, 2023. However, only 280 thousand shares were actually issued, with a fair value of $108 per share at the grant date.

New shares of restricted stock awards are entitled to purchase shares at the price of $85.6 per share, and the vesting conditions were as follows:

I. Employees above grade 8 (inclusive)

Vesting conditions	Percentage of vesting shares
1 month from grant date	30% (Rounding up to thousands of shares)
8 months from grant date	20% (Rounding up to thousands of shares)
13 months from grant date	20% (Rounding down to thousands of shares)
20 months from grant date	10% (Rounding up to thousands of shares)
25 months from grant date	10% (Rounding up to thousands of shares)
32 months from grant date	Remaining shares

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

II. Employees from grade 6 to grade 7

Vesting conditions	Percentage of vesting shares
1 month from grant date	30% (Rounding up to thousands of shares)
13 months from grant date	50% (Rounding down to thousands of shares)
25 months from grant date	Remaining shares

The restricted obligation before vested was as follows:

a) The granted employee commit to the custodian institution, and shall not sell, pledge, transfer, donate, or dispose in any other ways, the right of restricted stocks before achieving the vesting conditions.

b) After new shares of restricted stock are issued, the granted employee should immediately commit to the custodian institution, and may not to ask the trustee to return the restricted stock in any other reasons or ways before achieving the vesting conditions.

c) The restricted stock for employees can participate in receiving dividends during the vesting period.

d) The right to vote and elect in a shareholders' meeting shall be executed by custodian institution in accordance with related regulations.

On May 30, 2024, the shareholders' meetings approved to issue 2,700 thousand new shares of restricted stock awards for certain requirements employee, with the approval from the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C. On July 29, 2024, the Board of KINSUS approved to issue 2,355 thousand shares of restricted stock, with the record date for the capital increase on August 23, 2022. However, only 2,297 thousand shares were actually issued, with a fair value of $106.5 per share at the grant date.

On July 28, 2025 and December 22, 2025, the Board of Directors further resolved to issue 274 thousand and 139 thousand restricted shares for employees, respectively, with the capital increase base dates set as August 21, 2025 and January 8, 2026. The actual number of new shares issued through the capital increases amounted to 264 thousand shares and 134 thousand shares, respectively. The grantdate share prices were NT$100 and NT$142.5 per share.

New shares of restricted stock awards are entitled to purchase shares at the price of $59.5, $50 and $72 per share, and the vesting conditions were as follows:

I. Employees above grade 8 (inclusive)

Vesting conditions	Percentage of vesring shares
1 month from grant date	40%
13 months from grant date	30%
25 months from grant date	Remaining shares

II. Employees from grade 6 to grade 7

Vesting conditions	Percentage of vesring shares
1 month from grant date	40%
13 months from grant date	30%
25 months from grant date	Remaining shares

The restricted obligation before vested was as follows:

a) The granted employee commit to the custodian institution, and shall not sell, pledge, transfer, donate, or dispose in any other ways, the right of restricted stocks before achieving the vesting conditions.

b) After new shares of restricted stock are issued, the granted employee should immediately commit to the custodian institution, and not to ask the trustee to return the restricted stock in any other reasons or ways before achieving the vesting conditions.

c) The restricted stock for employees can participate in receiving dividends during the vesting period.

d) During the vested period, if the Company conducts a capital reduction for cash return or other non-statutory capital reduction, the unvested RSAs shall be cancelled proportionally by the ration of such capital reduction. If the Company conducts a cash capital reduction for cash return, the returned cash shall be deposited in a trust/custody account and shall not be delivered to the employees until the vesting conditions are fulfilled; otherwise, the cash will be returned to the Company.

e) Mergers and Acquisitions: Unvested RSAs may be changed by the relevant agreements or plans for the mergers and acquisitions.

f) The right to vote and elect in a shareholders' meeting shall be executed by custodian institution in accordance with related regulations.

g) Other important terms and conditions: During the period when the granted RSAs are deposited in a trust/custody account, each executive must enter into an agreement authorizing the Company to, among others, negotiate, execute, modify, extend, rescind, and terminate the trust/custody agreement with the trustee/custodian, and give instructions to deliver, use, and dispose of any of the properties under the trust/custody, on their behalf, with full power and authority.

On August 19, 2022, KINSUS issued 1,932 thousand new shares of restricted stock awards, and incurred $146,059 thousand in capital surplus. As of December 31, 2025, 49 thousand new shares of restricted stock awards have expired. Subsequently, as of December 31, 2025, the deferred compensation cost of KINSUS arising from the issuance of its new shares of restricted stock awards amounted to $0 thousand.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

On March 20, 2023, KINSUS issued 1,448 thousand new shares restricted stock awards, and incurred $130,637 thousand in capital surplus. As of December 31, 2025, 68 thousand new shares of restricted stock awards have expired. Subsequently, as of December 31, 2025, the deferred compensation cost of KINSUS arising from the issuance of its new shares of restricted stock amounted to $0 thousand.

On May 19, 2023, KINSUS issued 280 thousand new shares of restricted stock awards, and incurred $21,168 thousand in capital surplus. As of December 31, 2025, 43 thousand new shares of restricted stock awards have expired. Subsequently, as of December 31, 2024, the deferred compensation cost of KINSUS arising from the issuance of its new shares of restricted stock amounted to $2 thousand.

On August 23, 2024, KINSUS issued 2,297 thousand new shares of restricted stock awards, and incurred $113,702 thousand in capital surplus. As of December 31, 2025, 92 thousand new shares of restricted stock awards have expired. Subsequently, as of December 31, 2025, the deferred compensation cost of KINSUS arising from the issuance of its new shares of restricted stock amounted to $9,851 thousand.

On August 21, 2025, KINSUS issued 264 thousand new shares of restricted stock awards, and incurred $10,560 thousand in capital surplus. As of December 31, 2025, 0 thousand new shares of restricted stock awards have expired. Subsequently, as of December 31, 2025, the deferred compensation cost of KINSUS arising from the issuance of its new shares of restricted stock amounted to $5,467 thousand.

On December 22, 2025, the Board of Directors resolved to issue 139 thousand restricted shares for employees, which also served as the subscription base date. The payment period was from December 31, 2025 to January 7, 2026, and the capital increase base date was January 8, 2026. The issuance resulted in additional capital surplus—restricted employee rights of NT$9,593 thousand. As of December 31, 2025, unearned employee compensation amounted to NT$8,951 thousand.

2) Employee stock option of KINSUS

	For the years ended December 31	
	2025	**2024**
Expense arising from share-based payment transaction (resulting from equity-settled shart-based payment)	**$ 41,124**	**72,498**

3) KINSUS did not make any cancellation or amendment to share-based payment transactions for the years ended December 31, 2025 and 2024.

4) KINSUS paid issuance of new shares with restricted employee rights granted before October 10, 2024 is handled in accordance with the Q&A regarding to whether retroactively apply "Doubts on the Handling of New Shares with Restricted Employee Rights" issued by the Securities and Futures Bureau of the Financial Supervisory Commission.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(x) Earnings per share

The basic earnings per share and diluted earnings per share were calculated as follows:

	For the years ended December 31	
	2025	2024
Basic earnings per share		
Profit attributable to ordinary shareholders	$ 14,402,600	16,876,878
Weighted-average number of ordinary shares	2,672,416	2,663,585
	$ 5.39	6.34
Diluted earnings per share		
Profit attributable to ordinary shareholders (diluted)	$ 14,402,600	16,876,678
Weighted-average number of ordinary shares	2,672,416	2,663,585
Effect of potentially dilutive ordinary share		
Effect of employee stock compensation	24,681	22,392
Weighted-average number of ordinary shares (diluted)	2,697,097	2,685,977
	$ 5.34	6.28

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the year ended December 31, 2025		
	DMS	Strategic Investment Group	Total
Primary geographical markets:			
Europe	$ 426,584,745	6,793,425	433,378,170
U.S.A.	437,085,570	23,004,003	460,089,573
Taiwan	94,620,885	12,394,584	107,015,469
China	23,456,544	39,633,924	63,090,468
Japan	16,157,001	5,182,900	21,339,901
Other countries	21,780,410	10,466,390	32,246,800
	$ 1,019,685,155	97,475,226	1,117,160,381

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the year ended December 31, 2024		
	DMS	Strategic Investment Group	Total
Primary geographical markets:			
Europe	$ 455,535,228	5,780,916	461,316,144
U.S.A.	427,473,845	14,267,880	441,741,725
Taiwan	87,850,051	11,836,716	99,686,767
China	26,338,534	22,918,139	49,256,673
Japan	11,873,395	4,181,201	16,054,596
Other countries	50,431,887	6,860,725	57,292,612
	$ 1,059,502,940	65,845,577	1,125,348,517

(ii) Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes receivable	$ -	2,730	4,833
Accounts receivable	221,671,183	265,266,167	155,061,701
Less: Allowance for impairment	233,582	97,644	160,171
Unearned interest income	412,217	-	-
Total	$ 221,025,384	265,171,253	154,906,363
Contract liabilities	$ 4,457,604	4,917,265	5,771,148

Please refer to Note 6(d) for the details on accounts receivable and allowance for impairment.

The amounts of revenue recognized for the years ended December 31, 2025 and 2024 that were included in the contract liability balance at the beginning of the period were $1,607,569 thousand and $1,391,160 thousand, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no other significant changes for the years ended December 31, 2025 and 2024.

(z) Remunerations to employees and directors

On June 6, 2025, the company’ s shareholders’ meeting resolved to amend the Articles of Incorporation. In accordance with the revised Articles of Incorporation, the Company should contribute no less than 7% of the profit as employee compensation and less than 0.7% as directors’ remuneration when there is profit for the year. Of the aforementioned employee compensation, no less than 35% shall be allocated for the distribution of remuneration to grassroots employees. However, if the Company has accumulated deficits, the profits should be reserved to offset the deficits. The recipients of shares and cash may include the employees of the Company’s affiliated companies who meet certain conditions.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024 the Company estimated its employee remuneration amounting to $1,439,000 thousand and $1,741,000 thousand, and directors' remuneration amounting to $143,000 thousand and $174,000 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. Such amounts were recognized as operating costs or operating expenses for the years ended December 31, 2025 and 2024. The differences, if any, between the actual distributed amounts and estimated amounts will be treated as changes in accounting estimates and charged to profit or loss in next year. The numbers of shares to be distributed were calculated based on the closing price of the Company' s ordinary shares, one day before the approval by the Board of Directors. Related information would be available at the Market Observation Post System website. There was no difference between the amounts approved in Board of Directors and recognized in the consolidated financial statements for the years ended December 31, 2025 and 2024.

(aa) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the years ended December 31	
	2025	2024
Interest income	$ 4,451,611	5,561,916

(ii) Other income

The details of other income were as follows:

	For the years ended December 31	
	2025	2024
Subsidy income	$ 3,054,595	546,084
Rental income	672,120	492,231
Dividend income	303,839	202,324
Technical service income	296,544	465,022
Other income	338,156	418,282
	$ 4,665,254	2,123,943

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Other gains and losses

The details of other gains and losses were as follows:

	For the years ended December 31	
	2025	2024
Gains (losses) on disposal of investment	$ 1,128,272	2,877,114
Foreign exchange gains (losses)	(967,701)	579,436
Gains (losses) on disposal of property, plant and equipment	968,595	211,084
Gains (losses) on lease modifications	11,814	15,072
Impairment losses on non-financial assets	-	(19,242)
Net gains on financial assets measured at fair value through profit or loss	876,374	1,552,591
Others	(110,583)	(336,238)
	$ 1,906,771	**4,879,817**

(iv) Finance costs

The details of finance costs were as follows:

	For the years ended December 31	
	2025	2024
Interest expenses	$ 1,326,945	1,360,349
Financial expenses-bank fees	22,469	15,861
	$ 1,349,414	**1,376,210**

(ab) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

As of December 31, 2025 and 2024, the accounts receivable from the Group's top three customers amounted to $107,516,401 thousand and $133,547,113 thousand, representing 67%, and 77% of accounts receivable, respectively, which exposes the Group to credit risk.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Liquidity risk

The following were the contractual maturities of financial liabilities, excluding estimated interest payments and the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	More than 2 years
December 31, 2025					
Non-derivative financial liabilities					
Secured bank loans	$ 148,998	148,998	8,931	8,934	131,133
Unsecured bank loans	58,205,208	58,249,535	46,901,060	3,756,268	7,592,207
Unsecured ordinary corporate bonds	14,896,221	14,900,000	12,200,000	2,700,000	-
Non-interest bearing liabilities	279,412,141	279,412,141	274,134,870	5,277,271	-
Lease liabilities	1,845,321	1,845,321	481,307	346,197	1,017,817
	$ 354,507,889	**354,555,995**	**333,726,168**	**12,088,670**	**8,741,157**
December 31, 2024					
Non-derivative financial liabilities					
Secured bank loans	$ 229,906	229,906	9,201	8,773	211,932
Unsecured bank loans	41,890,077	41,991,025	27,584,509	4,398,011	10,008,505
Unsecured ordinary corporate bonds	22,391,310	22,400,000	7,500,000	12,200,000	2,700,000
Non-interest bearing liabilities	338,528,018	338,528,018	332,849,070	5,678,948	-
Lease liabilities	2,525,289	2,525,289	604,836	488,389	1,432,064
	$ 405,564,600	**405,674,238**	**368,547,616**	**22,774,121**	**14,352,501**

The liquidity of the aforesaid bank loans, bonds payable, and lease liabilities does not include the interest expense on cash outflow. The Group is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Exposure to currency risk

The Group's significant exposures to foreign currency risk of financial assets and liabilities were as follows:

(Unit: Foreign currency / NTD in thousands)

	December 31, 2025			December 31, 2024		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets						
Monetary items						
USD:NTD	$12,604,116	31.4205	396,027,627	14,287,095	32.7900	468,473,845
USD:CNY	34,024	7.1055	1,080,717	22,530	7.1884	738,759
CNY:USD	2,263,131	0.1407	10,007,559	3,796,067	0.1391	17,315,820
INR:USD	-	-	-	9,604,470	0.0117	3,678,236

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2025			December 31, 2024		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial liabilities						
Monetary items						
USD:NTD	12,593,431	31.4205	395,691,899	14,040,030	32.7900	460,372,584
USD:CNY	7,945	7.1055	252,360	16,184	7.1884	530,674
CNY:USD	636,844	0.1407	2,816,122	3,226,341	0.1391	14,717,005
INR:USD	-	-	-	4,644,750	0.0117	1,778,806

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, loans, accounts payable, and other payables that are denominated in foreign currency. Assuming other variables remain the same, 1% appreciation (depreciation) of NTD against foreign currency for the years ended December 31, 2025 and 2024, would have increased or decreased the net profit before tax by $78,861 thousand and $122,369 thousand, respectively. The analysis is performed on the same basis for both periods.

3) Foreign exchange gains or losses on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months and years ended December 31, 2025 and 2024, foreign exchange gain (loss), including realized and unrealized, amounted to ($967,701) thousand and $579,436 thousand, respectively.

(iv) Interest rate analysis

The interest risk exposure from financial assets and liabilities has been disclosed in the note of liquidity risk management.

The following sensitivity analysis is based on the risk exposure to interest rate on derivative and non-derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumed that the variable rate liabilities are outstanding for the whole year on the reporting date. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate increases / decreases by 1%, the Group's net profit after tax will decrease / increase by $153,564 thousand and $166,023 thousand for the years ended December 31, 2025 and 2024, respectively, assuming all other variable factors remaining constant. This is mainly due to the Group's borrowing in floating variable rate.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Other market price risk

If the equity price changes, and if it is based on the same basis for both years and assumes that all variables remain the same, the impact to comprehensive income will be as follows.

	For the years ended December 31			
	2025		2024	
Equity price on reporting date	**Other comprehensive income (loss) (before tax)**	**Profit (loss) (before tax)**	**Other comprehensive income (loss) (before tax)**	**Profit (loss) (before tax)**
Increase 3%	$ **106,053**	**137,356**	**111,711**	**244,099**
Decrease 3%	$ **(106,053)**	**(137,356)**	**(111,711)**	**(244,099)**

(vi) Fair value Information

1) Fair value hierarchy

The Group measured its financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income on the recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy, were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2025				
		Fair Value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	$ 17,556,313	5,619,968	-	11,936,345	17,556,313
Financial assets at fair value through other comprehensive income					
Stock of listed companies	1,040,849	1,040,849	-	-	1,040,849
Stock of unlisted companies	2,494,260	-	-	2,494,260	2,494,260
Subtotal	$ 3,535,109	1,040,849	-	2,494,260	3,535,109
Financial assets at amortized cost					
Cash and cash equivalents	$119,380,486	-	-	-	-
Notes and accounts receivable	221,025,384	-	-	-	-
Other receivables	10,279,271	-	-	-	-
Other financial assets	15,770,806	-	-	-	-
Bond investment	800,000	-	-	-	-
Subtotal	$367,255,947	-	-	-	-

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2025				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost					
Bank loans	$ 58,354,206	-	-	-	-
Non-interest bearing liabilities	279,412,141	-	-	-	-
Lease liabilities	1,845,321	-	-	-	-
Unsecured ordinary corporate bonds	14,896,221	-	-	-	-
Subtotal	$354,507,889	-	-	-	-

	December 31, 2024				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	$ 13,577,568	9,920,593	-	3,656,975	13,577,568
Financial assets at fair value through other comprehensive income					
Stock of listed companies	1,396,006	1,396,006	-	-	1,396,006
Stock of unlisted companies	2,327,709	-	-	2,327,709	2,327,709
Subtotal	$ 3,723,715	1,396,006	-	2,327,709	3,723,715
Financial assets at amortized cost					
Cash and cash equivalents	$121,625,346	-	-	-	-
Notes and accounts receivable	265,171,253	-	-	-	-
Other receivables	1,531,629	-	-	-	-
Other financial assets	4,439,839	-	-	-	-
Bond investment	800,000	-	-	-	-
Subtotal	$393,568,067	-	-	-	-
Financial liabilities at amortized cost					
Bank loans	$ 42,119,983	-	-	-	-
Non-interest bearing liabilities	338,528,018	-	-	-	-
Lease liabilities	2,525,289	-	-	-	-
Unsecured ordinary corporate bonds	22,391,310	-	-	-	-
Subtotal	$405,564,600	-	-	-	-

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Valuation techniques for financial instruments not measured at fair value:

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial assets and financial liabilities measured at amortized cost

If there is a quoted price generated by transactions, the recent transaction price and quoted price data are used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value:

a) Non-derivative financial instruments

If quoted prices in active markets are available for a financial instrument, such quoted prices are used as the fair value. The quoted market prices published by major exchanges and by the Taipei Exchange for central government bonds designated as highly traded securities are considered the basis for determining the fair value of listed equity instruments and debt instruments with quoted prices in active markets.

A financial instrument is regarded as having a quoted price in an active market if quoted prices can be readily and regularly obtained from an exchange, broker, dealer, pricing service, industry group, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If these conditions are not met, the market is considered inactive. Generally, wide bid-ask spreads, significant increases in bid-ask spreads, or very low trading volumes are indicators of an inactive market.

For financial assets such as listed shares traded in an active market, fair value is determined with reference to quoted market prices.

For financial instruments other than those with quoted prices in active markets, fair value is determined using valuation techniques or by reference to quotes obtained from counterparties. Valuations derived from such techniques may reference the current fair value of other financial instruments with substantially similar terms and characteristics, discounted cash flow analyses, or other valuation methodologies, including model-based measurements that incorporate market information available as of the reporting date.

For financial instruments held by the Group that are not traded in an active market—such as unquoted equity instruments and debt instruments—fair value is estimated using the market approach by reference to comparable listed companies. The principal assumptions are based on the investee's net asset value, revenue, and the valuation multiples derived from the market prices of comparable listed companies. These estimates are further adjusted to reflect a discount for lack of marketability of the equity securities.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Transfers between levels of the fair value hierarchy

During 2025, the Group held an investment in equity of Lightel Corporation with a fair value of $416,669 thousand. As the investee company was listed and commenced trading on the emerging stock market in November 2025, quoted prices in an active market became available. Accordingly, the fair value measurement was transferred from Level 3 to Level 1 within the fair value hierarchy during the year.

There have been no transfers from each level for the year ended December 31, 2024.

5) Reconciliation of Level 3 fair values

		Fair value through profit or loss	Fair value through other comprehensive income	
		Non-derivative financial assets mandatorily measured at fair value through profit or loss	**Unquoted equity instruments**	**Total**
Balance as of January 1, 2025	$	3,656,975	2,327,709	5,984,684
Total gains and losses recognized				
In profit or loss		(487,528)	-	(487,528)
In other comprehensive income		-	153,709	153,709
Acquired		8,787,058	338,471	9,125,529
Effect of movement in exchange rate		(20,160)	91,040	70,880
Transferred out from Level 3		-	(416,669)	(416,669)
Balance as of December 31, 2025	**$**	**11,936,345**	**2,494,260**	**14,430,605**
Balance as of January 1, 2024	$	2,614,453	583,659	3,198,112
Total gains and losses recognized				
In profit or loss		124,152	-	124,152
In other comprehensive income		-	(122,931)	(122,931)
Acquired		896,936	1,832,395	2,729,331
Effect of movement in exchange rate		21,434	34,586	56,020
Balance as of December 31, 2024	**$**	**3,656,975**	**2,327,709**	**5,984,684**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024, total gains and losses that were accounted as "other gains and losses" and "unrealized gains from financial assets at fair value through other comprehensive income" were as follows:

	For the years ended December 31	
	2025	2024
Total gains and losses recognized:		
In profit or loss and presented in "other gains and losses"	$ (487,528)	124,152
In other comprehensive income, and presented in "unrealized gains from financial assets at fair value through other comprehensive income"	$ 153,709	(122,931)

6) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include financial assets measured at fair value through profit or loss–equity investments, debt investments, private fund, and financial assets measured at fair value through other comprehensive income–equity investments.

Most of the fair value measurements categorized within level 3 use the single and significant unobservable input. Equity investments without an active market contain multiple significant unobservable inputs. The significant unobservable inputs of the equity investments are independent from each other, as a result, there is no relevance between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss – unquoted equity investments and debt investments	Market Approach	·The multiplier of price-to-book ratio (As of December 31, 2025 , and December 31, 2024, were 1.6~7.2 and 1.8~10.7, respectively). ·Price to sales ratio (As of December 31, 2025 , and December 31, 2024, were 1.5~17.1 and 1.6~12.1, respectively). ·Market illiquidity discount (As of December 31, 2025, and December 31, 2024, were 20~40%).	The estimated fair value would increase (decrease) if: ·the multiplier was higher (lower). ·the market illiquidity discount was lower (higher).

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income-equity investments without an active market	Market Approach	·The multiplier of price-to-book ratio (As of December 31, 2025, and December 31, 2024, were 1.2~13.1 and 1.5~12.3, respectively). ·Price to sales ratio (As of December 31, 2025 and December 31, 2024 , were 0.6~10 and 0.7~9.6, respectively). ·Market illiquidity discount (As of December 31, 2025, and December 31, 2024 were 10~40%).	Same as above.
Financial assets at fair value through profit or loss - private fund	Net Asset Value Method	·Net Asset Value	Not applicable

7) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions.

The Group's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

	Inputs	Fluctuation in inputs	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2025						
Financial assets at fair value through profit or loss						
	Multiplier of price-to-book ratio	1%	92,759	(92,759)	-	-
	Price to sales ratio	1%	5,943	(5,943)	-	-
	Market illiquidity discount	1%	98,702	(98,702)	-	-
Financial assets at fair value through other comprehensive income						
	Multiplier of price-to-book ratio	1%	-	-	8,047	(8,047)
	Price to sales ratio	1%	-	-	16,896	(16,896)
	Market illiquidity discount	1%	-	-	24,943	(24,943)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Inputs	Fluctuation in inputs	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2024						
Financial assets at fair value through profit or loss						
	Multiplier of price-to-book ratio	1%	5,914	(5,914)	-	-
	Price to sales ratio	1%	7,885	(7,885)	-	-
	Market illiquidity discount	1%	13,799	(13,799)	-	-
Financial assets at fair value through other comprehensive income						
	Multiplier of price-to-book ratio	1%	-	-	23,277	(23,277)
	Market illiquidity discount	1%	-	-	23,277	(23,277)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(vii) Offsetting financial assets and financial liabilities

The Group has financial instrument transactions applicable to the International Financial Reporting Standards Sections 42 NO. 32 approved by the FSC which are required for offsetting. Financial assets and liabilities relating to those transactions are recognized in the net amount of the balance sheets.

The following tables present the aforesaid offsetting financial assets and financial liabilities.

December 31, 2025

Financial assets that are offset which have an exercisable master netting arrangement or similar agreement

	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral instruments	
Accounts Receivable and Payable	$ 18,303,788	14,938,302	3,365,486	-	-	3,365,486

December 31, 2025

Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement

	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral instruments	
Accounts Receivable and Payable	$ 14,938,302	14,938,302	-	-	-	-

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2024

Financial assets that are offset which have an exercisable master netting arrangement or similar agreement

	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d) Financial instruments (Note)	Cash collateral instruments	Net amounts (e)=(c)-(d)
Accounts Receivable and Payable	$ 14,935,056	12,017,937	2,917,119	-	-	2,917,119
Other financial asset and short-term loan	$ 1,637,722	1,637,722	-	-	-	-

December 31, 2024

Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement

	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d) Financial instruments (Note)	Cash collateral instruments	Net amounts (e)=(c)-(d)
Accounts Receivable and Payable	$ 12,017,937	12,017,937	-	-	-	-
Other financial asset and short-term loan	$ 1,637,722	1,637,722	-	-	-	-

Note: The master netting arrangement and non-cash collateral were included.

(ac) Financial risk management

(i) Overview

The Group is exposed to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following discusses the Group's objectives, policies, and processes for measuring and managing the above-mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management team, which reports to the Board of Directors, is responsible for the development and control of the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(iii) Credit risk

Credit risk is the risk if a counterparty fails to meet its contractual obligations, and arises principally from cash, the Group' s receivables from customers and investments in equity securities. Also, the Group deposits cash in different financial institutions to manage the credit risk of financial institution and believes that there is no significant concentration of credit risk on cash and equity securities.

The Group transacted only with the approved third parties with good financial conditions and reputations. For those customers with poor financial situations, the Group would transfer the risk through acquiring guarantees or transacting by L/C. Therefore, the Group believes that there is no significant credit risk.

1) Accounts receivable and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk, particularly in the current deteriorating economic circumstances.

Under its customer credibility evaluation policies, the Group evaluates the customer' s credibility and collectability of notes and account receivables regularly before doing business. Thus, management is not expecting any significant uncollectible accounts.

The major customers of the Group are concentrated in the high-tech computer industry. As the customers of the Group have good credit and profit records, the Group evaluates the financial conditions of these customers continually to reduce credit risk from accounts receivable. Moreover, the Group also periodically evaluates the customers' financial positions and the possibility of collecting accounts receivable. Thus, management is not expecting any significant issue on credit risk.

2) Investment

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies, and financial institutions with good credit rating. The Group does not expect any counterparty above to fail to meet its obligations; hence, there is no significant credit risk arising from these counterparties.

(Continued)

3) Guarantee

The Group's policies were prepared in accordance with Guidelines for Lending of Capital, Endorsements and Guarantees by Public Companies. Please refer to Note 13(a) Table 2 for details of endorsements and guarantees provided by the Group as of December 31, 2025.

(iv) Liquidity risk

Liquidity risk is a risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as much as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has sufficient working capital to meet its commitment for operation obligation and is not expecting any significant liquidity risk.

(v) Market risk

Market risk is a risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in foreign currency other than the respective functional currencies of the Group's entities, such as NTD, EUR, USD, and CNY.

The Group's purchases and sales are denominated mainly in US dollars, which exposes the Group's current and future cash flows from foreign currency assets to the risk of market exchange rate fluctuations. The Group follows the principle of natural hedging, the currency held by the Group is consistent with the actual foreign exchange demand of the Group's import and export transactions. The foreign currency positions of the Group are operated by self-levelling principle, and spot foreign exchange tools are used to avoid exchange rate risk.

The interest is denominated in the same currency as borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group. This provides an economic hedge without derivatives being entered into, and therefore, hedge accounting is not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Interest rate risk

The Group's interest rate risk arises from part of the short-term, long-term loans and accounts receivable factoring bearing floating interest rates and cash advances for accounts receivable factoring. Future cash flow will be affected by a change in market interest rate. The Group decreases the interest rate risk through negotiating with banks periodically.

3) Price floating risk on equity instruments

The equity securities held by the Group are classified as financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. As these assets are measured at fair value, the Group is exposed to the market price fluctuation risk in the equity securities market. The Group's investment portfolios of equity instruments are reviewed regularly by management, and significant investment decisions are approved by the Board of Directors.

(ad) Capital management

The Board's policy is to maintain a strong capital base in order to maintain investor, creditor, and market confidence and to sustain future development of the business. Capital consists of ordinary shares, paid-in capital, retained earnings, and non-controlling interests of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group used the debt-to-equity ratio, interest-bearing liability-to-equity ratio, and other financial ratios to maintain an optimal capital structure and raise returns on equity.

The debt-to-equity ratios at the balance sheet date were as follows:

	December 31, 2025	December 31, 2024
Total liabilities	$ 376,657,299	433,052,641
Less: cash and cash equivalents	(119,380,486)	(121,625,346)
Net debt	**257,276,813**	**311,427,295**
Total capital (Note)	**$ 503,734,693**	**553,126,779**
Debt to equity ratio	**51.07%**	**56.30%**

Note: Total capital includes share capital, capital surplus, retained earnings, other equity, non-controlling interest, and net debt.

For the year 2025, the Group's approach to capital management remained consistent with that of the 2024.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ae) Financing activities not affecting current cash flow

For the years ended December 31, 2025 and 2024, reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Other (Note)	December 31, 2025
Long-term loans	$ 18,301,334	(2,195,045)	(538)	36,219	16,141,970
Short-term loans	23,818,649	17,502,576	-	891,011	42,212,236
Bonds payable	22,391,310	(7,500,000)	-	4,911	14,896,221
Lease liabilities	2,525,289	(561,210)	121,767	(240,525)	1,845,321
Total liabilities from financing activities	**$ 67,036,582**	**7,246,321**	**121,229**	**691,616**	**75,095,748**

	January 1, 2024	Cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Other	December 31, 2024
Long-term loans	$ 20,537,892	(2,276,939)	-	40,381	18,301,334
Short-term loans	45,164,344	2,788,661	-	(24,134,356)	23,818,649
Bonds payable	30,384,389	(8,000,000)	-	6,921	22,391,310
Lease liabilities	2,218,541	(999,482)	56,984	1,249,246	2,525,289
Total liabilities from financing activities	**$ 98,305,166**	**(8,487,760)**	**56,984**	**(22,837,808)**	**67,036,582**

Note: Others mainly relate to the recognition of right-of-use assets acquired through lease arrangements, the derecognition of liabilities upon loss of control, and the cessation of classification as non-current liabilities held for sale.

(7) Related-party transactions

(a) Names and relationship with related parties

The following are entities that have had transactions with related parties during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Luxcase Precision Technology (Kunshan) Co., Ltd. (Luxcase (Kunshan))	An associate
RI SHAN COMPUTER ACCESSORY (JIASHAN) CO., LTD. (RI SHAN)	An associate
RI PEI COMPUTER ACCESSORY (SHANGHAI) CO., LTD. (RI PEI)	An associate
RI DA INTELLIGENT MANUFACTURING TECHNOLOGY CO., LTD. (RI DA)	An associate
CASETEK SINGAPORE PTE. LTD. (CSG)	An associate

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of related party	Relationship with the Group
Luxsan Precision Industry (Kunshan) Co., Ltd. (LUXSAN KUNSHAN)	An associate (Note 1)
Luxsan iTech Electronic (Shanghai) Co., Ltd. (LUXSAN SHANGHAI)	An associate (Note 1)
Luxsan (Hong Kong) Trading Co., Limited (Luxsan (Hong Kong))	An associate (Note 1)
TATA ELECTRONICS PRODUCTS AND SOLUTIONS PRIVATE LIMITED	An associate (Note 2)
ADVANTECH CO., LTD.	Substantive related party
ADVANTECH TECHNOLOGY (CHINA) CO., LTD.	Substantive related party
STARLINK ELECTRONICS CORPORATION (STARLINK)	Other related party (Note 3)
FUYANG TECHNOLOGY CORPORATION (FUYANG)	Other related party (Note 4)
RI-TENG COMPUTER ACCESSORY (SHANGHAI) CO., LTD. (RI-TENG)	Other related party (Note 5)

Note 1: LUXSAN KUNSHAN and LUXSAN SHANGHAI were originally subsidiaries of the Company. The Group lost control over these entities on June 28, 2024, and they became associates of the Group thereafter. Subsequently, on October 31, 2025, the Group disposed of a portion of its equity interest in LUXSAN KUNSHAN to Luxsan Precision iTech Co., Ltd, resulting in the Group losing significant influence over LUXSAN KUNSHAN and its subsidiaries. Accordingly, these entities ceased to be related parties of the Group from that date. For further details, please refer to Note 6(h).

Note 2: The companies above was no longer the Group's subsidiaries but the Group's associates since the Group had lost control over the companies as of 24, January 2025. For more details, please refer to Note 6(h).

Note 3: The company was initially a subsidiary of the Group. In 2024, the Board of Directors resolved to liquidate the subsidiary, resulting in the Group losing control. As of December 31, 2025, the liquidation process had not yet been completed.

Note 4: The company was initially a subsidiary of the Group. In 2024, the Board of Directors resolved to liquidate the subsidiary, resulting in the Group losing control. The liquidation process was completed on July 28, 2025, as approved by the shareholders' meeting.

Note 5: The company was initially a subsidiary of the Group. The resolution of liquidation was conducted by the Board of the company, resulting in the Group losing control over the company. As of December 31, 2025, the liquidation process had not yet been completed.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Significant transactions with related parties

(i) Operating revenue

The amounts of significant sales by the Group to related parties were as follows:

	Sales	
	For the years ended December 31	
	2025	2024
Associates (Note)	$ 14,743,236	1,182,867
Other related parties	72,532	43,741
	$ 14,815,768	1,226,608

The terms and the selling price for related parties were not significantly different from other customers.

Note: The Group eliminated the revenue, expense and loss on the consolidated basis from the date losing control over LUXSAN (KUNSHAN), LUXSAN (SHANGHAI) and TEPS.

(ii) Purchase of goods from related parties

The amounts of significant purchases by the Group from related parties were as follows:

	Purchases	
	For the years ended December 31	
	2025	2024
Associates (Note)	$ 97,489,468	54,446,277
Other related parties	408	29
	$ 97,489,876	54,446,306

The terms and pricing of purchase transactions with related parties were not significantly different from other vendors.

Note: The Group eliminated the revenue, expense and loss on the consolidated basis from the date losing control over LUXSAN (KUNSHAN), LUXSAN (SHANGHAI) and TEPS.

(iii) Accounts receivable from related parties

The amounts of accounts receivable by the Group to related parties were as follows:

Account	Relationship	December 31, 2025	December 31, 2024
Accounts receivable	Associates-LUXSAN KUNSHAN (Note)	$ -	50,152,696
〃	Associates-LUXSAN SHANGHAI (Note)	-	42,178,855
〃	Associates-TEPS (Note)	27,209,827	-
〃	Other related parties	9,814	10,135
		$ 27,219,641	92,341,686

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Account	Relationship	December 31, 2025	December 31, 2024
Other receivables	Associates-LUXSAN KUNSHAN (Note)	-	241,222
〃	Associates-LUXSAN SHANGHAI (Note)	-	315,660
〃	Associates	15,509	19,120
〃	Other related parties-RI-TENG (Note)	6,274,092	-
	Other related parties (Note)	-	505,236
		$ 6,289,601	1,081,238

Note: Receivables pertaining to selling of material for processing and liquidation of investments have been written off due to the loss of control.

(iv) Payables to related parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2025	December 31, 2024
Accounts payable	Associates-LUXSAN KUNSHAN (Note)	$ -	65,585,928
〃	Associates-LUXSAN SHANGHAI (Note)	-	38,724,152
〃	Associate-TEPS (Note)	26,887,416	-
〃	Associates	1,013	452,666
		$ 26,888,429	104,762,746

Note: Payables pertaining to selling of material for processing, have been written off due to the loss of control.

(c) Transactions with key management personnel

Compensation for key management personnel was as follows:

	For the years ended December 31	
	2025	2024
Short-term employee benefits	$ 436,091	440,124
Post-employment benefits	4,204	4,481
Share-based payments	143,242	71,145
	$ 583,537	515,750

Please refer to Notes 6(v) and (w) for further explanations related to share-based payment transactions.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(8) Assets pledged as security

The carrying value of pledged assets was as follows:

Assets pledged as security	Object	December 31, 2025	December 31, 2024
Other financial asset-restricted deposit	Post-release duty deposits, customs duty, lease deposits, travel agency guarantee, etc.	$ 369,292	148,676
Property, plant and equipment	Bank loans	344,769	351,050
Other financial asset-guarantee deposits	Customs duty guarantee, litigation guarantee, rental deposits, and deposits for performance guarantee	56,151	51,167
		$ 770,212	**550,893**

(9) Commitments and contingencies

(a) Significant commitments and contingencies

(i) Unused standby letters of credit:

	December 31, 2025	December 31, 2024
JPY	$ 1,504,515	2,109,290
USD	3,062	11,231
EUR	552	533

(ii) Promissory notes and certificates of deposit obtained for business purposes were as follows:

	December 31, 2025	December 31, 2024
NTD	**$ 9,552**	**6,591**

(iii) As of December 31, 2025 and 2024, the significant contracts for purchase of properties by the Group amounted to $15,421,641 thousand and $22,398,036 thousand, of which $3,736,645 thousand and thousand and $5,832,550 thousand, respectively, were unpaid.

(iv) As of December 31, 2025 and 2024, the Group issued a tariff guarantee of $440,692 thousand and $451,197 thousand, respectively, to the bank for the purpose of importing goods.

(10) Losses due to major disasters: None.

(11) Subsequent events:

On February 5, 2026, the Group acquired privately placed common shares of SYSGRATION LTD. in the amount of approximately $1,210,000 thousand.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(12) Others

(a) The nature of employee benefits, depreciation and amortization expenses categorized by function were as follows:

By function / By item	For the years ended December 31					
	2025			2024		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	$ 18,340,824	16,145,575	34,486,399	24,087,601	16,779,764	40,867,365
Health and labor insurance	1,500,961	1,070,388	2,571,349	2,197,075	1,114,991	3,312,066
Pension	1,283,412	709,523	1,992,935	2,196,496	756,610	2,953,106
Others	1,481,798	892,237	2,374,035	1,466,443	928,297	2,394,740
Depreciation	11,866,310	2,667,889	14,534,199	11,524,660	4,019,769	15,544,429
Amortization	62,802	129,608	192,410	44,102	109,372	153,474

Above depreciations did not include depreciation in investment property which was accounted for under non-operating expenses as follows:

	For the years ended December 31	
	2025	2024
Depreciation in investment property	$ 3,061	3,160

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group:

No.	Item	Table
1	Loans to other parties	Table 1
2	Guarantees and endorsements for other parties	Table 2
3	Significant securities held at the reporting date (excluding investment in subsidiaries, associates and joint ventures)	Table 3
4	Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock	Table 4
5	Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock	Table 5
6	Business relationships and significant inter-company transactions between the parent company and subsidiaries and among the subsidiaries	Table 6

(b) Information on investees:

Please refer to Table 7 for the information on investees (excluding investees in Mainland China) for the year ended December 31, 2025.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Information on investment in Mainland China: Please refer to Table 8.

(14) Segment information

(a) General Information

The Group’ s operating segments required to be disclosed are categorized as DMS (Design, Manufacturing and Service) and Strategic Investment Group. DMS’s main operating activities are designing and manufacturing computer, communication and consumer electronics’ end products, and providing after-sales service. Strategic Investment Group is DMS’ s upstream and downstream supply chain, strategic investments and other related investments arms. The chief operating decision maker’ s main responsibility is to integrate strategy that creates operating synergy throughout the supply chain and to allocate the profit from the operating result. The Group assesses performance of the segments based on the segments’ profit, and report the amounts of revenues based on the financial information used to prepare the consolidated financial report.

(b) Information on reportable segment profit or loss, assets and liabilities, and the basis of measurement and reconciliation

The Group uses the segment profit or loss before tax presented in the internal management reports reviewed by the chief operating decision maker as the basis for resource allocation and performance assessment.

The accounting policies applied by the operating segments are consistent with those described in Note 4, “Summary of Significant Accounting Policies.”

The operating segment information and reconciliations of the Group are as follows:

For the year ended December 31, 2025	DMS	Strategic Investment Group	Adjustment and Eliminations	Total
Revenue:				
Revenue from external customers	$ 1,019,622,449	97,537,932	-	1,117,160,381
Intersegment revenues	62,706	695,897	(758,603)	-
Total revenue	**$ 1,019,685,155**	**98,233,829**	**(758,603)**	**1,117,160,381**
Share of profit of associates and joint ventures accounted for using equity method	**$ 6,340,089**	**3,651,120**	**(6,340,089)**	**3,651,120**
Reportable segment profit or loss	**$ 19,337,819**	**11,936,291**	**(6,340,089)**	**24,934,021**
Assets:				
Investments accounted for using equity method	**$ 101,840,963**	**44,727,201**	**(101,840,963)**	**44,727,201**
Reportable segment assets	**$ 525,607,347**	**206,943,919**	**(109,436,087)**	**623,115,179**
Reportable segment liabilities	**$ 318,264,057**	**65,988,366**	**(7,595,124)**	**376,657,299**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the year ended December 31, 2024	DMS	Strategic Investment Group	Adjustment and Eliminations	Total
Revenue:				
Revenue from external customers	$ 1,059,399,888	65,948,629	-	1,125,348,517
Intersegment revenues	103,052	548,686	(651,738)	-
Total revenue	$ 1,059,502,940	66,497,315	(651,738)	1,125,348,517
Share of profit of associates and joint ventures accounted for using equity method	$ 5,843,520	3,534,296	(5,843,520)	3,534,296
Reportable segment profit or loss	$ 23,480,126	9,587,742	(5,843,520)	27,224,348
Assets:				
Investments accounted for using equity method	$ 130,811,177	49,502,284	(130,811,176)	49,502,285
Reportable segment assets	$ 624,574,571	186,452,729	(136,275,175)	674,752,125
Reportable segment liabilities	$ 417,481,438	21,035,201	(5,463,998)	433,052,641

(c) Geographic information

In presenting information on the basis of geography, revenue is based on the geographical location of customers; please refer to Note 6(y), and non-current assets are based on the geographical location of the assets.

Region	December 31, 2025	December 31, 2024
Non-current assets:		
Taiwan	$ 59,493,566	56,745,786
China	14,428,731	16,987,933
Others	25,298,435	24,700,827
Total	$ 99,220,732	98,434,546

Non-current assets include property, plant and equipment, right-of-use assets, investment property, intangible assets and other non-current assets, excluding financial instruments, deferred tax assets, and pension fund assets.

(d) Major customers

Major customers from DMS in 2025 and 2024 were as follows:

	For the years ended December 31	
Customer	2025	2024
A	$ 640,584,470	667,767,666
B	102,160,418	115,308,179
C	93,913,740	86,397,211
	$ 836,658,628	869,473,056

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 1: Loans to other parties

(December 31, 2025)

Expressed in thousands of NTD

No.	Creditor	Borrower	General ledger account	Related party	Maximum outstanding balance	Ending balance	Actual amount drawn down	Interest rate	Nature of loan (Note1)	Amount of transactions with the borrower	Reasons for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 2)
1	ASUSPOWER	PEGATRON	Other Receivables	Y	4,249,280	3,880,432	3,880,432	0.00%	2	-	Business operation	-	-	-	6,909,885	6,909,885
1	ASUSPOWER	ASUSPOWER INVESTMENT	Other Receivables	Y	1,178,511	487,018	487,018	0.00%	2	-	Business operation	-	-	-	2,072,966	2,763,954
2	PEGA HOLDING	PEGATRON	Other Receivables	Y	30,166,568	26,855,101	26,855,101	0.00%	2	-	Business operation	-	-	-	103,728,581	103,728,581
2	PEGA HOLDING	PTM	Other Receivables	Y	99,593	-	-	0.00%	2	-	Business operation	-	-	-	103,728,581	103,728,581
3	UNIHAN	PEGATRON	Other Receivables	Y	2,236,848	1,856,952	1,856,952	0.00%	2	-	Business operation	-	-	-	5,980,664	5,980,664
4	CASETEK	PEGATRON	Other Receivables	Y	987,626	934,760	934,760	0.00%	2	-	Business operation	-	-	-	4,123,290	4,123,290
5	KTL	PEGATRON	Other Receivables	Y	531,160	487,018	487,018	0.00%	2	-	Business operation	-	-	-	534,634	534,634
6	DIGITEK CHONGQING	KAI-CHUAN	Other Receivables	Y	199,185	34,563	34,563	0.83%	2	-	Financing necessities	-	-	-	6,482,338	6,482,338
7	CASETEK SUZHOU	PROTEK SHANGHAI	Other Receivables	Y	1,387,431	1,341,075	1,341,075	1.20%	2	-	Financing necessities	-	-	-	2,388,951	2,388,951
8	RI-TENG	RI-PRO	Short-Term Accounts Receivables	Y	138,743	-	-	1.00%	2	-	Operational need	-	-	-	6,274,091	6,274,091
8	RI-TENG	PROTEK SHANGHAI	Short-Term Accounts Receivables	Y	4,624,770	-	-	1.20%	2	-	Operational need	-	-	-	6,274,091	6,274,091
9	CASETEK CAYMAN	PEGATRON	Long-Term Accounts Receivables	Y	2,655,800	2,513,640	2,513,640	0.00%	2	-	Operational need	-	-	-	54,896,001	54,896,001
10	ASIAROCK	Calrock	Internal Dealings	Y	265,580	251,364	251,364	4.00%	2	-	Financing necessities	-	-	-	668,789	1,783,436
11	ASLINK	PEGATRON	Other Receivables	Y	6,589,704	6,236,969	6,236,969	0.00%	2	-	Business operation	-		-	13,627,002	13,627,002

Note 1: Reference for the nature of loan column

(1) The borrower has business contact with the creditor.

(2) The borrower has short-term financing necessities.

Note 2: Calculation for the ceiling on total loans granted

Ceiling on total loans granted

According to ASUSPOWER's policy for loans granted, the ceiling on total loans granted to all parties is 60% of net worth of ASUSPOWER.

Granting loans to the Company and Taiwan subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 40% of net worth of ASUSPOWER.

While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of ASUSPOWER.

According to PEGA HOLDING's policy for loans granted, the ceiling on total loans granted to all parties is 30% of net worth of PEGA HOLDING.

While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of PEGA HOLDING.

According to UNIHAN's policy for loans granted, the ceiling on total loans granted to all parties is 30% of net worth of UNIHAN.

While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of UNIHAN.

According to CASETEK's policy for loans granted, the ceiling on total loans granted to all parties is 30% of net worth of CASETEK.

While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of CASETEK.

According to KTL's policy for loans granted, the ceiling on total loans granted to all parties is 30% of net worth of KTL.

While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of KTL.

According to DIGITEK CHONGQING's policy for loans granted, the ceiling on total loans granted to all parties is 30% of net worth of DIGITEK CHONGQING.

While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of DIGITEK CHONGQING.

According to CASETEK SUZHOU's policy for loans granted, the ceiling on total loans granted to all parties is 30% of net worth of CASETEK SUZHOU.

While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of CASETEK SUZHOU.

According to RI-TENG's policy for loans granted, except for the Company(PEGATRON) or foreign subsidiaries whose voting shares are directly or indirectly wholly-owned by the Company,

when there is a short-term financing need, the ceiling on total loans granted to which is 100% of net worth of RI-TENG, the ceiling on total loans granted to all other parties is 30% of net worth of RI-TENG.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

According to CASETEK CAYMAN's policy for loans granted, except for the Company(PEGATRON) or foreign subsidiaries whose voting shares are directly or indirectly wholly-owned by the Company, when there is a short-term financing need, the ceiling on total loans granted to which is 100% of net worth of CASETEK CAYMAN, the ceiling on total loans granted to all other parties is 60% of net worth of CASETEK CAYMAN.

According to ASIAROCK’s Financing Operational Procedures, the total amount lent to a counterparty shall not exceed 40% of ASIAROCK's net worth. The limitation does not apply to financing activities between foreign companies that are wholly owned, either directly or indirectly, by the Company, or foreign companies in which the Company directly or indirectly holds 100% of the voting shares may extend loans to the Company, provided that the aggregate amount of such loans shall not exceed the net equity as reported in the most recent financial statement audited by a CPA.

According to ASLINK's policy for loans granted, the ceiling on total loans granted to all parties is 30% of net worth of ASLINK.

While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of ASLINK.

Ceiling on total loans granted to single party

According to ASUSPOWER's policy for loans granted, the ceiling on total loans granted to a single party is 30% of net worth of ASUSPOWER.

While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of ASUSPOWER.

According to PEGA HOLDING's policy for loans granted, the ceiling on total loans granted to a single party is 15% of net worth of PEGA HOLDING.

While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of PEGA HOLDING.

According to UNIHAN's policy for loans granted, the ceiling on total loans granted to a single party is 15% of net worth of UNIHAN.

While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of UNIHAN.

According to CASETEK's policy for loans granted, the ceiling on total loans granted to a single party is 15% of net worth of CASETEK.

While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of CASETEK.

According to KTL's policy for loans granted, the ceiling on total loans granted to a single party is 15% of net worth of KTL.

While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of KTL.

According to DIGITEK CHONGQING's policy for loans granted, the ceiling on total loans granted to a single party is 15% of net worth of DIGITEK CHONGQING.

While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of DIGITEK CHONGQING.

According to CASETEK SUZHOU's policy for loans granted, the ceiling on total loans granted to single party is 15% of net worth of CASETEK SUZHOU.

While granting loans to the Company and foreign subsidiaries which are not wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of CASETEK SUZHOU.

According to RI-TENG's policy for loans granted, except for the Company (PEGATRON) or foreign subsidiaries whose voting shares are directly or indirectly wholly-owned by the Company, when there is a short-term financing need, the ceiling on total loans granted to which is 100% of net worth of RI-TENG, the ceiling on total loans granted to other single party is 15% of net worth of RI-TENG.

According to CASETEK CAYMAN's policy for loans granted, except for the Company (PEGATRON) or foreign subsidiaries whose voting shares are directly or indirectly wholly-owned by the Company, when there is a short-term financing need, the ceiling on total loans granted to which is 100% of net worth of CASETEK CAYMAN, the ceiling on total loans granted to other single party is 30% of net worth of CASETEK CAYMAN.

According to ASIAROCK’s Financing Operational Procedures, the amount lent to an individual counterparty shall not exceed 15% of ASIAROCK's net worth. The limitation does not apply to financing activities between foreign companies that are wholly owned, either directly or indirectly, by the Company, or foreign companies in which the Company directly or indirectly holds 100% of the voting shares may extend loans to the Company, provided that the amount lent to an individual party shall not exceed the net equity as reported in the most recent financial statement audited by a CPA.

According to ASLINK's policy for loans granted, the ceiling on total loans granted to a single party is 15% of net worth of ASLINK.

While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of ASLINK.

Note 3: If the amounts were based on foreign currencies, please refer to the spot exchange rate on the financial statement date.
Note 4: The amount of transactions with consolidated entities are eliminated for the preparation of consolidated financial statements.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 2: Guarantees and endorsements for other parties
(December 31, 2025)

Expressed in thousands of NTD

Number	Endorser/ Guarantor	Party being endorsed / guaranteed	Relationship (Note 1)	Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum outstanding balance for the year	Outstanding balance for the year (Note 3 and Note 4)	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor	Ceiling on total amount of endorsements/ guarantees provided (Note 2)	Endorsements/ guarantees by parent company to subsidiary	Endorsements/ guarantees by subsidiary to parent company	Endorsements/ guarantees to the party in Mainland China
1	PEL	PMX	(4)	328,221	35,917	33,994	33,994	-	2.07 %	820,553	N	N	N
2	ASROCK	ASIAROCK	(2)	8,392,515	2,655,800	2,513,640	1,979,492	-	20.97 %	8,392,515	Y	N	N
2	ASROCK	ASRock Rack	(2)	3,596,792	2,796,425	2,796,425	2,796,425	-	23.32 %	3,596,792	Y	N	N

Note 1: Relationship with the endorser/guarantor:

(1) Having business relationship.

(2) The endorser/guarantor parent company directly and indirectly holds more than 50% of voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor subsidiary which directly and indirectly be held more than 50% voting shares by the endorsed/guaranteed parent company.

(4) The endorser/guarantor company and the endorsed/guaranteed party both be held more than 90% by the parent company.

(5) Company that is mutually protected under contractual requirements based on the needs of the contractor.

(6) Company that is endorsed by its shareholders in accordance with its shareholding ratio because of the joint investment relationship.

(7) Performance guarantees for pre-sale contracts under the Consumer Protection Act.

Note 2: Ceiling on total endorsements/guarantees

According to PEL's policy of endorsements and guarantees, the ceiling on total endorsements and guarantees to all parties is 50% of net worth of PEL.

According to ASROCK's policy of endorsements and guarantees, the ceiling on total endorsements and guarantees to all parties is 70% of net worth of ASROCK.

Ceiling on endorsements/ guarantees to single party

According to PEL's policy of endorsements and guarantees, the total ceiling on total endorsements and guarantees to single party is 20% of net worth of PEL.

According to ASROCK's policy of endorsements and guarantees, the total ceiling on total endorsements and guarantees to single party 100%-owned is 70% of net worth of ASROCK.

The total ceiling on total endorsements and guarantees to single party not 100%-owned is 30% of net worth of ASROCK.

Note 3: If the amounts were based on foreign currencies, please refer to the spot exchange rate on the financial statement date.

Note 4: The amount is approved by the Board of Directors.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 3: Significant securities held at the reporting date (excluding investment in subsidiaries, associates and joint ventures)
(December 31, 2025)

Expressed in thousands of NTD

Securities held by	Marketable securities: Category	Marketable securities: Item	Relationship	General ledger account	As of December 31, 2025: Number of shares	Book value	Percentage of ownership	Fair value	NOTE
PEGATRON	Bond	Fubon Life Insurance Co., Ltd. Subordinated Corporate Bonds	-	Non-current financial assets at amortised cost	800	800,000	N/A	800,000	
	Fund	China Renewable Energy Fund, LP (CREF)	-	Non-current financial assets at fair value through profit or loss	-	885,986	N/A	885,986	
ASUS INVESTMENT	Stock	Speed Tech Corporation	-	Current financial assets at fair value through profit or loss	8,000,000	326,400	4.58%	326,400	
	Stock	Lightel Corporation	-	Non-current financial assets at fair value through other comprehensive income	1,080,000	389,340	4.36%	389,340	
	Stock	PT Sat Nusapersada Tbk	-	Non-current financial assets at fair value through other comprehensive income	531,434,100	366,637	10.01%	366,637	
Pegatron Investment	Stock	Lambda, Inc.	-	Non-current financial assets at fair value through profit or loss	1,110,525	746,840	0.82%	746,840	
ASUSPOWER	Stock	TXOne Networks Inc.	-	Non-current financial assets at fair value through profit or loss	2,181,817	426,628	3.18%	426,628	
	Stock	CarUX Holding Limited	-	Non-current financial assets at fair value through other comprehensive income	7,218,101	1,689,560	5.02%	1,689,560	
ASLINK	Stock	Luxsan Precision Industry (Kunshan) Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	-	7,305,718	19.00%	7,305,718	
PROTEK SHANGHAI	Stock	Luxshare-ICT Co., Ltd.	-	Current financial assets at fair value through profit or loss	7,154,005	1,752,083	0.10%	1,752,083	
Lumens	Fund	Fuh Hwa Money Market Fund	-	Current financial assets at fair value through profit or loss	76,408,331	1,160,566	N/A	1,160,566	
KINSUS	Fund	Fubon Chi-Hsiang Money Market Fund	-	Current financial assets at fair value through profit or loss	18,222,017	302,108	N/A	302,108	
PEGAVISION	Fund	Fubon Money Market Fund	-	Current financial assets at fair value through profit or loss	51,608,086	810,696	N/A	810,696	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 4: Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock
(For the year ended December 31, 2025)

Expressed in thousands of NTD

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship	Purchases (sales)	Amount	Percentage of total	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note
PEGATRON	PTB	Subsidiary	Purchase	4,061,232	0.57 %	60 DAYS END OF MONTH	-	-	(18,030,799)	(5.49)%	
	PTSI	Subsidiary	Sale	(372,999)	(0.04)%	O/A 90 DAYS	-	-	82,024	0.02 %	
	PTT	Subsidiary	Sale	(18,174,161)	(1.80)%	90 DAYS END OF MONTH	-	-	10,155,120	3.09 %	
	PVN	Subsidiary	Purchase	601,800	0.08 %	60 DAYS END OF MONTH	-	-	(22,019,757)	(6.70)%	
	MAINTEK	Subsidiary	Sale	(15,876,283)	(1.57)%	90 DAYS END OF MONTH	-	-	17,127,984	5.22 %	
	MAINTEK	Subsidiary	Purchase	10,543,271	1.47 %	60 DAYS END OF MONTH	-	-	(19,412,960)	(5.91)%	
	DIGITEK CHONGQING	Subsidiary	Purchase	2,087,600	0.29 %	60 DAYS END OF MONTH	-	-	(38,166,656)	(11.62)%	
	CASETEK SUZHOU	Subsidiary	Purchase	717,232	0.10 %	60 DAYS END OF MONTH	-	-	(181,090)	(0.06)%	
	ASRock Rack	Subsidiary	Purchase	1,613,521	0.23 %	O/A 60 DAYS	-	-	(289,785)	(0.09)%	
	AZUREWAVE	Subsidiary	Purchase	273,568	0.04 %	60 DAYS END OF MONTH	-	-	(86,344)	(0.03)%	
	CSG	Associate	Sale	(129,943)	(0.01)%	30 DAYS END OF MONTH	-	-	-	- %	
	TEPS	Associate	Sale	(14,510,872)	(1.44)%	O/A 45 DAYS	-	-	27,281,577	8.31 %	
	LUXSAN KUNSHAN	Associate	Purchase	5,619,163	0.78 %	O/A 45 DAYS	-	-	-	- %	
	LUXSAN SHANGHAI	Associate	Purchase	3,133,714	0.44 %	O/A 45 DAYS	-	-	-	- %	
	LUXSAN HK	Associate	Purchase	88,730,626	12.39 %	O/A 45 DAYS	-	-	-	- %	
PTB	PEGATRON	Parent company	Sale	(4,061,232)	(99.22)%	60 DAYS END OF MONTH	-	-	18,030,799	100.00 %	
PTSI	PEGATRON	Parent company	Purchase	372,999	58.94 %	O/A 90 DAYS	-	-	(82,024)	(66.66)%	
PTT	PEGATRON	Parent company	Purchase	18,174,161	99.75 %	90 DAYS END OF MONTH	-	-	(10,155,120)	(99.80)%	
PVN	PEGATRON	Parent company	Sale	(601,800)	(98.54)%	60 DAYS END OF MONTH	-	-	22,019,757	99.97 %	
CSG	PEGATRON	Associate	Purchase	129,943	- %	30 DAYS END OF MONTH	-	-	-	- %	
TEPS	PEGATRON	Associate	Purchase	14,510,872	- %	O/A 45 DAYS	-	-	(27,281,577)	- %	
LUXSAN KUNSHAN	PEGATRON	Associate	Sale	(5,619,163)	- %	O/A 45 DAYS	-	-	-	- %	
LUXSAN SHANGHAI	PEGATRON	Associate	Sale	(3,133,714)	- %	O/A 45 DAYS	-	-	-	- %	
LUXSAN HK	PEGATRON	Associate	Sale	(88,730,626)	- %	O/A 45 DAYS	-	-	-	- %	
MAINTEK	PEGATRON	Parent company	Sale	(10,543,271)	(78.39)%	60 DAYS END OF MONTH	-	-	19,412,960	79.00 %	
	PEGATRON	Parent company	Purchase	15,876,283	99.21 %	90 DAYS END OF MONTH	-	-	(17,127,984)	(98.59)%	
	COTEK SUZHOU	Associate	Sale	(18,759,969)	(21.83)%	90 DAYS END OF MONTH	-	-	5,241,423	21.33 %	
	CASETEK SUZHOU	Associate	Purchase and processing fee	399,271	0.53 %	60 DAYS END OF MONTH	-	-	(83,259)	(0.48)%	
COTEK SUZHOU	MAINTEK	Associate	Purchase	18,759,969	99.57 %	90 DAYS END OF MONTH	-	-	(5,241,423)	(99.81)%	
	POWTEK SHANGHAI	Associate	Sale	(18,077,203)	(93.90)%	90 DAYS END OF MONTH	-	-	6,773,137	94.34 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship	Purchases (sales)	Amount	Percentage of total	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note
POWTEK SHANGHAI	COTEK SUZHOU	Associate	Purchase	18,077,203	100.00 %	90 DAYS END OF MONTH	-	-	(6,773,137)	(100.00)%	
DIGITEK CHONGQING	PEGATRON	Parent company	Sale	(2,087,600)	(99.36)%	60 DAYS END OF MONTH	-	-	38,166,656	100.00 %	
	CASETEK SUZHOU	Associate	Purchase	193,304	0.25 %	60 DAYS END OF MONTH	-	-	(55,618)	(0.14)%	
CASETEK SUZHOU	PEGATRON	Parent company	Sale	(717,232)	(44.27)%	60 DAYS END OF MONTH	-	-	181,090	47.98 %	
	MAINTEK	Associate	Sale	(399,271)	(24.68)%	60 DAYS END OF MONTH	-	-	83,259	22.06 %	
	DIGITEK CHONGQING	Associate	Sale	(193,304)	(11.93)%	60 DAYS END OF MONTH	-	-	55,618	14.74 %	
KINSUS	KINSUS SUZHOU	Subsidiary	Purchase	4,031,228	25.88 %	60 DAYS END OF MONTH	Incomparable due to different product specification	30~90 DAYS END OF MONTH for other vendors	(868,953)	(22.44)%	
KINSUS SUZHOU	KINSUS	Parent company	Sale	(4,031,228)	(99.94)%	60 DAYS END OF MONTH	Incomparable due to different product specification	No other comparable non-related party	868,953	100.00 %	
PEGAVISION	PEGAVISION JAPAN	Subsidiary	Sale	(4,036,216)	(66.74)%	90 DAYS END OF MONTH	Same as other clients	TT to 90 DAYS END OF MONTH	752,556	64.86 %	
	BeautyTech	Subsidiary	Sale	(380,357)	(6.26)%	Within 120 DAYS END OF MONTH	Same as other clients	TT to 90 DAYS END OF MONTH	149,543	12.89 %	
	Gemvision Zhejiang	Subsidiary	Sale	(104,265)	(1.72)%	Within 180 DAYS END OF MONTH	Same as other clients	TT to 90 DAYS END OF MONTH	13,502	1.16 %	
PEGAVISION JAPAN	PEGAVISION	Parent company	Purchase	4,036,216	100.00 %	90 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(752,556)	(100.00)%	
BeautyTech	PEGAVISION	Parent company	Purchase	380,357	90.68 %	Within 120 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(149,543)	(86.44)%	
Gemvision Zhejiang	PEGAVISION	Parent company	Purchase	104,265	54.46 %	Within 180 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(13,502)	(100.00)%	
ASROCK	ASIAROCK	Subsidiary	Purchase	17,626,976	97.08 %	90 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(3,153,094)	(80.39)%	
	ASRock Europe	Subsidiary	Sale	(3,973,334)	(18.91)%	45 DAYS END OF MONTH	Same as other clients	Same as other clients	248,922	6.34 %	
	ASRock America	Subsidiary	Sale	(7,515,546)	(35.78)%	90 DAYS END OF MONTH	Same as other clients	Same as other clients	2,594,624	66.10 %	
ASRock Rack	ASIAROCK	Associate	Purchase	1,849,346	7.13 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(768,478)	(14.84)%	
	ASRock America	Associate	Sale	(608,029)	(2.44)%	90 DAYS END OF MONTH	Same as other clients	Same as other clients	144,298	15.96 %	
	ASRock Europe	Associate	Sale	(258,585)	(1.04)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	26,579	2.94 %	
	PEGATRON	Parent company	Sale	(1,613,521)	(6.47)%	O/A 60 DAYS	Same as other clients	Same as other clients	289,785	32.05 %	
ASRock Industrial	ASIAROCK	Associate	Purchase	451,524	45.32 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(134,521)	(29.27)%	
	ASRock Europe	Associate	Sale	(230,860)	(12.65)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	-	- %	
	ASRock America	Associate	Sale	(289,830)	(15.88)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	17,239	7.72 %	
ASIAROCK	ASROCK	Parent company	Sale	(17,626,976)	(86.95)%	90 DAYS END OF MONTH	Same as other clients	Same as other clients	3,153,094	77.72 %	
	ASRock Rack	Associate	Sale	(1,849,346)	(9.12)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	768,478	18.94 %	
	ASRock Industrial	Associate	Sale	(451,524)	(2.23)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	134,521	3.32 %	
ASRock America	ASROCK	Parent company	Purchase	7,515,546	89.33 %	90 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(2,594,624)	(94.14)%	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship	Purchases (sales)	Amount	Percentage of total	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note
ASRock America	ASRock Rack	Associate	Purchase	608,029	7.23 %	90 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(144,298)	(5.24)%	
	ASRock Industrial	Associate	Purchase	289,830	3.44 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(17,239)	(0.63)%	
ASRock Europe	ASROCK	Parent company	Purchase	3,973,334	89.03 %	45 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(248,922)	(90.35)%	
	ASRock Rack	Associate	Purchase	258,585	5.79 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(26,579)	(9.65)%	
	ASRock Industrial	Associate	Purchase	230,860	5.17 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	-	- %	
Lumens	Lumens Integration	Subsidiary	Sale	(128,538)	(20.00)%	90 DAYS END OF MONTH	-	-	89,302	66.00 %	
Lumens Integration	Lumens	Parent company	Purchase	128,538	92.00 %	90 DAYS END OF MONTH	-	-	(89,302)	(100.00)%	
AZUREWAVE	PEGATRON	Parent company	Sale	(273,568)	(3.00)%	60~90 DAYS	Same as non-related party	Same as non-related party	86,344	5.00 %	
	Azurewave Shanghai	Subsidiary	Purchase and processing fee	4,497,655	50.00 %	30~365 DAYS	Same as non-related party	Longer than non-related party	(1,892,813)	(49.00)%	
Azurewave Shanghai	AZUREWAVE	Parent company	Sale	(4,497,655)	(44.00)%	30~365 DAYS	Same as non-related party	Longer than non-related party	1,892,813	61.00 %	
AZUREWAVE	Azurewave(VN)	Subsidiary	Purchase	797,049	9.00 %	30~365 DAYS	Same as non-related party	Longer than non-related party	126,602	- %	Prepayments
Azurewave(VN)	AZUREWAVE	Parent company	Sale	(797,049)	(99.00)%	30~365 DAYS	Same as non-related party	Longer than non-related party	(126,602)	- %	Unearned sales revenue

Note: The amount of transactions with consolidated entities are eliminated for the preparation of consolidated financial statements.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 5: Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock
(December 31, 2025)

Expressed in thousands of NTD

Creditor	Counterparty	Relationship	Balance of Receivables	Turnover rate	Overdue Receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
PEGATRON	PTB	Subsidiary	21,652,732	2.81 Times	-	-	-	-
	PTM	Subsidiary	1,491,820	2.40 Times	-	-	-	-
	PTT	Subsidiary	10,155,120	1.97 Times	-	-	-	-
	PVN	Subsidiary	40,963,171	3.17 Times	-	-	9,339,475	-
	MAINTEK	Subsidiary	17,127,984	3.08 Times	-	-	-	-
	DIGITEK CHONGQING	Subsidiary	39,880,722	2.17 Times	-	-	1,916,621	-
	TEPS	Associate	27,281,577	4.23 Times	-	-	3,489,661	71,750
TEPS	PEGATRON	Associate	26,887,416	4.68 Times	-	-	7,027,813	-
PTB	PEGATRON	Parent company	18,030,799	3.72 Times	-	-	-	-
PTM	PEGATRON	Parent company	652,679	4.97 Times	-	-	-	-
PVN	PEGATRON	Parent company	22,019,757	5.59 Times	-	-	4,112,585	-
MAINTEK	PEGATRON	Parent company	19,412,960	3.04 Times	-	-	-	-
	COTEK SUZHOU	Associate	5,241,423	3.16 Times	-	-	-	-
COTEK SUZHOU	POWTEK SHANGHAI	Associate	6,773,137	2.52 Times	-	-	-	-
DIGITEK CHONGQING	PEGATRON	Parent company	38,166,656	2.34 Times	-	-	1,288,246	-
CASETEK SUZHOU	PEGATRON	Parent company	181,090	7.46 Times	-	-	-	-
KINSUS SUZHOU	KINSUS	Parent company	868,953	5.07 Times	-	-	-	-
PEGAVISION	PEGAVISION JAPAN	Subsidiary	752,556	5.64 Times	-	-	317,467	-
	BeautyTech	Subsidiary	149,543	2.68 Times	-	-	28,977	-
ASROCK	ASRock Europe	Subsidiary	248,922	14.70 Times	-	-	157,732	-
	ASRock America	Subsidiary	2,594,624	3.48 Times	-	-	239,870	-
ASIAROCK	ASROCK	Parent company	3,153,094	5.45 Times	-	-	19,965	-
	ASRock Rack	Associate	768,478	3.02 Times	-	-	3,688	-
	ASRock Industrial	Associate	134,521	3.20 Times	-	-	1,896	-
ASRock Rack	ASRock America	Associate	144,298	4.35 Times	-	-	-	-
	PEGATRON	Parent company	289,785	10.90 Times	2,354	Subsequent Collection	2,183	2,898
Azurewave Shanghai	AZUREWAVE	Parent company	1,892,813	2.18 Times	-	-	-	-
ASUSPOWER	PEGATRON	Parent company	3,880,432	N/A (Note 1)	-	-	-	-
	ASUSPOWER INVESTMENT	Parent company	487,018	N/A (Note 1)	-	-	-	-
PEGA HOLDING	PEGATRON	Parent company	26,855,101	N/A (Note 1)	-	-	-	-
UNIHAN	PEGATRON	Parent company	1,856,952	N/A (Note 1)	-	-	-	-
CASETEK	PEGATRON	Parent company	934,760	N/A (Note 1)	-	-	-	-

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Expressed in thousands of NTD

Creditor	Counterparty	Relationship	Balance of Receivables	Turnover rate	Overdue Receivables Amount	Overdue Receivables Action taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
KTL	PEGATRON	Parent company	487,018	N/A (Note 1)	-	-	-	-
CASETEK SUZHOU	PROTEK SHANGHAI	Associate	1,341,075	N/A (Note 1)	-	-	-	-
CASETEK CAYMAN	PEGATRON	Parent company	2,513,640	N/A (Note 1)	-	-	-	-
ASLINK	PEGATRON	Parent company	6,236,969	N/A (Note 1)	-	-	-	-
ASIAROCK	Calrock	Associate	251,364	N/A (Note 1)	-	-	-	-
					-	-	-	-

Note 1: Since the receivables are not caused by selling and purchasing transactions, the turnover rate is not applicable.

Note 2: The amount of transactions with consolidated entities are eliminated for the preparation of consolidated financial statements.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 6: Business relationships and significant inter-company transactions between the parent company and subsidiaries and among the subsidiaries
（December 31, 2025）

Expressed in thousands of NTD

No.	Company name	Counterparty	Relationship (Note 1)	Transaction			
				General ledger account	Amount	Transaction terms (Note 2)	Percentage of consolidated total operating revenues or total assets
1	PEGATRON	PTB	1	Accounts Receivables	21,652,732	-	3.47%
1	PEGATRON	PTM	1	Accounts Receivables	1,491,820	-	0.24%
1	PEGATRON	PTSI	1	Sale	372,999	-	0.03%
1	PEGATRON	PTT	1	Sale	18,174,161	-	1.63%
1	PEGATRON	PTT	1	Accounts Receivables	10,155,120	-	1.63%
1	PEGATRON	PVN	1	Accounts Receivables	40,963,171	-	6.57%
1	PEGATRON	MAINTEK	1	Sale	15,876,283	-	1.42%
1	PEGATRON	MAINTEK	1	Accounts Receivables	17,127,984	-	2.75%
1	PEGATRON	DIGITEK CHONGQING	1	Accounts Receivables	39,880,722	-	6.40%
2	PTB	PEGATRON	2	Sale	4,061,232	-	0.36%
2	PTB	PEGATRON	2	Accounts Receivables	18,030,799	-	2.89%
3	PTM	PEGATRON	2	Accounts Receivables	652,679	-	0.10%
4	PVN	PEGATRON	2	Accounts Receivables	22,019,757	-	3.53%
5	MAINTEK	PEGATRON	2	Sale	10,543,271	-	0.94%
5	MAINTEK	PEGATRON	2	Accounts Receivables	19,412,960	-	3.12%
5	MAINTEK	COTEK SUZHOU	3	Sale	18,759,969	-	1.68%
5	MAINTEK	COTEK SUZHOU	3	Accounts Receivables	5,241,423	-	0.84%
6	COTEK SUZHOU	POWTEK SHANGHAI	3	Sale	18,077,203	-	1.62%
6	COTEK SUZHOU	POWTEK SHANGHAI	3	Accounts Receivables	6,773,137	-	1.09%
7	DIGITEK CHONGQING	PEGATRON	2	Sale	2,087,600	-	0.19%
7	DIGITEK CHONGQING	PEGATRON	2	Accounts Receivables	38,166,656	-	6.13%
8	CASETEK SUZHOU	PEGATRON	2	Sale	717,232	-	0.06%
8	CASETEK SUZHOU	PEGATRON	2	Accounts Receivables	181,090	-	0.03%
8	CASETEK SUZHOU	MAINTEK	3	Sale	399,271	-	0.04%
8	CASETEK SUZHOU	DIGITEK CHONGQING	3	Sale	193,304	-	0.02%
8	CASETEK SUZHOU	PROTEK SHANGHAI	3	Other Receivables	1,341,075	-	0.22%
9	ASLINK	PEGATRON	2	Other Receivables	6,236,969	-	1.00%

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

No.	Company name	Counterparty	Relationship (Note 1)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms (Note 2)	Transaction: Percentage of consolidated total operating revenues or total assets
10	ASUSPOWER	PEGATRON	2	Other Receivables	3,880,432	-	0.62%
10	ASUSPOWER	ASUSPOWER INVESTMENT	2	Other Receivables	487,018	-	0.08%
11	PEGA HOLDING	PEGATRON	2	Other Receivables	26,855,101	-	4.31%
12	UNIHAN	PEGATRON	2	Other Receivables	1,856,952	-	0.30%
13	CASETEK	PEGATRON	2	Other Receivables	934,760	-	0.15%
14	CASETEK CAYMAN	PEGATRON	2	Long-Term Accounts Receivables	2,513,640	-	0.40%
15	KTL	PEGATRON	2	Other Receivables	487,018	-	0.08%
16	KINSUS SUZHOU	KINSUS	2	Sale	4,031,228	-	0.36%
16	KINSUS SUZHOU	KINSUS	2	Accounts Receivables	868,953	-	0.14%
17	PEGAVISION	PEGAVISION JAPAN	1	Sale	4,036,216	-	0.36%
17	PEGAVISION	PEGAVISION JAPAN	1	Accounts Receivables	752,556	-	0.12%
17	PEGAVISION	BeautyTech	1	Sale	380,357	-	0.03%
17	PEGAVISION	BeautyTech	1	Accounts Receivables	149,543	-	0.02%
17	PEGAVISION	Gemvision Zhejiang	1	Sale	104,265	-	0.01%
17	PEGAVISION	Gemvision Zhejiang	1	Contract Liability	103,231	-	0.02%
18	ASROCK	ASRock Europe	1	Sale	3,973,334	-	0.36%
18	ASROCK	ASRock Europe	1	Accounts Receivables	248,922	-	0.04%
18	ASROCK	ASRock America	1	Sale	7,515,546	-	0.67%
18	ASROCK	ASRock America	1	Accounts Receivables	2,594,624	-	0.42%
19	ASIAROCK	ASROCK	2	Sale	17,626,976	-	1.58%
19	ASIAROCK	ASROCK	2	Accounts Receivables	3,153,094	-	0.51%
19	ASIAROCK	ASRock Rack	3	Sale	1,849,346	-	0.17%
19	ASIAROCK	ASRock Rack	3	Accounts Receivables	768,478	-	0.12%
19	ASIAROCK	ASRock Industrial	3	Sale	451,524	-	0.04%
19	ASIAROCK	ASRock Industrial	3	Accounts Receivables	134,521	-	0.02%
19	ASIAROCK	Calrock	3	Internal Dealings	251,364	-	0.04%
20	ASRock Rack	ASRock America	3	Sale	608,029	-	0.05%
20	ASRock Rack	ASRock America	3	Accounts Receivables	144,298	-	0.02%
20	ASRock Rack	ASRock Europe	3	Sale	258,585	-	0.02%
20	ASRock Rack	PEGATRON	2	Sale	1,613,521	-	0.14%
20	ASRock Rack	PEGATRON	2	Accounts Receivables	289,785	-	0.05%

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

No.	Company name	Counterparty	Relationship (Note 1)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms (Note 2)	Transaction: Percentage of consolidated total operating revenues or total assets
21	ASRock Industrial	ASRock Europe	3	Sale	230,860	-	0.02%
21	ASRock Industrial	ASRock America	3	Sale	289,830	-	0.03%
22	AZUREWAVE	PEGATRON	2	Sale	273,568	-	0.02%
22	AZUREWAVE	Azurewave(VN)	1	Prepayments	126,602	-	0.02%
23	Azurewave(VN)	AZUREWAVE	2	Sale	797,049	-	0.07%
24	Azurewave Shanghai	AZUREWAVE	2	Sale	4,497,655	-	0.40%
24	Azurewave Shanghai	AZUREWAVE	2	Accounts Receivables	1,892,813	-	0.30%

Note 1: The transaction relationships with the counterparties are as follows:
(1) The Company to the consolidated subsidiary.
(2) The consolidated subsidiary to the Company.
(3) The consolidated subsidiary to another consolidated subsidiary.

Note 2: The terms of transactions and receipts of sales between the parent company and the subsidiary are not significantly different from those of ordinary sales, and the terms of these transactions are determined by mutual agreement.

Note 3: All the transactions which amount is lower than materiality will not be disclosed.

Note 4: The amount of transactions with consolidated entities are eliminated for the preparation of consolidated financial statements.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 7: Information on investees (excluding investees in Mainland China)
(December 31, 2025)

Expressed in thousands of NTD

				Initial investment amount		Ending balance					
Investor	Investee	Location	Main business activities	Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book value	Net profit (loss) of the investee	Investment income (loss)	Note
PEGATRON	ASUSPOWER INVESTMENT	Taiwan	Investing activities	15,133,429	13,033,429	1,142,844,700	100.00 %	13,449,283	411,541	411,541	
	ASUS INVESTMENT	Taiwan	Investing activities	16,184,982	16,184,982	979,254,600	100.00 %	15,966,133	932,363	932,363	
	ASUSTEK INVESTMENT	Taiwan	Investing activities	14,593,543	14,593,543	951,278,300	100.00 %	9,385,308	413,604	413,604	
	HUA-YUAN	Taiwan	Investing activities	547,473	-	50,000,000	100.00 %	552,395	10,612	9,950	
	Pegapower Investment	Taiwan	Investing activities	2,500,000	2,500,000	250,000,000	100.00 %	2,482,264	17,023	17,023	
	Pegatron Investment	Taiwan	Investing activities	2,500,000	2,500,000	250,000,000	100.00 %	2,464,710	(29,549)	(29,549)	
	UNIHAN	Cayman Islands	Investing activities	5,823,962	5,823,962	170,110,010	100.00 %	5,980,582	(463,831)	(464,091)	
	AMA	Taiwan	Designing and developing computer parts	408,394	408,394	33,500,000	100.00 %	451,049	6,188	6,188	
	AZUREWAVE	Taiwan	Wireless network development and computer and business equipment, wholesale and retail sales of telecommunications equipment and information software, provision of computer peripheral hardware and mobile e-commerce services	525,750	525,750	35,750,000	23.07 %	843,744	615,192	142,522	
	PEGA HOLDING	Cayman Islands	Investing activities	34,318,691	34,318,691	991,906,463	100.00 %	104,025,045	4,213,376	4,226,443	
	PUSA	USA	Sales and repair service center in North America	97,810	16,085	300,000	100.00 %	96,383	(4,503)	(4,503)	
	PHH	Netherlands	Investing activities	1,278,287	1,278,287	-	100.00 %	3,974,644	137,264	137,264	
	PAU	Australia	Sales and repair service center in Australia	139,088	139,088	6,000,000	100.00 %	397,601	34,111	34,111	
	PTB	Indonesia	Data storage and processing equipment, manufacturing wired and wireless communication equipment, installing and selling of computer equipment and electronic components	1,249,369	1,249,369	39,999	99.99 %	3,587,474	576,349	620,043	
	PHP	Vietnam	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	429,459	429,459	-	100.00 %	318,142	16,841	16,841	
	PVN	Vietnam	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	4,314,741	4,314,741	-	60.00 %	4,668,841	5,568	(47,757)	
	CASETEK CAYMAN	Cayman Islands	Investing activities	14,717,122	14,717,122	1	100.00 %	54,896,001	2,637,314	2,637,314	
	PELI	India	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	574,594	195,015	149,985,000	99.99 %	398,875	(140,173)	(140,159)	
	PTT	USA	Sales service center in North America	144,033	144,033	500	100.00 %	(1,734,596)	(226,246)	(226,246)	
	PEL	USA	Sales service center in North America	1,498,950	1,498,950	5,000	100.00 %	1,641,105	35,477	35,477	
	TEPS	India	Manufacturing and selling consumer electronics	4,287,623	4,287,623	1,099,890,000	39.99 %	3,927,404	154,291	2,677,377	
	PMX	Mexico	Manufacture of consumer electronics and electronic parts	1,683,664	947,505	93,769,880	24.40 %	1,646,066	(465,214)	(87,868)	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

				Initial investment amount		Ending balance					
Investor	Investee	Location	Main business activities	Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book value	Net profit (loss) of the investee	Investment income (loss)	Note
PEGATRON	PTM	Malaysia	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	277,401	189,501	41,052,000	100.00 %	116,273	(119,910)	(119,910)	
ASUSPOWER INVESTMENT	KINSUS	Taiwan	Manufacturing electronic parts, whole selling and retailing of electronic components, as well as providing business management consultant service	727,473	727,473	55,556,221	12.16 %	3,977,479	1,595,936	Not required to disclose	
	ASROCK	Taiwan	Selling motherboards, related product development and design	82,626	82,626	2,791,000	2.26 %	269,240	1,887,688	Not required to disclose	
	AZUREWAVE	Taiwan	Wireless network development and computer and business equipment, wholesale and retail sales of telecommunications equipment and information software, provision of computer peripheral hardware and mobile e-commerce services	154,000	154,000	7,000,000	4.52 %	166,336	615,192	Not required to disclose	
	Lumens	Taiwan	Researching, developing, manufacturing and selling computer data projectors and related peripherals	508,932	508,932	10,043,490	48.49 %	1,102,659	108,268	Not required to disclose	
	PEGAVISION	Taiwan	Manufacturing medical appliances	347,450	347,450	6,372,796	8.17 %	949,501	1,628,044	Not required to disclose	
	ASUSPOWER	BVI	Investing and trading activities	3,752,682	3,752,682	109,000,000	31.23 %	2,157,957	(16,845)	Not required to disclose	
	PTSI	USA	Sales and repair service center in North America	2,188,802	94,475	7,350	100.00 %	3,646,003	83,311	Not required to disclose	
	WISE INVESTMENT	Taiwan	Investing activities	48,780	48,780	-	48.78 %	307,007	(176,393)	Not required to disclose	
	PEGA INTERNATIONAL	Taiwan	Design service and sales	31,885	31,885	-	100.00 %	22,149	(655)	Not required to disclose	
	PJ	Japan	Sales and repair service center in Japan	27,287	27,287	1,632	100.00 %	483,961	79,264	Not required to disclose	
	PMX	Mexico	Manufacture of consumer electronics and electronic parts	738,554	738,554	41,823,858	10.89 %	734,190	(465,214)	Not required to disclose	
	PSG	Singapore	Sales and repair service center in Singapore	23,990	23,990	1,000,000	100.00 %	245,245	2,611	Not required to disclose	
	PTB	Indonesia	Data storage and processing equipment, manufacturing wired and wireless communication equipment, installing and selling of computer equipment and electronic components	31	31	1	0.01 %	90	576,349	Not required to disclose	
	TEPS	India	Manufacturing and selling consumer electronics	429	429	110,000	0.01 %	392	154,291	Not required to disclose	
	PELI	India	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	57	20	15,000	0.01 %	40	(140,173)	Not required to disclose	
ASUS INVESTMENT	KINSUS	Taiwan	Manufacturing electronic parts, whole selling and retailing of electronic components, as well as providing business management consultant service	938,098	938,098	60,128,417	13.16 %	4,304,806	1,595,936	Not required to disclose	
	ASROCK	Taiwan	Selling motherboards, related product development and design	155,718	155,718	57,217,754	46.31 %	5,519,625	1,887,688	Not required to disclose	
	Lumens	Taiwan	Researching, developing, manufacturing and selling computer data projectors and related peripherals	7,338	7,338	587,079	2.83 %	64,454	108,268	Not required to disclose	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

				Initial investment amount		Ending balance					
Investor	Investee	Location	Main business activities	Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book value	Net profit (loss) of the investee	Investment income (loss)	Note
ASUS INVESTMENT	ASUSPOWER	BVI	Investing and trading activities	3,488,741	3,488,741	103,000,000	29.51 %	2,039,107	(16,845)	Not required to disclose	
	AS FLY	Taiwan	Travel agency	6,000	6,000	-	100.00 %	17,394	2,850	Not required to disclose	
	HUA-YUAN	Taiwan	Investing activities	-	500,000	-	- %	-	10,612	Not required to disclose	
	PMX	Mexico	Manufacture of consumer electronics and electronic parts	1,114,671	1,114,671	61,495,967	16.00 %	1,079,518	(465,214)	Not required to disclose	
ASUSTEK INVESTMENT	KINSUS	Taiwan	Manufacturing electronic parts, whole selling and retailing of electronic components, as well as providing business management consultant service	794,252	794,252	58,233,091	12.75 %	4,169,120	1,595,936	Not required to disclose	
	ASROCK	Taiwan	Selling motherboards, related product development and design	223,939	223,939	7,453,405	6.03 %	719,002	1,887,688	Not required to disclose	
	AZUREWAVE	Taiwan	Wireless network development and computer and business equipment, wholesale and retail sales of telecommunications equipment and information software, provision of computer peripheral hardware and mobile e-commerce services	98,487	98,487	6,696,930	4.32 %	159,135	615,192	Not required to disclose	
	Lumens	Taiwan	Researching, developing, manufacturing and selling computer data projectors and related peripherals	5,117	5,117	409,427	1.98 %	44,950	108,268	Not required to disclose	
	PEGAVISION	Taiwan	Manufacturing medical appliances	64,292	64,292	4,934,434	6.33 %	735,191	1,628,044	Not required to disclose	
	ASUSPOWER	BVI	Investing and trading activities	4,652,885	4,652,885	137,000,000	39.26 %	2,712,821	(16,845)	Not required to disclose	
	Dynaflex	Cayman Islands	Investing activities	284,574	254,574	5,074,182	18.03 %	289,380	(3,350)	Not required to disclose	
Pegapower Investment	Pegatron Venture	Taiwan	Investing activities	750,000	500,000	75,000,000	50.00 %	752,398	(10,164)	Not required to disclose	
	Zhuhe	Taiwan	Investing activities	90,000	90,000	9,000,000	45.00 %	87,338	(3,068)	Not required to disclose	
Pegatron Investment	Pegatron Venture	Taiwan	Investing activities	750,000	500,000	75,000,000	50.00 %	752,398	(10,164)	Not required to disclose	
	AzureMoto	Taiwan	Research, design, and sale of power semiconductor devices and modules	216,000	216,000	21,600,000	90.00 %	78,350	(141,524)	Not required to disclose	
Pegatron Venture	PEGABella	Taiwan	Electrical appliance wholesale and retail	30,000	-	3,000,000	100.00 %	29,925	(75)	Not required to disclose	
ASUSPOWER	Dynaflex	Cayman Islands	Investing activities	282,803	282,803	2,333,727	8.29 %	288,345	(3,350)	Not required to disclose	
UNIHAN	CASETEK	BVI	Investing and trading activities	5,159,550	5,159,550	115,375,668	100.00 %	4,123,290	(466,030)	Not required to disclose	
CASETEK	SLITEK	Samoa	Investing and trading activities	38,019	38,019	1,210,000	100.00 %	18,797	29,598	Not required to disclose	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

				Initial investment amount		Ending balance					
Investor	Investee	Location	Main business activities	Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book value	Net profit (loss) of the investee	Investment income (loss)	Note
CASETEK	KHL	Hong Kong	Investing and trading activities	3,142	819,750	25,000,000	100.00 %	14,261	(110,462)	Not required to disclose	Note 1
	KTL	Samoa	Investing and trading activities	157,103	157,103	5,000,000	100.00 %	534,634	1,431	Not required to disclose	
PEGA HOLDING	MAGNIFICENT	BVI	Investing and trading activities	8,181,296	8,181,296	177,961,090	100.00 %	28,399,843	480,339	Not required to disclose	
	PROTEK	BVI	Investing and trading activities	9,407,251	9,407,251	308,100,000	100.00 %	21,442,303	1,676,336	Not required to disclose	
	ASLINK	Cayman Islands	Investing and trading activities	7,076,108	7,076,108	229,711,968	100.00 %	13,627,002	1,667,769	Not required to disclose	
	DIGITEK	BVI	Investing and trading activities	1,541,129	1,541,129	49,050,000	100.00 %	6,507,443	316,102	Not required to disclose	
	COTEK	BVI	Investing and trading activities	2,168,486	2,168,486	81,275,000	100.00 %	2,728,300	62,160	Not required to disclose	
	POWTEK	BVI	Investing and trading activities	413,038	413,038	8,050,000	100.00 %	1,163,183	41,354	Not required to disclose	
	PIOTEK CAYMAN	Cayman Islands	Investing activities	2,899,279	2,899,279	92,000,000	49.00 %	290,995	(81,044)	Not required to disclose	
	GUT	Samoa	Investing and trading activities	41,671	41,671	5,000,000	100.00 %	5,241	31	Not required to disclose	
PHH	PCZ	Czech Republic	Installing, repairing and selling electronic products	1,082,066	1,082,066	-	100.00 %	3,480,037	132,096	Not required to disclose	
PSG	PKR	South Korea	Sales and repair service center in Korea	47,131	47,131	360,000	100.00 %	118,409	(6,135)	Not required to disclose	
PTSI	PCBR	Brasil	Maintenance service	20,423	20,423	-	100.00 %	1,925	(1,435)	Not required to disclose	
	PTX	USA	Researching, designing, manufacturing, and maintenance of information, communication, and consumer electronics products	2,670,743	-	-	100.00 %	2,674,611	3,848	Not required to disclose	
CASETEK CAYMAN	RIH LI	Samoa	Investing activities	24,084,946	24,084,946	581,331,000	100.00 %	44,229,695	2,850,954	Not required to disclose	
	RI-KUAN	Taiwan	Selling iron and aluminum products	316,770	316,770	30,000,000	100.00 %	615,181	(2,477)	Not required to disclose	
	MEGA	Samoa	Trading activities	31,421	31,421	1,000,000	100.00 %	71,084	4,040	Not required to disclose	
	PMX	Mexico	Manufacture of consumer electronics and electronic parts	3,142,050	3,142,050	187,165,760	48.71 %	3,285,568	(465,214)	Not required to disclose	
	PVN	Vietnam	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	3,142,050	3,142,050	-	40.00 %	3,119,642	5,568	Not required to disclose	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Investee	Location	Main business activities	Initial investment amount: Ending balance	Initial investment amount: Beginning balance	Ending balance: Number of shares	Ending balance: Percentage of ownership	Ending balance: Book value	Net profit (loss) of the investee	Investment income (loss)	Note
RI-KUAN	RITENG	USA	Market survey	7,227	7,227	230,000	100.00 %	7,598	45	Not required to disclose	
Lumens	Lumens Integration	USA	Selling computer communication products and peripherals	38,050	38,050	1,222,000	100.00 %	5,775	1,451	Not required to disclose	
	Lumens SAMOA	Samoa	Investing activities	7,855	7,855	250,000	100.00 %	41,356	1,316	Not required to disclose	
KINSUS	KINSUS USA	USA	Designing substracts, formulating marketing strategy analysis, developing new customers, researching and development new product technology	15,710	15,710	500,000	100.00 %	98,421	7,800	Not required to disclose	
	KINSUS SAMOA	Samoa	Investing activities	3,432,374	3,432,374	109,239,940	100.00 %	2,347,084	22,082	Not required to disclose	
	KINSUS INVESTMENT	Taiwan	Investing activities	1,600,000	1,600,000	172,000,000	100.00 %	3,433,815	446,428	Not required to disclose	
	PEGAVISION	Taiwan	Manufacturing medical appliances	564,210	564,210	1,820,034	2.33 %	271,399	1,628,044	Not required to disclose	
KINSUS INVESTMENT	PEGAVISION	Taiwan	Manufacturing medical appliances	252,455	252,455	21,233,736	27.22 %	3,166,318	1,628,044	Not required to disclose	
	Zhuhe	Taiwan	Investing activities	30,000	30,000	3,000,000	15.00 %	29,113	(3,068)	Not required to disclose	
KINSUS SAMOA	KINSUS CAYMAN	Cayman Islands	Investing activities	2,199,435	2,199,435	70,000,000	100.00 %	2,047,077	63,416	Not required to disclose	
	PIOTEK CAYMAN	Cayman Islands	Investing activities	1,278,374	1,278,374	40,686,220	51.00 %	302,862	(81,044)	Not required to disclose	
PIOTEK CAYMAN	PIOTEK	BVI	Investing activities	1,001,145	1,001,145	31,862,790	100.00 %	593,879	(81,044)	Not required to disclose	
PEGAVISION	PEGAVISION JAPAN	Japan	Selling medical appliances	1,994	1,994	198	100.00 %	211,924	54,857	Not required to disclose	
	Mayin	Taiwan	Investing activities	246,003	246,003	32,277,000	100.00 %	732,271	134,520	Not required to disclose	
	PEGAVISION VIETNAM	Vietnam	Manufacturing and selling medical appliances	941,333	631,333	-	100.00 %	876,584	(18,875)	Not required to disclose	
	Zhuhe	Taiwan	Investing activities	20,000	20,000	2,000,000	10.00 %	19,408	(3,068)	Not required to disclose	
	PEGAVISION NL	Netherlands	Selling medical appliances	42,531	-	-	100.00 %	35,519	(6,676)	Not required to disclose	
Mayin	BeautyTech	Taiwan	Selling medical appliances and cosmetics	107,500	107,500	8,500,000	85.00 %	484,715	160,096	Not required to disclose	
	FacialBeau	Taiwan	Selling medical appliances and cosmetics	27,500	27,500	2,750,000	55.00 %	22,563	(3,931)	Not required to disclose	
BeautyTech	BEAUTYTECH SG	Singapore	Selling medical appliances and cosmetics	-	6,558	-	- %	-	(181)	Not required to disclose	
	FORIMART	Taiwan	Selling medical appliances and cosmetics	15,000	15,000	1,500,000	100.00 %	65,152	101	Not required to disclose	
	BTP VN	Vietnam	Selling medical appliances and cosmetics	6,923	6,923	-	70.00 %	3,786	(3,714)	Not required to disclose	
FacialBeau	Aquamax	USA	Selling medical appliances and cosmetics	34,563	34,563	11,000,000	100.00 %	6,436	(639)	Not required to disclose	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

				Initial investment amount		Ending balance					
Investor	Investee	Location	Main business activities	Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book value	Net profit (loss) of the investee	Investment income (loss)	Note
FacialBeau	RODNA	South Korea	Selling medical appliances and cosmetics	2,173	2,173	100,000	100.00 %	1,797	(88)	Not required to disclose	
	IKIDO	Japan	Selling medical appliances and cosmetics	1,994	1,994	198	100.00 %	1,848	(45)	Not required to disclose	
ASROCK	ASRock Rack	Taiwan	Manufacturing and selling computer and related peripherals	393,618	375,230	33,163,596	46.22 %	2,242,719	800,852	Not required to disclose	
	ASIAROCK	BVI	Investing and holding activities	1,516,246	2,470,006	46,020,016	100.00 %	4,205,805	42,860	Not required to disclose	
	Leader	BVI	Investing and holding activities	-	71,559	-	- %	-	(31,570)	Not required to disclose	
	Firstplace	BVI	Investing and holding activities	-	-	-	- %	-	107,837	Not required to disclose	
	ASRock America	USA	Data storage and electronic material sales, international trade, etc.	-	-	-	- %	-	183,097	Not required to disclose	
	ASRock Industrial	Taiwan	Manufacturing and selling computer and related peripherals	224,673	239,683	35,780,196	55.99 %	591,364	227,962	Not required to disclose	
	ASJade	Taiwan	Information software service	384,134	216,563	30,730,714	83.06 %	173,417	(76,024)	Not required to disclose	
	Soaring	Hong Kong	International trading activities	592	592	150,000	100.00 %	616	1	Not required to disclose	
	ASRock VG	USA	Investing and holding activities	1,375,641	-	4,345	100.00 %	1,437,884	77,905	Not required to disclose	
	Zhuhe	Taiwan	Investing activities	20,000	20,000	2,000,000	10.00 %	20,000	(3,068)	Not required to disclose	
ASRock Industrial	ASEA	Malaysia	Sales service center in Asia Pacific	6,838	6,838	1,000,000	100.00 %	3,580	502	Not required to disclose	
	ASRock Gmbh	Germany	Sales service center in Europe	3,512	3,512	100,000	100.00 %	1,137	(479)	Not required to disclose	
ASRock Rack	ASRock USA	USA	Sales service center in America	97	97	-	100.00 %	81	(13)	Not required to disclose	
ASIAROCK	ASRock Europe	Netherlands	Data storage and electronic material sales, international trade, etc.	5,820	5,820	200,000	100.00 %	835,455	42,550	Not required to disclose	
	ASRock VG	USA	Investing and holding activities	-	-	-	- %	-	77,905	Not required to disclose	
	Calrock	USA	Office building leasing	-	953,760	-	- %	-	(23,315)	Not required to disclose	
	Orbweb	BVI	Computer equipment installation and peripheral equipment wholesale and service	29,900	29,900	4,000,000	18.76 %	-	14,892	Not required to disclose	
Leader	Firstplace	BVI	Investing and holding activities	-	61,500	-	- %	-	107,837	Not required to disclose	
Firstplace	ASRock America	USA	Data storage and electronic material sales, international trade, etc.	-	60,000	-	- %	-	183,097	Not required to disclose	
ASRock VG	Calrock	USA	Office building leasing	953,760	-	30,000,000	100.00 %	920,015	(23,315)	Not required to disclose	
	ASRock America	USA	Data storage and electronic material sales, international trade, etc.	421,881	-	2,000,000	100.00 %	517,869	183,097	Not required to disclose	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Investee	Location	Main business activities	Initial investment amount: Ending balance	Initial investment amount: Beginning balance	Ending balance: Number of shares	Ending balance: Percentage of ownership	Ending balance: Book value	Net profit (loss) of the investee	Investment income (loss)	Note
ASJade	ASJade Japan	Japan	Information software service	1,087	1,087	500	100.00 %	680	(321)	Not required to disclose	
AZUREWAVE	EZWAVE	Taiwan	Manufacturing office machinery, electronic parts and computer peripherals	5,015	5,015	500,000	100.00 %	(24,487)	-	Not required to disclose	
	Azwave	Samoa	Investing activities	2,173,438	2,173,438	70,177,161	100.00 %	3,188,750	339,347	Not required to disclose	
	AZURE	Taiwan	Selling electronic parts	25,000	25,000	2,000,000	100.00 %	38,349	6,387	Not required to disclose	
	Azurenet USA	USA	Market development activities	-	19,820	-	- %	-	(415)	Not required to disclose	
	Azurewave(VN)	Vietnam	Development, design and sale of communication equipment	288,183	288,183	-	100.00 %	162,487	(17,212)	Not required to disclose	
	AzureNet	Taiwan	Sale of 5G modules and system products	150,000	-	15,000,000	100.00 %	149,047	(967)	Not required to disclose	
	Zhuhe	Taiwan	Investing activities	10,000	10,000	1,000,000	5.00 %	9,704	(3,068)	Not required to disclose	
AzureNet	Azurenet USA	USA	Market development activities	19,820	-	650,000	100.00 %	345	(415)	Not required to disclose	

Note : For those involved in foreign currency, income and loss are translated at average exchange rates of the financial reporting period, and the others are translated at the spot exchange rate at the financial reporting date.

Note 1: KHL remitted investment amount USD24,900,000 to CASETEK during 2025.

Note 2: The amount of transactions with consolidated entities are eliminated for the preparation of consolidated financial statements.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 8: Information on investment in Mainland China
(December 31, 2025)

Expressed in thousands of NTD /in dollars of foreign currency

(i)The names of investees in Mainland China, the main businesses and products, and other information:

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan at the beginning of the period	Amount remitted from Taiwan to Mainland China /Amount remitted back to Taiwan		Accumulated amount of remittance from Taiwan at the end of the period	Net income of investee	Ownership held by the Company (direct or indirect)	Investment income (loss) 〔Note 2, (2) 〕	Ending book value of investments	Accumulated amount of investment income remitted back to Taiwan
					Remitted to Mainland China	Remitted back to Taiwan						
MAINTEK (Note 5)	Manufacture, develop and research and sale of power supplier, new electronic component, computer case, and computer system. Repair of laptop, motherboard and related product	7,182,412 USD 228,590,000	(2)	5,555,144 USD 176,800,000	-	-	5,555,144 USD 176,800,000	471,301 USD 15,079,300	100%	471,301 USD 15,079,300	28,509,133 USD 907,341,808	392,495 USD 12,557,906
PROTEK SHANGHAI (Note 15)	Develop and research, manufacture, assemble, repair, sale and design of satellite communication equipment, satellite navigation receive equipment and essential component, cellphone, medium and large sized computer, portable computer, printing machine and electrical component.	8,106,489 USD 258,000,000	(2)	9,677,514 USD 308,000,000	-	-	9,677,514 USD 308,000,000	1,665,428 USD 53,285,439	100%	1,665,428 USD 53,285,439	19,986,031 USD 636,082,540	3,923,738 USD 126,039,829
PIOTEK SUZHOU (Note 7)	Researching, developing, producing and selling electronic components, PCBs and related products and providing after-sale services	2,221,429 USD 70,700,000	(2), (3), (3)	1,427,945 USD 45,446,280	-	-	1,427,945 USD 45,446,280	(98,419) (USD 3,148,905)	68.42%	(67,334) (USD 2,154,346)	431,016 USD 13,717,680	-
COTEK SUZHOU	Developing, manufacturing and selling new electronic components, circuit boards and relevant products, and providing technical services and after-sales service	2,545,061 USD 81,000,000	(2)	2,168,015 USD 69,000,001	-	-	2,168,015 USD 69,000,001	58,075 USD 1,858,121	100%	58,075 USD 1,858,121	2,641,434 USD 84,067,231	-
RUNTOP (Note 8)	Manufacturing and selling computer parts and peripherals of digital automatic data processors, multimedia computer system accessories, power supply units, network switches, and modems.	219,944 USD 7,000,000	(2)	331,313 USD 10,544,482	-	-	331,313 USD 10,544,482	-	-	-	-	-
POWTEK SHANGHAI	Selling main boards, computer peripherals, notebooks, servers and software, and providing after-sales service	251,364 USD 8,000,000	(2)	413,038 USD 13,145,510	-	-	413,038 USD 13,145,510	41,465 USD 1,326,675	100%	41,465 USD 1,326,675	1,162,695 USD 37,004,343	-
DIGITEK CHONGQING	Research and development, manufacture, sale of satellite communication equipment, satellite navigation receive equipment, cellphone, internet related equipment, computer, video decoding equipment, car-used electrical equipment and component. The company also provides export, proxy, after-sales repair services, and providing related technical consulting services	1,539,605 USD 49,000,000	(2)	1,539,605 USD 49,000,000	-	-	1,539,605 USD 49,000,000	315,366 USD 10,090,154	100%	315,366 USD 10,090,154	6,482,338 USD 206,309,182	1,709,630 USD 54,699,658
ZUANSHUO (Note 14)	Computer software and hardware, computer parts, electronic products (excluding electronic publications), electric appliance, industrial communication device (excluding wireless receiving facilities and transmitter), communication equipment (excluding wireless transmitter and satellite ground receiving facilities), and providing related technical consulting services. Import and export of goods and technology. Packaging service, product design, marketing planning, business consulting	134,108 CNY 30,000,000	(3)	-	-	-	-	1,799 USD 57,575	100%	1,799 USD 57,575	152,485 USD 4,853,051	-

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan at the beginning of the period	Amount remitted from Taiwan to Mainland China /Amount remitted back to Taiwan		Accumulated amount of remittance from Taiwan at the end of the period	Net income of investee	Ownership held by the Company (direct or indirect)	Investment income (loss) 〔Note 2, (2) 〕	Ending book value of investments	Accumulated amount of investment income remitted back to Taiwan
					Remitted to Mainland China	Remitted back to Taiwan						
LUXSAN KUNSHAN (Note 16)	Manufacturing satellite navigation and positioning receiving equipment and key components, mobile phones, third generation and subsequent mobile communication mobile phones, base stations, core equipment and network testing equipment, large and medium-sized electronic computers, portable microcomputers, high-ends servers, large-capacity optical, disk drives and their components	15,956,769 CNY 3,569,547,400	(2)	6,095,577 USD 194,000,000	-	-	6,095,577 USD 194,000,000	(664,116) (USD 21,248,428)	19%	(137,939) (USD 4,413,353)	-	24,059 USD 769,753
PEGAGLOBE JIANGSU	Investing activities with own funds; equity investment	942,615 USD 30,000,000	(2)	942,615 USD 30,000,000	-	-	942,615 USD 30,000,000	10,211 USD 326,691	100%	10,211 USD 326,691	547,711 USD 17,431,630	-
CASETEK SUZHOU	Manufacturing, developing and selling computers, computer parts, application systems, and providing after-sales service	1,759,548 USD 56,000,000	(2)	1,759,548 USD 56,000,000	-	-	1,759,548 USD 56,000,000	(385,081) (USD 12,320,676)	100%	(385,081) (USD 12,320,676)	2,388,951 USD 76,031,593	236,291 USD 7,560,145
KAEDAR (Note 6)	Tooling molds of stainless-steel computer cases	549,859 USD 17,500,000	(2)	770,025 USD 24,507,092	-	-	770,025 USD 24,507,092	(261) (USD 8,339)	-	(261) (USD 8,339)	-	216,219 USD 6,917,923
CORE-TEK	Researching and producing spare parts for notebook computers, designing nonmetal tooling, electronic specific equipment and related products, repairing and producing precision equipment and providing after-sales service	377,046 USD 12,000,000	(2)	377,046 USD 12,000,000	-	-	377,046 USD 12,000,000	2,264 USD 72,451	100%	2,264 USD 72,451	225,205 USD 7,167,456	-
KAI-CHUAN	Manufacturing, developing and inspecting computers and application systems, designing and producing precision stamping dies and standard molds, designing and manufacturing nonmetal and metal tooling, developing and producing plastic and electronic component, selling self-manufactured products	314,205 USD 10,000,000	(2)	314,205 USD 10,000,000	-	-	314,205 USD 10,000,000	(7,668) (USD 245,353)	100%	(7,668) (USD 245,353)	4,309 USD 137,128	-
Zhangjiagang East High-tech (Note 8)	Process, sale and transportation of steel.	188,523 USD 6,000,000	(2)	37,705 USD 1,200,000	-	-	37,705 USD 1,200,000	(9,210) (USD 294,675)	-	(1,842) (USD 58,935)	-	-
FUYANG SUZHOU (Note 9)	Researching, producing, inspecting, repairing and selling flexible multilayer model, computer digital signal process system and card; selling own produced products and providing related technical consulting service	1,382,502 USD 44,000,000	(2)	1,199,520 USD 38,176,344	-	-	1,199,520 USD 38,176,344	-	-	-	-	-
HONGJIE SHANGHAI (Note 8)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	157,103 USD 5,000,000	(2)	29,308 USD 932,769	-	-	29,308 USD 932,769	-	-	-	-	-
HONGJIE SUZHOU (Note 8)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	418,206 USD 13,309,984	(2)	189,332 USD 6,025,762	-	-	189,332 USD 6,025,762	-	-	-	-	-
Suzhou Eslite (Note 8)	Production and processing of plant fiber products such as mold processing, paper pulp production and processing, paper trays, and cushion packaging materials.	160,245 USD 5,100,000	(2)	36,352 USD 1,156,954	-	-	36,352 USD 1,156,954	-	-	-	-	-
HONGJIE CHONGQING (Note 8)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	15,710 USD 500,000	(2)	2,404 USD 76,500	-	-	2,404 USD 76,500	-	-	-	-	-
Hongruisheng (Note 6)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	82,008 USD 2,610,000	(2)	19,889 USD 633,000	-	-	19,889 USD 633,000	-	-	-	-	-

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan at the beginning of the period	Amount remitted from Taiwan to Mainland China /Amount remitted back to Taiwan		Accumulated amount of remittance from Taiwan at the end of the period	Net income of investee	Ownership held by the Company (direct or indirect)	Investment income (loss) 〔Note 2, (2) 〕	Ending book value of investments	Accumulated amount of investment income remitted back to Taiwan
					Remitted to Mainland China	Remitted back to Taiwan						
Heilongjiang Hongjie (Note 8)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	77,294 USD 2,460,000	(2)	13,913 USD 442,800	-	-	13,913 USD 442,800	-	-	-	-	-
Suzhou Lianshuo (Note 6)	Manufacture of plugs.	219,455 USD 6,984,441	(2)	240,562 USD 7,656,224	-	-	240,562 USD 7,656,224	-	-	-	-	-
Shanghai Yiding (Note 8)	Research and develop, manufacture and sale of portable micro computer, laptop and related products.	974,036 USD 31,000,000	(2)	615,842 USD 19,600,000	-	-	615,842 USD 19,600,000	-	-	-	-	-
Jinhong (Note 8)	Design, process, sale and manufacture of nonmetal molds. Manufacture and sale of precision molds, standard molds, plastic and hardware.	28,278 USD 900,000	(2)	53,886 USD 1,715,000	-	-	53,886 USD 1,715,000	-	-	-	-	-
Honghua (Note 6)	Manufacture, research and develop, process nonmetal molds, precision molds, standard molds, hardware components, new version of photoelectric trigger, disk driver and their components. Manufacture of number camera, essential components and providing after-sale service.	201,091 USD 6,400,000	(2)	98,535 USD 3,136,000	-	-	98,535 USD 3,136,000	-	-	-	-	-
KAI HE (Note 6)	Designing, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling and surface processing for the aforementioned product	1,696,707 USD 54,000,000	(2)	531,806 USD 16,925,453	-	-	531,806 USD 16,925,453	-	-	-	-	-
RI-TENG (Note 12, 17)	Designing, researching, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling	4,870,146 USD 154,999,000	(2)	9,698,661 USD 308,673,038	-	-	9,698,661 USD 308,673,038	430,926 USD 13,787,496	-	430,926 USD 13,787,496	-	1,798,722 USD 57,458,123
RI-PRO (Note 12)	Designing, researching, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling	94,262 USD 3,000,000	(2)	19,817 USD 630,695	-	-	19,817 USD 630,695	762 USD 24,394	100%	762 USD 24,394	(10) (USD 330)	-
Luxcase (Yangcheng) (Note 12)	Designing, researching, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling	29,370,927 USD 934,769,575	(2)	20,180,482 USD 642,271,181	-	-	20,180,482 USD 642,271,181	8,117,749 USD 259,727,675	48.17%	3,904,863 USD 124,936,209	39,914,673 USD 1,270,338,570	-

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii)Limitation on investment in Mainland China:

Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025 (Note 11 and 12)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 10, 12 and13)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 4)
57,936,360 USD 1,843,903,171.46	60,896,838 USD 1,938,124,424.89	-

Note 1: Investment methods are classified into the following three categories:
(1) The Company directly invests in the investee in Mainland China.
(2) Indirect investment in Mainland China through an investee company in a third region.
(3) Other methods.

Note 2: Recognition of investment gain or loss during current period is pursuant to the following:
(1) If the corporation is in set-up phase with no income or loss recognized, notes are required.
(2) Recognition of investment gain or loss can be classified to three categories:
1. Financial statements of the investee company were audited and certified by an international firm in cooperation with an R.O.C. accounting firm.
2. Financial statements of the investee company were audited and certified by the external accounting firm of parent company.
3. Others: Financial statements of the significant subsidiaries were audited and certifiled by the accounting firm or those of non-significant subsidiaries were not.

Note 3: For those involved in foreign currency, income and loss are translated at average exchange rates of the financial reporting period, and ending book value of investments are translated at the spot exchange rate at the financial reporting date.

Note 4: In accordance with the newly amended "Review Principles of Investment and Engagement of Technological Cooperation in Mainland China" dated August 29, 2008, since the Company has obtained the certificate of qualified operating headquarters issued by the Industrial Development Bureau, MOEA, there is no limitation on the accumulated amount on investments in Mainland China.

Note 5: MAINTEK's paid-in capital includes capital increased by retained earnings of USD51,790,000.

Note 6: The liquidation process has been completed. However, since the funds have not been remitted back to Taiwan, the approved investment quota cannot be deducted.

Note 7: PIOTEK SUZHOU's paid-in capital includes capital increased by retained earning of USD27,000,000 and reducing its capital of USD130,000,000 to cover accumulated deficits in 2024. The ownership percentage includes shares held by other subsidiaries of Taiwan.

Note 8: The investment has been disposed. However, since the funds have not been remitted back to Taiwan, the approved investment quota cannot be deducted.

Note 9: The accumulated investment amount includes USD26,000,000 transferred out by FUYANG. The liquidation process of FUYANG SUZHOU has been completed. However, since the funds have not been remitted back to Taiwan, the approved investment quota cannot be deducted.

Note10: Due to the reinvestment of the Group's investee, China Renewable Energy Fund, LP (CREF), in Mainland China, the line of credit for the Group has been increased with the approval from the Investment Commission of MOEA.

Note 11: The differences from accumulated amount of remittance from Taiwan at the end of the period were the accumulated actual investment in Mainland China from the China Renewable Energy Fund, LP(CREF) held by the Group and the investment on Ark Semiconductor Corp. Ltd. held by the Subsidiary.

Note 12: The merger of CASETEK CAYMAN has been approved and completed by the Investment Commission of MOEA, and is included in the investment amount and quota in Mainland China after its accounting and distribution.

Note 13: The Group has increased investment amount authorized by Investment Commission MOEA due to China Renewable Energy Fund, LP(CREF) and Ark Semiconductor Corp. Ltd., the investees of the Group.

Note 14: The investee company was wholly-owned through the investment from own funds.

Note 15: PROTEK SHANGHAI resolved to remit investment amount during 2025. However, since the funds have not been remitted back to Taiwan, the approved investment quota cannot be deducted.

Note 16: The Group sold part of its investment of LUXSAN KUNSHAN on October 31, 2025, resulting in losing significant influence over LUXSAN KUNSHAN and ceasing to use equity method. However, since the funds have not been remitted back to Taiwan, the approved investment quota cannot be deducted.

Note 17: Since the significant uncertainty regarding the completion of the liquidation of RI-TENG has been eliminated on December 31, 2025, the Group cease to use the equity method for RI-TENG and recognize liquidation gains or losses. However, since the funds have not been remitted back to Taiwan, the approved investment quota cannot be deducted.

(iii)Significant transactions: Direct or indirect significant transactions between the Group and the investee company in Mainland China(already offset when preparing the consolidated financial report), please refer to "Information on significant transactions".