Stock Code：4938

PEGATRON CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors’ Report
For the Years Ended December 31, 2024 and 2023

Address： 5F., No.76, Ligong St., Beitou District, Taipei City 112, Taiwan
Telephone： 886-2-8143-9001

The independent auditors’ 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’ report and consolidated financial statements, the Chinese version shall prevail.

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, 2024 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 13, 2025.

安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
電 話 Tel + 886 2 8101 6666
傳 真 Fax + 886 2 8101 6667
網 址 Web kpmg.com/tw

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024 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(x) 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(e) 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(c) and Note 6(h) to the consolidated financial statements for the accounting policies and detailed descriptions.

(a) Key audit matters:

The Group lost control over its wholly-owned subsidiary, PEGAGLOBE (KUNSHAN) CO., LTD., in 2024. The Group remeasured its investment at fair value and recognized the gain or loss on disposal.

The accounting treatment for this equity transaction was based on the International Financial Reporting Standard 10 " Consolidated Financial Statements". 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 15.59% and 17.55% of consolidated total assets at December 31, 2024 and 2023, respectively, and total operating revenues constituting 5.79% and 4.38% of consolidated total operating revenues for the years then ended December 31, 2024 and 2023, 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 7.17% and 5.55% of consolidated total assets at December 31, 2024 and 2023, respectively and the related share of profit of associates and joint ventures accounted for using the equity method constituting 12.46% and 17.52% 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, 2024 and 2023, 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 Chen, Chun-Kuang.

KPMG

Taipei, Taiwan (Republic of China)
March 13, 2025

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, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Notes 6(a) and (h))	$ 121,625,346	18.0	97,721,592	17.5
1110	Current financial assets at fair value through profit or loss (Note 6(b))	9,445,203	1.4	12,177,590	2.2
1170	Accounts receivable, net (Notes 6(d), (h) and (x))	172,829,567	25.6	154,899,588	27.8
1180	Accounts receivable due from related parties, net (Notes 6(d) and 7)	92,341,686	13.7	6,775	-
1200	Other receivables, net (Notes 6(h) and 7)	1,531,629	0.2	431,586	0.1
130X	Inventories (Notes 6(e) and (h))	101,702,256	15.1	105,615,799	19.0
1460	Non-current assets classified as held for sale (disposal groups) (Note 6(f))	4,168,370	0.6	40,227,367	7.2
1476	Other current financial assets (Notes 6(h), (l) and 8)	3,931,524	0.6	5,571,740	1.0
1479	Other current assets (Notes 6(h) and (l))	7,241,690	1.1	3,748,863	0.7
		514,817,271	76.3	420,400,900	75.5
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	4,132,365	0.6	2,558,245	0.5
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	3,723,715	0.6	1,717,361	0.3
1540	Non-current financial assets at amortized cost, net	800,000	0.1	-	-
1550	Investments accounted for using equity method (Note 6(g))	49,509,201	7.4	31,944,926	5.7
1600	Property, plant and equipment (Notes 6(h), (j) and 8)	79,016,943	11.7	75,303,420	13.5
1755	Right-of-use assets (Notes 6(h) and (k))	6,255,284	0.9	4,928,641	0.9
1760	Investment property, net	30,025	-	31,023	-
1780	Intangible assets	283,682	-	238,264	-
1840	Deferred tax assets (Notes 6(h) and (s))	2,779,572	0.4	2,224,321	0.4
1915	Prepayments on purchase of equipment (Note 9)	12,825,318	1.9	17,122,045	3.1
1980	Other non-current financial assets (Notes 6(h), (l) and 8)	508,315	0.1	401,139	0.1
1990	Other non-current assets (Note 6(l))	70,434	-	198,912	-
		159,934,854	23.7	136,668,297	24.5
	Total assets	**$ 674,752,125**	**100.0**	**557,069,197**	**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, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term loans (Notes 6(h) and (m))	$ 23,818,649	3.5	45,164,344	8.1
2130	Current contract liabilities (Note 6(x))	1,587,338	0.2	1,672,848	0.3
2170	Accounts payable (Note 6(h))	204,550,755	30.4	175,832,496	31.6
2180	Accounts payable to related parties (Note 7)	104,762,746	15.5	783,419	0.1
2209	Accrued expenses (Notes 6(h) and (y))	20,577,776	3.0	20,773,387	3.7
2219	Other payables (Note 6(h))	3,476,314	0.5	5,082,734	1.0
2230	Current tax liabilities	2,982,444	0.5	4,100,315	0.7
2260	Liabilities related to non-current assets classified as held for sale (disposal groups) (Note 6(f))	1,503,890	0.2	5,064,494	0.9
2281	Current lease liabilities (Notes 6(h) and (q))	604,836	0.1	529,806	0.1
2321	Bonds payable, current portion (Note 6(p))	7,500,000	1.1	8,000,000	1.4
2322	Long-term loans payable, current portion (Note 6(o))	3,775,061	0.6	3,752,009	0.7
2399	Other current liabilities (Notes 6(h), (n) and (o))	10,917,182	1.6	11,499,756	2.1
		386,056,991	57.2	282,255,608	50.7
	Non-Current liabilities:				
2527	Non-current contract liabilities (Note 6(x))	3,329,927	0.5	4,098,300	0.7
2530	Bonds payable (Note 6(p))	14,891,310	2.2	22,384,389	4.0
2540	Long-term loans (Notes 6(o) and 8)	14,526,273	2.2	16,785,883	3.0
2570	Deferred tax liabilities (Note 6(s))	6,418,015	1.0	2,633,166	0.5
2581	Non-current lease liabilities (Notes 6(h) and (q))	1,920,453	0.2	1,688,735	0.3
2650	Credit balance of investments accounted for using equity method (Note 6(g))	6,916	-	4,529	-
2670	Other non-current liabilities (Notes 6(h), (n), (o) and (r))	5,902,756	0.9	5,600,820	1.0
		46,995,650	7.0	53,195,822	9.5
	Total liabilities	433,052,641	64.2	335,451,430	60.2
	Equity Attributable to Owners of the Parent Company (Notes 6(c), (t) and (u)):				
3110	Share capital	26,631,771	3.9	26,642,241	4.8
	Capital surplus:				
3210	Capital surplus, premium on capital stock	79,691,155	11.8	79,180,607	14.2
3280	Capital surplus, others	5,207,374	0.8	5,015,039	0.9
		84,898,529	12.6	84,195,646	15.1
	Retained earnings:				
3310	Legal reserve	20,808,569	3.1	19,239,612	3.5
3320	Special reserve	6,984,734	1.0	7,523,660	1.4
3350	Unappropriated retained earnings	64,237,214	9.5	58,318,738	10.4
		92,030,517	13.6	85,082,010	15.3
	Other equity interest:				
3410	Exchange differences on translation of foreign financial statements	2,771,268	0.5	(7,359,989)	(1.3)
3420	Unrealized gains on financial assets measured at fair value through other comprehensive income	766,703	0.1	375,255	-
3491	Other equity, unearned compensation	(5,655)	-	(125,271)	-
		3,532,316	0.6	(7,110,005)	(1.3)
	Equity attributable to the parent company	207,093,133	30.7	188,809,892	33.9
36xx	**Non-controlling interests (Notes 6(i) and (t))**	34,606,351	5.1	32,807,875	5.9
	Total equity	241,699,484	35.8	221,617,767	39.8
	Total liabilities and equity	**$ 674,752,125**	**100.0**	**557,069,197**	**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, 2024 and 2023

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

		For the years ended December 31			
		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6(x) and 7)**	$1,125,348,517	100.0	1,256,783,394	100.0
5000	**Cost of sales (Notes 6(e), (j), (k), (q), (r), (u), (v), (y) and 7)**	1,079,315,725	95.9	1,210,677,036	96.3
	Gross profit from operations	46,032,792	4.1	46,106,358	3.7
6000	**Operating expenses (Notes 6(d), (j), (k), (q), (r), (u), (v), (y) and 7):**				
6100	Selling expenses	4,711,008	0.4	4,740,199	0.4
6200	General and administrative expenses	12,696,122	1.1	10,724,805	0.8
6300	Research and development expenses	16,125,076	1.5	15,888,696	1.3
	Total operating expenses	33,532,206	3.0	31,353,700	2.5
	Net operating income	12,500,586	1.1	14,752,658	1.2
	Non-operating income and expenses:				
7100	Interest income (Note 6(z))	5,561,916	0.5	4,918,316	0.4
7010	Other income (Note 6(z))	2,123,943	0.2	3,348,244	0.3
7020	Other gains and losses (Notes 6(c), (h), (j) and (z))	4,879,817	0.4	(105,165)	-
7050	Finance costs (Notes 6(p), (q) and (z))	(1,376,210)	(0.1)	(2,953,564)	(0.3)
7060	Share of profit of associates and joint ventures accounted for using equity method (Note 6(g))	3,534,296	0.3	4,346,764	0.3
	Total non-operating income and expenses	14,723,762	1.3	9,554,595	0.7
	Profit before tax	27,224,348	2.4	24,307,253	1.9
7950	Less: Tax expenses (Note 6(s))	8,070,844	0.7	6,894,460	0.5
	Profit for the year	**19,153,504**	**1.7**	**17,412,793**	**1.4**
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans (Note 6(r))	29,090	-	(10,261)	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	1,136,052	0.1	295,285	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6(s))	1,159	-	(582)	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	1,163,983	0.1	285,606	-
8360	**Components of other comprehensive income that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	8,657,924	0.7	731,640	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss (Note 6(g))	1,811,677	0.2	(507,625)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6(s))	2,253	-	4,346	-
	Total components of other comprehensive income that will be reclassified to profit or loss	10,467,348	0.9	219,669	-
8300	**Other comprehensive income for the year, net of tax**	11,631,331	1.0	505,275	-
8500	**Total comprehensive income for the year**	**$ 30,784,835**	**2.7**	**17,918,068**	**1.4**
	Profit attributable to:				
8610	Owners of the parent company	$ 16,876,878	1.5	15,712,958	1.3
8620	Non-controlling interests	2,276,626	0.2	1,699,835	0.1
		$ 19,153,504	**1.7**	**17,412,793**	**1.4**
	Comprehensive income attributable to:				
8710	Owners of the parent company	$ 28,158,543	2.5	16,252,473	1.3
8720	Non-controlling interests	2,626,292	0.2	1,665,595	0.1
		$ 30,784,835	**2.7**	**17,918,068**	**1.4**
	Earnings per share, net of tax (Note 6(w))				
9750	**Basic earnings per share**	**$**	**6.34**		**5.90**
9850	**Diluted earnings per share**	**$**	**6.28**		**5.85**

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, 2024 and 2023

(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	Treasury stock	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
Balance as of January 1, 2023	$ 26,676,337	83,352,004	17,721,898	20,918,849	41,419,117	80,059,864	(7,603,630)	79,970	(68,877)	(7,592,537)	(7,103)	182,488,565	32,079,698	214,568,263
Profit for the year	-	-	-	-	15,712,958	15,712,958	-	-	-	-	-	15,712,958	1,699,835	17,412,793
Other comprehensive income for the year	-	-	-	-	589	589	243,641	295,285	-	538,926	-	539,515	(34,240)	505,275
Total comprehensive income for the year	-	-	-	-	15,713,547	15,713,547	243,641	295,285	-	538,926	-	16,252,473	1,665,595	17,918,068
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	1,517,714	-	(1,517,714)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(13,395,189)	13,395,189	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(10,667,426)	(10,667,426)	-	-	-	-	-	(10,667,426)	-	(10,667,426)
Changes in equity of associates and joint ventures accounted for using equity method	-	201,784	-	-	-	-	-	-	-	-	-	201,784	-	201,784
Changes in ownership interests in subsidiaries	-	171,144	-	-	-	-	-	-	-	-	-	171,144	(171,144)	-
Expiration of restricted shares of stock issued to employees	(34,096)	26,993	-	-	(23,975)	(23,975)	-	-	-	-	7,103	(23,975)	-	(23,975)
Compensation cost arising from restricted shares of stock	-	443,721	-	-	-	-	-	-	(56,394)	(56,394)	-	387,327	-	387,327
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(766,274)	(766,274)
Balance as of December 31, 2023	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 for the year	-	-	-	-	16,876,878	16,876,878	-	-	-	-	-	16,876,878	2,276,626	19,153,504
Other comprehensive income 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 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)
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**

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, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2024	2023
Cash flows from operating activities:		
Profit before tax	$ 27,224,348	24,307,253
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	15,547,589	15,183,526
Amortization expense	153,474	147,213
Expected credit (reversal gain) loss	(63,934)	13,576
Gain on financial assets and liabilities at fair value through profit	(1,552,591)	(476,893)
Interest expense	1,360,349	2,920,031
Interest income	(5,561,916)	(4,918,316)
Dividend income	(202,324)	(100,434)
Compensation cost arising from employee stock options	431,169	400,213
Amortization of issuance costs on bonds payable	6,921	7,397
Share of profit of associates and joint ventures accounted for using equity method	(3,534,296)	(4,346,764)
Gain on lease remeasurement	(15,072)	(7,046)
(Gain) loss on disposal of property, plant and equipment	(211,084)	4,751
Property, plant and equipment charged to expenses	51,784	467,586
Gain on disposal of investments	(2,877,114)	-
Impairment loss on non-financial assets	19,242	19,488
Government grants income	(50,486)	(143,606)
Total adjustments to reconcile profit	3,501,711	9,170,722
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in financial assets at fair value through profit or loss	2,725,463	(2,777,701)
(Increase) decrease in notes and accounts receivable	(37,864,673)	34,666,869
(Increase) decrease in other receivables	(948,025)	928,781
Decrease in inventories	2,289,037	67,379,209
(Increase) decrease in other current assets	(2,112,276)	1,648,283
Decrease in other financial assets	1,640,215	6,441,009
Increase in other non-current assets	(115,022)	(177,301)
Total changes in operating assets	(34,385,281)	108,109,149
Changes in operating liabilities:		
(Decrease) increase in contract liabilities	(853,882)	1,064,234
Increase (decrease) accounts payable	64,078,469	(24,114,320)
Increase (decrease) accrued expenses	323,926	(2,577,678)
Increase (decrease) other payable	486,664	(1,516,900)
Decrease in other current liabilities	(452,730)	(23,297,307)
Increase in other non-current liabilities	389,745	248,466
Total changes in operating liabilities	63,972,192	(50,193,505)
Total changes in operating assets and liabilities	29,586,911	57,915,644
Total adjustments	33,088,622	67,086,366
Cash inflow generated from operations	60,312,970	91,393,619
Interest received	5,482,405	4,815,295
Dividends received	272,548	111,324
Interest paid	(1,148,822)	(3,088,604)
Income taxes paid	(8,970,873)	(5,853,037)
Net cash flows from operating activities	55,948,228	87,378,597

(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, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2024	2023
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(1,847,001)	(305,562)
Proceeds from disposal of financial assets at fair value through other comprehensive income	996,680	-
Acquisition of financial assets at amortized cost	(800,000)	-
Acquisition of investments accounted for using equity method	-	(53,593)
Proceeds from disposal of subsidiaries	(3,338,078)	-
Acquisition of property, plant and equipment	(21,200,367)	(16,907,883)
Proceeds from disposal of property, plant and equipment	1,111,852	815,886
Acquisition of intangible assets	(199,583)	(158,858)
Acquisition of right-of-use assets	(199,621)	-
Proceeds from disposal of right-of-use assets	42,216	-
Increase in other financial assets	(129,297)	(51,759)
Decrease (increase) in prepayments on purchase of equipment	4,296,726	(4,137,993)
Net cash flows used in investing activities	(21,266,473)	(20,799,762)
Cash flows from financing activities:		
Increase (decrease) in short-term loans	2,788,661	(34,425,107)
Repayments of bonds	(8,000,000)	(4,500,000)
Proceeds from long-term loans	1,577,369	7,282,900
Repayments of long-term loans	(3,854,308)	(3,754,825)
Repayments of lease liabilities	(999,482)	(1,422,604)
Cash dividends paid	(11,969,361)	(13,487,770)
Redemption of restricted stock	(10,040)	(27,185)
Changes in non-controlling interests	48,766	1,685,398
Net cash flows used in financing activities	(20,418,395)	(48,649,193)
Effect of exchange rate fluctuations on cash held	6,249,914	65,920
Net increase in cash and cash equivalents	20,513,274	17,995,562
Cash and cash equivalents, beginning of the year	102,572,944	84,577,382
Cash and cash equivalents, end of the year	**$ 123,086,218**	**102,572,944**
Components of cash and cash equivalents, end 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, end of the year	**$ 123,086,218**	**102,572,944**

See accompanying notes to financial statements.

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

PEGATRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(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 year ended December 31, 2024 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 13, 2025.

(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, 2024:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) The impact of IFRS issued 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, 2025, would not have a significant impact on its consolidated financial statements:

- 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

(c) The impact of IFRS 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

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	● 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.	January 1, 2027

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 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- 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”

(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.

(Continued)

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, 2024**	**December 31, 2023**	**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 %	100.00 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio December 31, 2024	Shareholding ratio December 31, 2023	Notes
KAEDAR	KUNSHAN KAILEXING ELECTRONICS CO., LTD. (KAILEXING)	Manufacture of electric and electronic components; wholesale and retail of electronic components; manufacture and sale of molds; manufacture and sale of equipment for processing plastics; manufacture of transportation equipment and counting scales for production.	- %	100.00 %	Note 12
CASETEK	KAEDAR TRADING LTD. (KTL)	Investing and trading activities	100.00 %	100.00 %	
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.	32.41 %	32.40 %	Note 1
AZUREWAVE	EZWAVE TECHNOLOGIES, INC. (EZWAVE)	Information products service	100.00 %	100.00 %	
AZUREWAVE	Azurewave Technologies (USA) Inc. (Azurewave USA)	Market development activities	100.00 %	100.00 %	
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 %	
Azwave	Azurewave Technologies (Shanghai) Inc. (Azurewave Shanghai)	Designing, manufacturing and trading computer products	100.00 %	100.00 %	
Azwave	AZURE LIGHTING TECHNOLOGIES, INC. (YANGZHOU) (AZURE YANQZHOU)	Manufacturing and selling LED and relevant lighting products	- %	- %	Note 15
Azwave	AIGALE CORPORATION (SHANGHAI) (AIGALE)	Designing and selling electronic products and communication equipment	100.00 %	100.00 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio December 31, 2024	Shareholding ratio December 31, 2023	Notes
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 %	
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 HOLDING LIMITED (PIOTEK)	Investing activities	100.00 %	100.00 %	
PIOTEK	PIOTEK (H.K.) TRADING LIMITED (PIOTEK (H.K.))	Trading activities	100.00 %	100.00 %	
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 (KUNSHAN) CO., LTD. (PEGAGLOBE KUNSHAN)	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	- %	100.00 %	Note 13
PEGAGLOBE KUNSHAN	PEGAGLOBE (SHANGHAI) CO., LTD. (PEGAGLOBE SHANGHAI)	Engaged in the manufacture of satellite navigation and positioning receiving equipment and key groups, mobile phones, printing equipment, optoelectronic devices, computer equipment, Internet equipment, network equipment, integrated circuits, communication equipment, display devices, electronic components and electromechanical groups and equipment manufacturing and sale; related product maintenance and graphic design; technology development and other services; integrated circuit design, industrial design services, electronic components wholesale sale, non-residential real estate leases; housing leases	- %	- %	Note 11 and Note 13

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio December 31, 2024	Shareholding ratio December 31, 2023	Notes
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 %	
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 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio December 31, 2024	Shareholding ratio December 31, 2023	Notes
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	54.59 %	55.46 %	Note 3
ASROCK	ASIAROCK TECHNOLOGY LIMITED (ASIAROCK)	Investing and holding activities	100.00 %	100.00 %	
ASIAROCK	ASRock Europe B.V. (ASRock Europe)	Data storage and sale of electronic material and international trading activities	100.00 %	100.00 %	
ASIAROCK	CALROCK HOLDINGS, LLC (Calrock)	Office building leasing	100.00 %	100.00 %	
ASROCK	LEADER INSIGHT HOLDINGS LIMITED (Leader)	Investing and holding activities	100.00 %	100.00 %	
Leader	FIRSTPLACE INTERNATIONAL LTD. (Firstplace)	Investing and holding activities	100.00 %	100.00 %	
Firstplace	ASRock America, Inc. (ASRock America)	Data storage and sale of electronic material and international trading activities	100.00 %	100.00 %	
ASROCK	ASRock Rack Incorporation (ASRock Rack)	Manufacturing and selling computer and related peripherals	53.03 %	57.27 %	Note 4
ASRock Rack	ASROCK RACK America Inc. (ASRock USA)	Sales center in America	100.00 %	- %	Note 11
ASROCK	ASRock Industrial computer Corporation (ASRock Industrial)	Manufacturing and selling computer and related peripherals	58.23 %	60.10 %	Note 5
ASRock Industrial	ASROCK-INDUSTRIAL COMPUTER SEA SDN BHD (ASEA)	Sales service center in Asia Pacific	100.00 %	- %	Note 11
ASRock Industrial	ASROCK Industrial Computer Europe GmbH (ASRock Gmbh)	Sales center in Europe	100.00 %	- %	Note 11
ASROCK	Soaring Asia Limited (Soaring)	International trading activities	100.00 %	100.00 %	
ASROCK	ASJade Technology Incorporation (ASJade)	Information software service	82.50 %	82.50 %	
ASJade	ASJade Technology Japan Corp. (ASJade Japan)	Information software service	100.00 %	100.00 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

			Shareholding ratio		
Investor	Subsidiary	Nature of business	December 31, 2024	December 31, 2023	Notes
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 %	Note 6
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	38.09 %	38.27 %	Note 2
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 7
PEGAVISION	PEGAVISION VIETNAM COMPANY LIMITED (PEGAVISION VIETNAM)	Manufacturing and selling medical appliances	100.00 %	100.00 %	
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 %	- %	Note 8
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 %	100.00 %	
Pegavision Shanghai	Gemvision Technology (Zhejiang) Limited (Gemvision Zhejiang)	Selling medical appliances and cosmetics	100.00 %	100.00 %	
BeautyTech	BEAUTYTECH PLATFORM (SINGAPORE) PTE. LTD. (BEAUTYTECH SG)	Selling medical appliances and cosmetics	100.00 %	100.00 %	
BeautyTech	BeautyTech Platform (Shanghai) Corporation (BeautyTech Shanghai)	Selling medical appliances and cosmetics	100.00 %	100.00 %	
BeautyTech	FORIMART Corporation (FORIMART)	Selling medical appliances and cosmetics	100.00 %	- %	Note 11

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio December 31, 2024	Shareholding ratio December 31, 2023	Notes
BeautyTech	BEAUTYTECH PLATFORM (VIETNAM) LIMITED (BTP VN)	Selling medical appliances and cosmetics	70.00 %	- %	Note 11
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 8
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 INVESTMENT, ASUSTEK INVESTMENT AND ASUS INVESTMENT	FUYANG TECHNOLOGY CORPORATION (FUYANG)	Electronic parts and components manufacturing	- %	89.13 %	Note 9
KINSUS	KINSUS CORP. (USA) (KINSUS USA)	Designing substracts, formulating marketing strategy analysis, developing new customers, researching and development new product technology	100.00 %	100.00 %	
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 circuit boards (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 electronic components, PCBs and related products and providing after-sale services	100.00 %	100.00 %	Note 6
ASUSPOWER INVESTMENT, ASUS INVESTMENT AND ASUSTEK INVESTMENT	STARLINK ELECTRONICS CORPORATION (STARLINK)	Manufacturing electronic parts and plastic products, and manufacturing and wholesaling electronic components	- %	100.00 %	Note 9
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 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio December 31, 2024	Shareholding ratio December 31, 2023	Notes
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 %	100.00 %	
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 %	
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	53.57 %	54.28 %	Note 10
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 %	
ASUS INVESTMENT	HUA-YUAN INVESTMENT CORPORATION (HUA-YUAN)	Investing activities	100.00 %	100.00 %	Note 14
THE COMPANY	PEGATRON SERVICE AUSTRALIA PTY. LTD.(PAU)	Sales and repair service center in Australia	100.00 %	100.00 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio December 31, 2024	Shareholding ratio December 31, 2023	Notes
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	PEGATRON TECHNOLOGY INDIA PRIVATE LIMITED (PTI)	Manufacturing and selling consumer electronics	100.00 %	100.00 %	
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 %	
THE COMPANY	PEGATRON TECHNOLOGY TEXAS INC. (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 %	- %	Note 11
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 %	82.34 %	Note 6
Pegatron Investment	AzureMoto Technology, Inc. (AzureMoto)	Manufacturing electronic parts, vehicles and vehicle parts	90.00 %	- %	Note 11

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Note 1: During 2024 and 2023, AZUREWAVE resolved to reduce the capital through cancellation of the repurchases of restricted employee new shares, resulting in an increase in the shareholding of the Group to 32.41%. The Group held 32.41% voting shares of AZUREWAVE; however, the Group considered the remaining 67.59% 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: During 2024 and 2023, 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 38.09%. The Group held 38.09% voting shares of KINSUS; however, the Group considered the remaining 61.91% 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.

Note 3: During 2024 and 2023, 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, decreasing the Group’s shareholding to 54.59%.

Note 4: During 2024 and 2023, ASRock Rack issued restricted shares for its employees and the Group disposed of stocks, resulting in the Group’s shareholding to decrease to 53.03%.

Note 5: During 2024 and 2023, ASRock Industrial issued restricted shares for its employees, resulting in the Group’s shareholding to decrease to 58.23%.

Note 6: During 2024 and 2023, the entity increased cash capital by issuing shares, all of which were subscribed for by subsidiaries within the same group.

Note 7: On April 28, 2023, PEGAVISION’s Board of Directors resolved to issue shares for cash capital increase, and the record date thereof was September 7, 2023. The Group did not subscribe for those shares in proportion to its shareholding, which decreased to 44.05% thereafter. However, the Group considered the remaining 55.95% 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 PEGAVISION into the consolidated financial report.

Note 8： The entity was founded, however the capital infusion has not been completed before December 31, 2024.

Note 9: The subsidiary had been liquidated in 2024.

Note 10: During 2024, the entity issued new shares for share options, decreasing the Group’ s shareholding to 53.57% after the capital increase.

Note 11: The subsidiary was newly established, with the capital infusion having been completed before December 31, 2024.

Note 12: The subsidiary has been established in 2023, and the entire shares of the subsidiary have been sold to third party in the first quarter of 2024.

Note 13: The Group relinquished its pre-emptive rights to the cash capital increase of PEGAGLOBE KUNSHAN on the record date of June 28, 2023, based on the resolution approved during the Group's board meeting held on December 28, 2023, resulting the Group's shareholding ratio to decrease from 100% to 37.50% and loss of control over the subsidiary.

Note 14: The entity was originally named HUA-YUAN INVESTMENT LIMITED and it completed its name change in 2024.

Note 15: AZUREWAVE passed the merger of Azurewave Shanghai and AZURE YANQZHOU through Board of Directors, and after the merger was completed in 2023, AZURE YANQZHOU is a dissolved company, and Azurewave Shanghai is a surviving company.

(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.

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.

(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.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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.

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.

(Continued)

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.

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.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 loss allowances for expected credit losses (ECLs) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivable 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.

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.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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.

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.

(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.

(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.

(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 - 5 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.

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.

For lease modifications that decrease the scope of the lease, the Group decreases the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognizes in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities as a separate line item respectively in the statement of financial position.

As a practical expedient, the Group elects not to assess all rent concessions that meets all the conditions as follows are lease modifications or not:

1) the rent concessions occurring as a direct consequence of the COVID-19 pandemic;

2) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

3) any reduction in lease payments affects only payments originally due on or before 30 June 2022; and

4) there is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(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.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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.

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

(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.

(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.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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.

(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.

(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

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(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.

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.

(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.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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.

(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(e) for further description of the valuation of inventories.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	$ 11,147	13,015
Cash in banks	75,602,053	52,836,216
Time deposits	41,220,783	40,331,023
Cash equivalents	4,791,363	4,541,338
	$ 121,625,346	97,721,592

(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(l) and 8 for details.

(ii) Please refer to Note 6(aa) for the interest rate 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, 2024	December 31, 2023
Current mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Shares of stock of listed companies	$ 7,069,842	7,176,915
Shares of stock of unlisted companies	-	498,643
Beneficiary certificates and others	2,375,361	4,502,032
Subtotal	9,445,203	12,177,590
Non-current mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Shares of stock of listed companies	$ 475,390	442,435
Shares of stock of unlisted companies	1,379,867	570,214
Beneficiary certificates	2,277,108	1,545,596
Subtotal	4,132,365	2,558,245
Total	**$ 13,577,568**	**14,735,835**

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

(ii) Please refer to Note 6(aa) 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, 2024	December 31, 2023
Equity instruments at fair value through other comprehensive income:		
Shares of stock of listed companies	$ 1,396,006	1,133,702
Shares of stock of unlisted companies	2,327,709	583,659
Total	**$ 3,723,715**	**1,717,361**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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 the years ended December 31, 2024 and 2023, the dividend income of $33,089 thousand, and $21,031 thousand, related to equity investments at fair value through other comprehensive income were recognized, respectively.

In 2024, the Group has sold its shares as a result of investment strategy with fair value of $996,680 thousand and recognized a cumulative gain of $744,604 thousand, which was transferred to retained earnings from other equity interest.

(ii) Please refer to Note 6(aa) 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, 2024	December 31, 2023
Notes receivables from operating activities	$ 2,730	4,833
Accounts receivable-measured at amortized cost	172,923,418	155,054,926
Accounts receivable-related parties	92,342,749	6,775
Less: Allowance for impairment	97,644	160,171
	$ 265,171,253	**154,906,363**

(ii) Credit loss

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. 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, 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)**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 151,514,060	0%~2%	(43,507)
Overdue 0 to 30 days	3,276,531	0%~30%	(42,337)
Overdue 31 to 120 days	225,027	2%~100%	(28,005)
Overdue 121 to 365 days	49,223	59%~100%	(44,629)
Over 365 days past due	1,693	100%	(1,693)
	$ 155,066,534		(160,171)

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

	For the years ended December 31	
	2024	2023
Balance as of January 1	$ 160,171	187,095
Impairment losses (reversed) recognized	(64,474)	13,591
Amounts written off	-	(40,690)
Effect of movement in exchange rates	1,947	175
Balance as of December 31	$ 97,644	160,171

The aforesaid financial assets were not pledged as collateral.

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

(iv) Accounts receivable factoring

The Company entered into factoring agreements with financial institutions to sell its accounts receivable. The Company derecognized the above accounts receivable because it has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement in them.

As of December 31, 2024 and 2023, the relevant information on accounts receivables factored by the Group, but unsettled, was as follows:

December 31, 2024						
Purchaser	Amount Derecognized	Factoring Line (thousands)	Amount Advanced Paid (thousands)	Collateral	Range of Interest Rate	Significant Factoring Terms
ANZ and others	$ -	USD 350,000	USD -	None	-	The accounts receivable factoring is without recourse, but the seller still bears the risks except for eligible obligor's insolvency.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2023						
Purchaser	Amount Derecognized	Factoring Line (thousands)	Amount Advanced Paid (thousands)	Collateral	Range of Interest Rate	Significant Factoring Terms
ANZ and others	$ -	USD 420,000	USD -	None	-	The accounts receivable factoring is without recourse, but the seller still bears the risks except for eligible obligor's insolvency.

(e) Inventories

	December 31, 2024	December 31, 2023
Merchandise	$ 2,508,432	2,817,546
Finished goods	51,033,734	59,734,229
Work in process	10,534,434	9,097,630
Raw materials	37,625,656	33,966,394
	$ 101,702,256	**105,615,799**

The components of cost of goods sold were as follows:

	For the years ended December 31	
	2024	**2023**
Cost of goods sold	$ 1,074,039,692	1,199,933,472
Reversal of evaluation of inventory	(1,217,718)	(358,001)
Loss on disposal of inventory	6,203,205	10,948,113
Others	290,546	153,452
	$ 1,079,315,725	**1,210,677,036**

As of December 31, 2024 and 2023, the aforesaid inventories were not pledged as collateral.

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

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% and PIOTEK HOLDINGS LIMITED 100%.

The Group was approved by the Board of Directors on December 28, 2023 through the resolution for the proposed cash capital increase of the Group' s shares in the PEGAGLOBE KUNSHAN for subscription by strategic investor, Luxsan ICT. The Group relinquished its pre-emptive rights to the cash capital increase of PEGAGLOBE KUNSHAN thereby losing control over PEGAGLOBE KUNSHAN due to reduction in its shareholding ratio.

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:

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		December 31, 2024	December 31, 2023(Note)
Non-current assets classified as held for sale (disposal groups):			
Cash and cash equivalents	$	1,460,872	4,851,352
Net accounts receivable		-	660,356
Net other receivables		25,015	53,687
Inventories		347,771	26,467,592
Other current assets		121,096	288,400
Property, plant and equipment		1,834,707	6,083,757
Right-of-use assets		158,477	1,731,314
Intangible assets		5,032	-
Deferred income tax assets		-	61,795
Prepayments on purchase of equipment		147,467	-
Other financial assets - non-current		-	29,114
Other non-current assets		67,933	-
	$	**4,168,370**	**40,227,367**
Liabilities related to non-current assets classified as held for sale (disposal groups):			
Short-terms loans	$	891,011	-
Accounts payable		349,201	1,737,129
Other payable		216,867	1,707,324
Current tax liabilities		15,479	-
Current lease liabilities		-	785,029
Other current liabilities		598	182,958
Non-current lease liabilities		-	522,296
Other non-current liabilities		30,734	129,758
	$	**1,503,890**	**5,064,494**

Note: The amount shown is after the consolidation write-off. For the actual net value at the time of derecognition in 2024, please refer to Note 6(h).

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Investments accounted for using equity method

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

	December 31, 2024	December 31, 2023
Associates	$ 49,509,201	31,944,926
Credit balance of investments accounted for using equity method-associate	$ 6,916	4,529

The Group has lost control over its wholly-owned subsidiary, PEGAGLOBE KUNSHAN, on June 28, 2024. The remaining equity of 37.50% has been remeasured at fair value, and the Group has significant influence over PEGAGLOBE KUNSHAN thereafter.

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, 2024	December 31, 2023
Luxcase (Yancheng) (RI KAI)	Designing, developing, manufacturing and selling electronic components, precision, non-metal and metal tooling, 3C electronic product parts and accessories	China	48.17 %	48.17 %
PEGAGLOBE KUNSHAN	Manufacturing of consumer electronic products, such as mobile phones, communication equipment	China	37.50 %	- %

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, 2024	December 31, 2023
Current assets	$ 155,168,276	113,699,021
Non-current assets	52,311,103	39,426,304
Current liabilities	(130,379,897)	(86,988,660)
Non-current liabilities	(1,855,336)	(1,899,596)
Net assets attributable to shareholders	$ 75,244,146	64,237,069

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the years ended December 31	
	2024	2023
Operating revenue	$ 410,757,653	347,229,759
Profit from continuing operations	$ 6,993,156	8,861,111
Other comprehensive income	48,683	37,585
Comprehensive income attributable to shareholders	$ 7,041,839	8,898,696

	2024	2023
Shares of net assets of the associate as of January 1	$ 30,944,923	26,992,837
Profit attributable to the Group	3,364,921	4,257,999
Comprehensive income attributable to the Group	1,653,155	(507,697)
Changes in the ownership interest attributable to the Group	284,363	201,784
Shares of net assets of associates	36,247,362	30,944,923
Add: Goodwill	122,129	114,438
Carrying amount of the associate's equity as of December 31	$ 36,369,491	31,059,361

(ii) PEGAGLOBE KUNSHAN

	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 six months ended December 31, 2024
Operating revenue	$ 366,483,838
Profit from continuing operations	$ 279,174
Comprehensive income attributable to shareholders	$ 279,174

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the year ended December 31, 2024
Shares of net assets of the associate as of January 1	$ -
Addition	11,894,118
Profit attributable to the Group	27,301
Comprehensive income attributable to the Group	158,428
Changes in the ownership interest attributable to the Group	81,292
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).

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, 2024	December 31, 2023
Carrying amount of individually insignificant associates’ equity	**$ 971,655**	**881,036**

	For the years ended December 31	
	2024	2023
Attributable to the Group:		
Profit from continuing operations	$ 142,074	88,765
Other comprehensive income	94	72
Total comprehensive income	**$ 142,168**	**88,837**

As of December 31, 2024 and 2023, the aforesaid investments accounted for using equity method were not pledged as collateral.

(h) Loss of control over a subsidiary

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 loss 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(z).

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)
Carrying amount of net assets of former subsidiaries	**$ 9,472,361**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) 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, 2024	December 31, 2023
KINSUS and its subsidiaries	Taiwan	61.91 %	61.73 %
ASROCK and its subsidiaries	Taiwan	45.41 %	44.54 %

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:

(i) Information regarding KINSUS and its subsidiaries

	December 31, 2024	December 31, 2023
Current assets	$ 29,676,727	29,368,923
Non-current assets	49,758,570	48,698,116
Current liabilities	(16,990,377)	(14,258,875)
Non-current liabilities	(22,566,687)	(24,649,038)
Net assets	**$ 39,878,233**	**39,159,126**
Non-controlling interest	**$ 25,882,806**	**25,241,438**

	For the years ended December 31 2024	2023
Operating revenue	**$ 30,534,979**	**26,832,187**
Net income for the year	1,331,050	1,170,402
Other comprehensive (loss) income	201,406	(98,057)
Comprehensive income	**$ 1,532,456**	**1,072,345**
Net income attribute to non-controlling interest	**$ 1,075,221**	**967,382**
Comprehensive income attribute to non-controlling interest	**$ 1,152,876**	**941,609**
Cash flows from operating activities	$ 7,705,101	6,256,067
Cash flows used in investing activities	(9,107,203)	(12,486,482)
Cash flows from financing activities	995,997	5,335,272
Effect of movement in exchange rate	70,991	(88,288)
Net decrease in cash and cash equivalents	**$ (335,114)**	**(983,431)**
Dividends paid to non-controlling interest	**$ 724,376**	**2,207,802**

(Continued)

(ii) Information regarding ASROCK and its subsidiaries

	December 31, 2024	December 31, 2023
Current assets	$ 17,674,496	13,552,525
Non-current assets	1,962,889	822,799
Current liabilities	(9,187,833)	(5,380,375)
Non-current liabilities	(87,910)	(111,825)
Net assets	**$ 10,361,642**	**8,883,124**
Non-controlling interest	**$ 5,306,897**	**4,376,677**

	For the years ended December 31 2024	2023
Operating revenue	**$ 25,653,837**	**18,991,845**
Net income for the year	1,580,728	977,554
Other comprehensive income (loss)	328,154	(3,167)
Comprehensive income	**$ 1,908,882**	**974,387**
Net income attribute to non-controlling interest	**$ 867,426**	**462,863**
Comprehensive income attribute to non-controlling interest	**$ 1,014,910**	**461,821**
Cash flows from operating activities	$ 922,430	2,636,297
Cash flows used in investing activities	(406,625)	(1,497,096)
Cash flows used in financing activities	(264,773)	(1,679,934)
Effect of movement in exchange rate	283,699	(1,126)
Net increase (decrease) in cash and cash equivalents	**$ 534,731**	**(541,859)**
Dividends paid to non-controlling interest	**$ 438,696**	**540,863**

(j) 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, 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
Balance as of January 1, 2023	$ 12,099,104	55,266,759	52,705,931	1,343,727	38,236,146	8,661,817	168,313,484
Additions	667,236	995,635	344,295	144,048	1,520,420	7,657,992	11,329,626
Disposals and obsolescence	-	(863,823)	(2,283,961)	(230,024)	(2,748,704)	-	(6,126,512)
Reclassifications	-	4,063,337	3,528,037	42,245	4,550,466	(7,773,704)	4,410,381
Transferred to non-current assets held for sale	-	(6,390,806)	(1,485,915)	-	(3,559,528)	(2,348)	(11,438,597)
Effect of movement in exchange rate	10,254	(27,456)	312	(818)	180,091	123,407	285,790
Balance as of December 31, 2023	**$ 12,776,594**	**53,043,646**	**52,808,699**	**1,299,178**	**38,178,891**	**8,667,164**	**166,774,172**
Depreciation and impairment loss:							
Balance as of January 1, 2024	$ -	27,202,810	38,298,383	1,001,448	24,968,111	-	91,470,752
Depreciation for the year	-	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**
Balance as of January 1, 2023	$ -	26,668,850	36,379,503	1,054,512	24,521,010	-	88,623,875
Depreciation for the year	-	3,164,033	5,029,863	167,225	5,231,429	-	13,592,550
Impairment loss	-	7,595	-	-	11,893	-	19,488
Disposals and obsolescence	-	(861,967)	(2,070,800)	(219,413)	(2,153,558)	-	(5,305,738)
Reclassifications	-	3,599	(5,448)	-	(22,644)	-	(24,493)
Subsidiaries disposals	-	(1,748,750)	(988,244)	-	(2,617,846)	-	(5,354,840)
Effect of movement in exchange rate	-	(30,550)	(46,491)	(876)	(2,173)	-	(80,090)
Balance as of December 31, 2023	**$ -**	**27,202,810**	**38,298,383**	**1,001,448**	**24,968,111**	**-**	**91,470,752**
Carrying value:							
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**
Balance as of January 1, 2023	**$ 12,099,104**	**28,597,909**	**16,326,428**	**289,215**	**13,715,136**	**8,661,817**	**79,689,609**
Balance as of December 31, 2023	**$ 12,776,594**	**25,840,836**	**14,510,316**	**297,730**	**13,210,780**	**8,667,164**	**75,303,420**

(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	
	2024	**2023**
Impairment loss	**$ 19,242**	**19,488**

(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(z) 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.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) 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, 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)
Disposals and obsolescence	(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**
Balance as of January 1, 2023	$ 4,359,191	4,986,033	2,822	9,348,046
Additions	19,979	2,426,564	2,365	2,448,908
Reductions	(6,619)	(1,697,070)	(384)	(1,704,073)
Transferred to non-current assets held for sale	(520,482)	(2,331,381)	-	(2,851,863)
Effect of movement in exchange rate	(9,442)	64,449	6	55,013
Balance as of December 31, 2023	**$ 3,842,627**	**3,448,595**	**4,809**	**7,296,031**
Accumulated depreciation:				
Balance as of January 1, 2024	$ 999,270	1,366,367	1,753	2,367,390
Depreciation for the year	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**
Balance as of January 1, 2023	$ 974,270	2,196,561	1,081	3,171,912
Depreciation for the year	109,861	1,477,045	1,061	1,587,967
Reductions	(2,492)	(1,275,323)	(384)	(1,278,199)
Transferred to non-current assets held for sale	(78,396)	(1,042,153)	-	(1,120,549)
Effect of movement in exchange rate	(3,973)	10,237	(5)	6,259
Balance as of December 31, 2023	**$ 999,270**	**1,366,367**	**1,753**	**2,367,390**
Carrying value:				
Balance as of December 31, 2024	**$ 2,911,743**	**3,341,755**	**1,786**	**6,255,284**
Balance as of January 1, 2023	**$ 3,384,921**	**2,789,472**	**1,741**	**6,176,134**
Balance as of December 31, 2023	**$ 2,843,357**	**2,082,228**	**3,056**	**4,928,641**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Other financial assets and other assets

Other financial assets and other assets were as follows:

	December 31, 2024	December 31, 2023
Other financial assets - current	$ 3,931,524	5,571,740
Other financial assets - non-current	508,315	401,139
Other current assets	7,241,690	3,748,863
Other non-current assets	70,434	198,912
	$ 11,751,963	**9,920,654**

(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, rights to the returned goods, and others.

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

(m) Short-term loans

	December 31, 2024	December 31, 2023
Unsecured bank loans	**$ 23,818,649**	**45,164,344**
Range of interest rate	**1.47%~6.5%**	**0.75%~6.58%**

The Group has no related assets pledged as collateral for bank loans. Please refer to Note 8 for details.

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

	December 31, 2024	December 31, 2023
Other current liabilities	$ 10,917,182	11,499,756
Other non-current liabilities	5,902,756	5,600,820
	$ 16,819,938	**17,100,576**

(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

(o) Long-term loans

The details, terms and conditions were as follows:

	December 31, 2024	December 31, 2023
Unsecured bank loans	$ 18,071,428	20,282,414
Secured bank loans	229,906	255,478
	18,301,334	20,537,892
Less: current portion	(3,775,061)	(3,752,009)
Total	**$ 14,526,273**	**16,785,883**
Range of interest rate	**1.1%~6.23%**	**0.95%~6.40%**

(i) For the interest expenses of the Group for the years ended December 31, 2024 and 2023, please refer to Note 6(y).

(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.

(p) Bonds payable

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

	December 31, 2024	December 31, 2023
Ordinary corporate bonds issued	$ 22,400,000	30,400,000
Unamortized discount on bonds payable	(8,690)	(15,611)
Bonds payable, end of the year	22,391,310	30,384,389
Less: current portion	(7,500,000)	(8,000,000)
	$ 14,891,310	**22,384,389**

	For the years ended December 31	
	2024	2023
Interest expense	**$ 186,962**	**227,198**

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 July 4, 2017 and December 29, 2017, respectively. The offering information and main rights and obligations were as follows:

Item	1st unsecured ordinary bonds issued in 2017
1.Issuing amount	The Bonds are issued at $7,000,000 thousand, which comprise Tranche A, Tranche B and Tranche C. The issuing amounts of Tranche A, Tranche B and Tranche C are $3,000,000 thousand, $2,000,000 thousand and $2,000,000 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 July 13, 2017 and matures on July 13, 2020. The issuance period of Tranche B commences from July 13, 2017 and matures on July 13, 2022. The issuance period of Tranche C commences from July 13, 2017 and matures on July 13, 2024.
5.Coupon rate	Tranche A, B and C bear annual coupon rates of 0.91%, 1.06% and 1.20%, 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 no calculation of extra interest.
8.Guarantee	The Bonds are unsecured ordinary corporate bonds.

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.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Item	2nd unsecured ordinary bonds issued in 2017
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 and 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 on June 13, 2026.
5.Coupon rate	Tranche A, and B bear annual coupon rates of 0.85% and 0.95%, 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 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:

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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.

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.
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 Group’ 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.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The offering Information and main rights and obligations was 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.

(q) Lease liabilities

The Group's lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	$ 604,836	529,806
Non-current	$ 1,920,453	1,688,735

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

The amounts recognized in profit or loss were as follows:

	For the years ended December 31	
	2024	2023
Interest on lease liabilities	$ 166,991	125,932
Variable lease payments not included in the measurement of lease liabilities	$ 56,445	39,075
Income from sub-leasing right-of-use assets	$ 241	882
Expenses relating to short-term leases	$ 74,264	100,758
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	$ 5,186	15,932
Covid-19 related rent concessions	$ -	19

(Continued)

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

	For the years ended December 31	
	2024	**2023**
Total cash outflow for leases	$ 1,302,368	1,704,282

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.

(r) Employee benefits

(i) Defined benefit plans

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

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	$ 270,085	267,111
Fair value of plan assets	(246,805)	(219,815)
Net defined benefit liabilities	$ 23,280	47,296

The Group's employee benefit liabilities were as follows:

	December 31, 2024	December 31, 2023
Short-term employee benefits liabilities	$ 518,522	462,368
Cash-settled share-based payment liabilities	7,475	65,730
Total employee benefit liabilities	$ 525,997	528,098

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.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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.

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, 2024 and 2023 were as follows:

	For the years ended December 31	
	2024	**2023**
Defined benefit obligation, January 1	$ 267,111	236,933
Current service costs and interest	17,227	20,649
Re-measurements of the net defined benefit liability		
－Actuarial gains arising from changes in demographic assumptions	1,799	2,882
－Actuarial losses arising from changes in financial assumption	(11,670)	6,079
－Experience adjustments	(377)	1,759
Effect of movements in exchange rates	(648)	1,646
Benefits paid by the plan	(3,357)	(2,837)
Defined benefit obligation, December 31	**$ 270,085**	**267,111**

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, 2024 and 2023 were as follows:

	For the years ended December 31	
	2024	**2023**
Fair value of plan assets, January 1	$ 219,815	210,644
Interests revenue	2,928	3,152
Re-measurements of the net defined benefit liability		
－Experience adjustments	18,842	459
Contributions made	5,220	5,560
Fair value of plan assets, December 31	**$ 246,805**	**219,815**

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, 2024 and 2023 were as follows:

	For the years ended December 31	
	2024	2023
Current service cost	$ 13,810	16,272
Net interest on net defined benefit liability	489	1,225
	$ 14,299	**17,497**

	For the years ended December 31	
	2024	2023
Operating costs	$ 1,128	946
Operating expenses	13,171	16,551
	$ 14,299	**17,497**

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, 2024 and 2023 were as follows:

	For the years ended December 31	
	2024	2023
Cumulative amount, January 1	$ 47,063	36,802
Recognized during the year	(29,090)	10,261
Cumulative amount, December 31	**$ 17,973**	**47,063**

6) Actuarial assumptions

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

	December 31, 2024	December 31, 2023
Discount rate	1.40%～1.75%	1.31%～1.58%
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 $8,574 thousand.

The weighted-average duration of the defined benefit plans is between 2 and 20 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, 2024 and 2023, 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, 2024		
Discount rate	(16,994)	18,684
Future salary increase rate	18,296	(16,822)
December 31, 2023		
Discount rate	(18,093)	19,916
Future salary increase rate	19,445	(17,863)

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, 2024 and 2023 were amounted to $2,938,807 thousand and $4,381,974 thousand, respectively.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(s) Income tax

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

	For the years ended December 31	
	2024	**2023**
Current income tax expense		
Current period incurred	$ 4,714,189	4,938,032
Prior years income tax adjustment	(93,549)	(213,848)
Tax on undistributed surplus earnings	210,099	886,521
	4,830,739	5,610,705
Deferred tax expense		
The origination and reversal of temporary differences	3,240,105	1,283,755
Income tax expense	**$ 8,070,844**	**6,894,460**

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

	For the years ended December 31	
	2024	**2023**
Items that will not be reclassified to profit or loss:		
Remeasurements of the net defined benefit plans	**$ 1,159**	**(582)**
Items that will be reclassified to profit or loss:		
Exchange differences on translation of foreign financial statements	**$ 2,253**	**4,346**

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

	For the years ended December 31	
	2024	**2023**
Profit before income	$ 27,224,348	24,307,253
Income tax expense at the statutory rates	7,674,088	5,767,125
Permanent differences	3,348,978	(1,384,531)
Changes in unrecognized temporary differences	(3,585,008)	987,561
Oversea dividends received	39,109	180,230
Prior years income tax adjustment	(93,549)	(213,848)
Tax on undistributed surplus earnings	210,099	886,521
Others	477,127	671,402
	$ 8,070,844	**6,894,460**

(Continued)

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, 2024 and 2023, 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, 2024	December 31, 2023
The aggregate temporary differences associated with investments in subsidiaries	$ **93,469,799**	**82,359,587**
Unrecognized deferred tax liabilities	$ **18,693,960**	**16,471,917**

2) Unrecognized deferred tax assets

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

	December 31, 2024	December 31, 2023
Deductible temporary differences	$ 652,095	974,086
Tax losses	712,641	1,753,615
	$ **1,364,736**	**2,727,701**

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, 2024, 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	2014~2024	$ 3,140,570	2024~2034
ASROCK and its subsidiaries	2021~2024	190,062	2031~2034
PEGATRON and its subsidiaries	2020~2024	213,343	2030~2034
		$ **3,543,975**	

3) Recognized deferred tax assets and liabilities

The movements in deferred tax assets and liabilities for the years ended December 31, 2024 and 2023 were as follows:

	Gain on foreign investments	Others	Total
Deferred tax liabilities:			
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**
Balance as of January 1, 2023	$ 1,347,510	542,152	1,889,662
Recognized in loss	590,620	181,848	772,468
Recognized in other comprehensive income	4,453	28	4,481
Exchange differences on translation	(32,402)	(1,043)	(33,445)
Balance as of December 31, 2023	**$ 1,910,181**	**722,985**	**2,633,166**

	Provision for Contingent Service Cost	Loss on valuation of inventory	Unrealized expenses	Others	Total
Deferred tax assets:					
Balance as of January 1, 2024	$ 75,545	840,434	552,653	755,689	2,224,321
Recognized in (loss) profit	(55,909)	(310,406)	357,298	457,843	448,826
Recognized in other comprehensive income	-	-	(946)	(810)	(1,756)
Loss of control of a subsidiary	-	80,224	-	-	80,224
Exchange differences on translation	-	3,336	(3,694)	28,315	27,957
Balance as of December 31, 2024	**$ 19,636**	**613,588**	**905,311**	**1,241,037**	**2,779,572**
Balance as of January 1, 2023	$ 145,015	932,788	858,894	858,047	2,794,744
Recognized in loss	(69,470)	(31,010)	(315,035)	(95,772)	(511,287)
Recognized in other comprehensive income	-	-	53	664	717
Transferred to non-current assets held for sale	-	(61,795)	-	-	(61,795)
Exchange differences on translation	-	451	8,741	(7,250)	1,942
Balance as of December 31, 2023	**$ 75,545**	**840,434**	**552,653**	**755,689**	**2,224,321**

(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

(t) Capital and other equity

(i) Issuance of ordinary shares

Reconciliation of shares outstanding for the years ended December 31, 2024 and 2023 was as follows:

	Ordinary Shares (In thousands of shares) For the years ended December 31	
	2024	**2023**
Balance as of January 1	2,664,224	2,666,923
Expiration of restricted shares of stock issued to employees	(1,047)	(2,699)
Balance as of December 31	**2,663,177**	**2,664,224**

For the years ended December 31, 2024 and 2023, the Company had retired 1,158 thousand and 3,288 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 2,663,188 thousand and 2,664,346 thousand shares were issued and outstanding as of December 31, 2024, and 2023, respectively. All share proceeds from outstanding capital have been collected.

As of December 31, 2024, and 2023, the restricted Company shares of stock issued to employees have expired, of which 11 thousand and 122 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, 2024 and 2023 the Company has listed, in total, 225 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 1,126 thousand and 1,126 thousand shares of stock, respectively. Major terms and conditions for GDRs were as follows:

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.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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, 2024	December 31, 2023
Premium from issuance of share capital	$ 68,617,492	68,106,944
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	2,448,761	2,273,401
Changes in equity of associates accounted for using equity method	738,265	372,610
Changes in ownership interest in subsidiaries	1,499,683	1,524,450
Employee stock options	1,304	6,094
Restricted stock to employees	61,579	380,702
Other	409,917	409,917
	$ 84,898,529	**84,195,646**

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 solution of the Board of Directors and present for approval in the shareholder's meeting.

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.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 March 13, 2025, the Company's Board of Directors resolved to distribute cash dividends for the appropriation of the 2024 earnings. The earnings were appropriated as follows:

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

On June 14, 2024 and June 15, 2023, the Company's shareholders' meeting resolved to appropriate the 2023 and 2022 earnings. The earnings were appropriated as follows:

	For the years ended December 31	
	2023	**2022**
Common stock dividends per share (dollars)		
－Cash	$ **4.00**	**4.00**

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, 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 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**
Balance as of January 1, 2023	$ (7,603,630)	79,970	(68,877)	(7,592,537)
Exchange differences on foreign operations	751,266	-	-	751,266
Exchange differences on associates and joint ventures accounted for using equity method	(507,625)	-	-	(507,625)
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	295,285	-	295,285
Unearned compensation	-	-	(56,394)	(56,394)
Balance as of December 31, 2023	**$ (7,359,989)**	**375,255**	**(125,271)**	**(7,110,005)**

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

	For the years ended December 31	
	2024	**2023**
Balance as of January 1	$ 32,807,875	32,079,698
Income attributable to non-controlling interests	2,276,626	1,699,835
Other comprehensive income attributable to non-controlling interests		
Exchange differences on foreign operations	336,091	(23,972)
Remeasurements of defined benefit plans	13,575	(10,268)
Changes in ownership interest in subsidiaries	(145,803)	(171,144)
Changes in non-controlling interests	(682,013)	(766,274)
Balance as of December 31	**$ 34,606,351**	**32,807,875**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(u) Share-based payment

Information on share-based payment transactions as of December 31, 2024 and 2023 were as follows:

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

Note A : 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.

On June 14, 2024, the shareholders' meeting issue 45,000 thousand shares of restricted employee rights shares, limited to full-time employees who meet specific criteria. This has been reported to and approved by the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C..

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.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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	
	Issued in 2020-2	Issued in 2020-1
Fair value at grant date	05/11/2021	09/22/2020
Stock price at grant date (dollars)	$ 69.30	63.20
Exercise price (dollars)	10.00	10.00
Expected duration of the option	4 years	4 years
Current market price of the underlying stock (dollars)	69.30	63.20
Expected volatility	25.25%~28.65%	27.76%~31.92%
Expected dividend yield	-%	-%
Risk-free interest rate	(Note A)	(Note B)

Note A : 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.

Note B : 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.

(ii) Restricted stock awards

For the years ended December 31, 2024 and 2023, 1,047 thousand and 2,699 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 years ended December 31, 2024 and 2023 were as follows:

	For the years ended December 31	
	2024	2023
Expenses resulting from the issuance of new shares of restricted stock awards	$ 221,688	249,232

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Subsidiary's share-based payments

(i) New shares of restricted stock awards of AZUREWAVE

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.

For the year ended December 31, 2024, AZUREWAVE's employees entitled to restricted employees new shares fail to meet vesting conditions. Thus, AZUREWAVE passed the resolution on March 8 and May 8, 2024 to cancel all repurchased restricted employee new shares of 28.8 thousand and 14 thousand. The date of the capital reduction was March 15 and May 15, 2024, respectively.

For the year ended December 31, 2023, AZUREWAVE's employees entitled to restricted employees new shares fail to meet vesting conditions. Thus, AZUREWAVE passed the resolution on May 10, August 8, November 8, 2023 to cancel all repurchased restricted employee new shares of 20.4 thousand, 88 thousand and 32.8 thousand. The date of the capital reduction was May 15, August 15 and November 15, 2023, respectively.

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, 2024 and 2023, respectively, were as follows:

	For the years ended December 31	
	2024	**2023**
Expenses resulting from equity-settled share-based payment	$ 5,331	17,343

(ii) New shares of restricted stock awards of ASROCK

1) ASROCK

On August 20, 2021 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 28, 2021, 2,283 thousand shares were actually issued with a fair value of $145 per share at the grant date and the allotted shares could be subscribed at $10 per share.

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 a nil value per share at the grant date.

As of December 31, 2024, 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)	August 20, 2021	2,300	3 years	Service period and fulfillment of performance conditions (Note 2)
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: The performance conditions include the listing of shares of ASROCK 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 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.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) ASRock Rack

As of December 31, 2024, the share-based payment transactions issued by ASRock Rack 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)	June 30, 2022	2,300	3 years and 6 months	2 years of service vested 50% 3 years of service vested 50%
New shares of restricted stock awards	August 22, 2024	2,000	4 years	1 years of service vested 25% 2 years of service vested 25% 3 years of service vested 25% 4 years of service vested 25%

Note: After the employee stock option is issued, except when ASRock Rack's securities with common share convertible right or stock option are converted to common stock or issue new shares as employee bonus, if ASRock Rack’s common shares increase, and in the event of capital reduction for reasons other than treasury stock cancellation thereby causing a decrease in common shares and if ASRock Rack distributes common share cash dividends which account for more than 1.5% of current share price, ASRock Rack would make adjustment in accordance with ASRock Rack’s employee stock option certificate issuance and stock subscription measures.

If ASRock Rack is required to apply for a public issuance of shares due to its anticipated listing onto emerging stock board, it is exempted from the provisions of item 1 of the employee share option measures, and the option certificates without the right to exercise shall be automatically accelerated in process without the restrictions of aforementioned expiration and proportion. Within 60 days from receiving the note of public issuance date from ASRock Rack, the employee share option holder shall exercise all or part of options. If such options are not subscribed by the deadline, the right to share subscription shall be deemed abandoned, and the option holder shall not further exercise the right to share subscription.

a) Employee stock option plan

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 ASRock Rack.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	For the years ended December 31			
	2024		2023	
June 30, 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	-	$ -	2,300	$ 19.45
Granted during the period	-	-	-	-
Expired during the period	-	-	(80)	19.45
Exercised during the period	-	-	(2,220)	19.45
Outstanding as of December 31	-	-	-	-
Exerisable as of December 31	-	-	-	-

As of December 31, 2024 and 2023, related information about outstanding options on the share-based payment was as follows:

December 31, 2024

There is no such thing.

	Exercise price (dollars)(Note)	Weighted-average residual duration (years)
December 31, 2023		
Outstanding option	$ 19.45	-

Note: Adjustment of the exercise price according to regulations of employee stock option plan.

On June 13, 2023, ASRock Rack notified the option holders of the resolution for public issuance. The option certificates which do not have the right to exercise according to the Employee Share Option Measures shall be automatically accelerated in process without the original expiry date and proportion restrictions.

b) New shares of restricted stock awards

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 2000 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, 2000 thousand shares were actually issued with a value of 32.59 dollars per share at the grant date.

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)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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.

3) ASRock Industrial

As of December 31, 2024, 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
Employee stock option plan (Note)	April 20, 2021	2,200	3 years and 6 months	1 year of service vested 35% 2 years of service vested 35% 3 years of service vested 30%
Employee stock option plan (Note)	July 8, 2022	2,100	3 years and 6 months	2 years of service vested 50% 3 years of service vested 50%
New shares of restricted stock awards	November 9, 2024	2,000	4 years	1 year of service vested 25% 2 years of service vested 25% 3 years of service vested 25% 4 years of service vested 25%

Note: After the employee stock option is issued, except when ASRock Industrial' s securities with common share convertible right or stock option are converted to common stock or issue new shares as employee bonus, if ASRock Industrial' s common shares increase, and in the event of capital reduction for reasons other than treasury stock cancellation thereby causing a decrease in common shares and if ASRock Industrial distributes common share cash dividends which account for more than 1.5% of current share price, ASRock Industrial would make adjustment in accordance with the ASRock Industrial' s Employee Stock Option Certificate Issuance and Stock Subscription Measures.

If ASRock Industrial is required to apply for a public issuance of shares due to its anticipated listing onto emerging stock board, it is exempted from the provisions of item 1 of the Employee Share Option Measures, and the option certificates without the right to exercise shall be automatically accelerated in process without the restrictions of aforementioned expiration and proportion. Within 60 days from receiving the note of public issuance date from ASRock Industrial, the employee share option holder shall exercise all or part of options. If such options are not subscribed by the deadline, the right to share subscription shall be deemed abandoned, and the option holder shall not further exercise the right to share subscription.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

a) Employee stock option plan

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.

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

	For the years ended December 31			
	2024		2023	
April 20, 2021	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	-	$ -	1,430	$ 10
Granted during the period	-	-	-	-
Expired during the period	-	-	(18)	10
Exercised during the period	-	-	(1,412)	10
Outstanding as of December 31	-	-	-	-
Exercisable as of December 31	-	-	-	-

As of December 31, 2024 and 2023, related information about outstanding options on the share-based payments was as follows:

December 31, 2024

There is no such thing.

	Exercise price (dollars)(Note)	Weighted-average residual duration (years)
December 31, 2023		
Outstanding option	$ 10.00	-

Note: Adjustment of the exercise price according to regulations of employee stock option plan.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

On May 16, 2023, ASRock Industrial notified the option holders of the resolution for public issuance. The option certificates which do not have the right to exercise according to the Employee Share Option Measures shall be automatically accelerated in process without the original expiry date and proportion restrictions.

	For the years ended December 31			
	2024		2023	
July 8, 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	-	$ -	2,100	$ 16.15
Granted during the period	-	-	-	-
Exercised during the period	-	-	(14)	16.15
Expired during the period	-	-	(2,086)	16.15
Outstanding as of December 31	-	-	-	-
Exercisable as of December 31	-		-	

As of December 31, 2024 and 2023, the related information about outstanding options on the share-based payments was as follows:

December 31, 2024
There is no such thing.

	Exercise price (dollars) (Note)	Weighted-average residual duration (years)
December 31, 2023		
Outstanding option	$ 16.15	-

Note: Adjustment of the exercise price according to regulations of employee stock option plan.

On May 16, 2023, ASRock Industrial notified the option holders of the resolution for public issuance. The option certificates which do not have the right to exercise according to the Employee Share Option Measures shall be automatically accelerated in process without the original expiry date and proportion restrictions.

b) New shares of restricted stock awards

On September 11, 2024 the shareholders’ meeting of ASRock Industrial 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 2000 thousand shares have been registered with and approved by the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C. On November 21, 2024, 2000 thousand shares were actually issued with a value of 24.77 dollars per share at the grant date.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Type of agreement	Grant date	Number of shares granted (In thousands of shares)	Contract term	Vesting condition
Employee stock option plan (Note 1)	November 21, 2024	2,000	4 years	Fulfillment of Service Period and Performance Conditions (Note 2)

Note 1: The vested restricted stock for employees shall be entrusted and may not be sold, pledged, transferred, gifted to others, created lien or otherwise disposed of in any other manner before the vested conditions are met. According to the parent company' s issuance measures for restricted stock for employees, after the restricted stock for employees are issued, except for the restricted stock for employees that are delivered to a trust and those that do not meet the vested conditions under the parent company's issuance measures, the rights of the other restricted stock are the same as the common shares issued by ASRock Industrial.

Note2: The performance conditions include the listing of shares of ASRock Industrial 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 C, B- to A, or A (inclusive) and above, with respective individual weightings of 0%, 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.

4) ASJade

As of December 31, 2024, 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.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	For the years ended December 31			
	2024		2023	
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	3,240	$ 10	3,240	$ 10
Granted during the period	-	-	-	-
Expired during the period	-	-	-	-
Exercised during the period	(1,086)	10	-	-
Outstanding as of December 31	2,154	10	3,240	10
Exercisable as of December 31	913	10	-	-

As of December 31, 2024 and 2023, the share-based payment transactions issued by ASJade were as follows:

	Exercise price (dollars)	Weighted-average residual duration (years)
December 31, 2024		
Outstanding option	$ 10	7.65
December 31, 2023		
Outstanding option	$ 10	8.65

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, 2024.

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

	For the years ended December 31	
	2024	2023
Expense arising from share-based payment transaction (resulting from equity-settled share-based payment)	$ 125,724	7,503

(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%

(Continued)

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			
	2024		2023	
	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	1,172	$ 78.6	1,517
Granted during the period	78.6	(269)	78.6	(338)
Expired during the period	78.6	(62)	78.6	(7)
Outstanding as of December 31 (In thousand units)	78.6	**841**	78.6	**1,172**

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

	December 31, 2024	December 31, 2023
Exercise price (dollars)	$78.6	78.6
Weighted-average residual duration	2.71 years	3.71 years

3) Expenses resulting from share-based payment

The expenses resulting from share-based payment transactions for the years ended December 31, 2024 and 2023, were as follows:

	For the years ended December 31	
	2024	2023
Expense arising from employee stock options	**$ 5,928**	**11,307**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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

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.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 $130 per share at the grant date.

New shares of restricted stock awards are entitled to purchase shares at the price of $47 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, 2024, 46 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 awards amounted to $507 thousand.

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, 2024, 53 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 $935 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, 2024, 40 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 $246 thousand.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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, 2024, 40 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 $44,952 thousand.

2) KINSUS group subsidiary's employee share-based payments plan

On April 28, 2023, PEGAVISION, a subsidiary of KINSUS, issued new shares to increase cash capital pursuant to the Board's resolution. The record date of the capital increase was September 7, 2023, and a portion of those shares was retained for employees' subscriptions.

The information of the share-based payment transactions was as follows:

	For the year ended December 31, 2023	
	Weighted-average exercise price (dollars)	**Units of stock option (In thousand units)**
Outstanding as of January 1	$ -	-
Granted during the period	310	1,200
Exercised during the period	310	(1,187)
Expired during the period	-	(13)
Outstanding as of December 31		-
Fair value at the grant date (dollars/share)		**$ 49.57**

PEGAVISION adopted the Black-Scholes model to calculate the fair value of the stock options at t廿he grant date, and the assumptions adopted in this valuation model were as follows:

	July 10, 2023
Stock price at the grant date (dollars)	$ 353.97
Exercise price (dollars)	$ 310
Expected volatility rate	40.40%
Expected duration of option	0.142 years
Expected dividends rate	-%
Risk-free interest rate	0.7872%

The fair value at the grant date is evaluated by income method and market method.

The expected volatility rate is based on the annualized standard deviation of the rate of return on the transactions of the previous year.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Employee stock option of KINSUS

	For the years ended December 31	
	2024	2023
Expense arising from share-based payment transaction (resulting from equity-settled shart-based payment)	$ 72,498	114,828

4) KINSUS did not make any cancellation or amendment to share-based payment transactions for the years ended December 31, 2024 and 2023.

5) 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.

(w) Earnings per share

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

	For the years ended December 31	
	2024	2023
Basic earnings per share		
Profit attributable to ordinary shareholders	$ 16,876,878	15,712,958
Weighted-average number of ordinary shares	2,663,585	2,665,262
	$ 6.34	5.90
Diluted earnings per share		
Profit attributable to ordinary shareholders (diluted)	$ 16,876,678	15,712,958
Weighted-average number of ordinary shares	2,663,585	2,665,262
Effect of potentially dilutive ordinary share		
Effect of employee stock compensation	22,392	21,494
Weighted-average number of ordinary shares (diluted)	2,685,977	2,686,756
	$ 6.28	5.85

(x) Revenue from contracts with customers

(i) Disaggregation of revenue

	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**

	For the year ended December 31, 2023		
	DMS	**Strategic Investment Group**	**Total**
Primary geographical markets:			
Europe	$ 570,840,828	5,894,075	576,734,903
. U.S.A.	463,459,723	11,287,922	474,747,645
Taiwan	76,084,842	8,693,157	84,777,999
China	24,873,999	18,422,086	43,296,085
Japan	12,734,261	4,480,707	17,214,968
Other countries	53,199,571	6,812,223	60,011,794
	$ 1,201,193,224	**55,590,170**	**1,256,783,394**

(ii) Contract balances

	December 31, 2024	**December 31, 2023**	**January 1, 2023**
Notes receivable	$ 2,730	4,833	11,200
Accounts receivable	265,266,167	155,061,701	190,423,074
Less: Allowance for impairment	97,644	160,171	187,095
Total	**$ 265,171,253**	**154,906,363**	**190,247,179**
Contract liabilities	**$ 4,917,266**	**5,771,148**	**3,828,212**

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

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, 2024 and 2023.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(y) Remunerations to employees and directors

In accordance with the 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. 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.

For the years ended December 31, 2024 and 2023 the Company estimated its employee remuneration amounting to $1,741,000 thousand and $1,533,000 thousand, and directors' remuneration amounting to $174,000 thousand and $153,000 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, 2024 and 2023. 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, 2024 and 2023.

(z) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the years ended December 31	
	2024	**2023**
Interest income	**$ 5,561,916**	**4,918,316**

(ii) Other income

The details of other income were as follows:

	For the years ended December 31	
	2024	**2023**
Subsidy income	$ 546,084	1,658,940
Rental income	492,231	212,042
Dividend income	202,324	100,434
Technical service income	465,022	749,273
Other income	418,282	627,555
	$ 2,123,943	**3,348,244**

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	
	2024	**2023**
Gains on disposal of investment	$ 2,877,114	-
Foreign exchange gains (losses)	579,436	(347,589)
Gains (losses) on disposal of property, plant and equipment	211,084	(4,751)
Gains on lease modifications	15,072	7,046
Impairment losses on non-financial assets	(19,242)	(19,488)
Net gains on financial assets measured at fair value through profit or loss	1,552,591	476,893
Others	(336,238)	(217,276)
	$ 4,879,817	**(105,165)**

(iv) Finance costs

The details of finance costs were as follows:

	For the years ended December 31	
	2024	**2023**
Interest expenses	$ 1,360,349	2,920,031
Financial expenses-bank fees and factoring fees, etc.	15,861	33,533
	$ 1,376,210	**2,953,564**

(aa) 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, 2024, and 2023, the accounts receivable from the Group’s top three customers amounted to $133,547,113 thousand and $114,857,525 thousand, representing 77% and 74% of accounts receivable, respectively, which exposes the Group to credit risk.

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, 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**
December 31, 2023					
Non-derivative financial liabilities					
Secured bank loans	$ 255,478	255,478	14,125	1,622	239,731
Unsecured bank loans	65,446,758	65,487,407	48,902,228	3,594,381	12,990,798
Unsecured ordinary corporate bonds	30,384,389	30,400,000	8,000,000	7,500,000	14,900,000
Non-interest bearing liabilities	207,428,588	207,428,588	202,009,668	5,418,920	-
Lease liabilities	2,218,541	2,218,541	529,806	316,225	1,372,510
	$ 305,733,754	**305,790,014**	**259,455,827**	**16,831,148**	**29,503,039**

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, 2024			December 31, 2023		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets						
Monetary items						
USD:NTD	$ 14,287,095	32.7900	468,473,845	13,339,684	30.7250	409,861,791
USD:CNY	22,530	7.1884	738,759	25,000	7.0827	768,124
CNY:USD	3,796,067	0.1391	17,315,820	4,857,157	0.1412	21,070,517
INR:USD	9,604,470	0.0117	3,678,236	6,718,773	0.0120	2,482,778

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024			December 31, 2023		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Non-monetary items						
CNY:USD	10,635,962	0.1391	48,530,630	7,157,037	0.1412	31,059,361
Financial liabilities						
Monetary items						
USD:NTD	14,040,030	32.7900	460,372,584	12,997,258	30.7250	399,340,752
USD:CNY	16,184	7.1884	530,674	14,997	7.0827	460,782
CNY:USD	3,226,341	0.1391	14,717,005	2,987,877	0.1412	12,961,515
INR:USD	4,644,750	0.0117	1,778,806	1,376,444	0.0120	508,635

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, 2024 and 2023, would have increased or decreased the net profit after tax by $122,369 thousand and $209,583 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 years ended December 31, 2024 and 2023, foreign exchange gain (loss), including realized and unrealized, amounted to $579,436 thousand and ($347,589) 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 $166,023 thousand and $175,572 thousand for the years ended December 31, 2024 and 2023, 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			
	2024		2023	
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%	$ 111,711	244,099	51,521	239,439
Decrease 3%	$ (111,711)	(244,099)	(51,521)	(239,439)

(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, 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	-	-	-	-

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
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	-	-	-	-

	December 31, 2023				
		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	$ 14,735,835	12,121,382	-	2,614,453	14,735,835
Financial assets at fair value through other comprehensive income					
Stock of listed companies	$ 1,133,702	1,133,702	-	-	1,133,702
Stock of unlisted companies	583,659	-	-	583,659	583,659
Subtotal	$ 1,717,361	1,133,702	-	583,659	1,717,361
Financial assets at amortized cost					
Cash and cash equivalents	$ 97,721,592	-	-	-	-
Notes and accounts receivable	154,906,363	-	-	-	-
Other receivables	431,586	-	-	-	-
Other financial assets	5,972,879	-	-	-	-
Subtotal	$259,032,420	-	-	-	-
Financial liabilities at amortized cost					
Bank loans	$ 65,702,236	-	-	-	-
Non-interest bearing liabilities	207,428,588	-	-	-	-
Lease liabilities	2,218,541	-	-	-	-
Unsecured ordinary corporate bonds	30,384,389	-	-	-	-
Subtotal	$305,733,754	-	-	-	-

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.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

a) Non-derivative financial instruments

Financial instruments mainly hold non-derivative financial instruments. If there are active market quoted prices available, the fair value is determined based on the quoted prices in the active market.

Financial instruments without an active market are unquoted equity instruments whose fair values are estimated using the net asset value method, primarily assuming that value is measured based on the net value of the investee's equity.

4) Transfers between levels of the fair value hierarchy

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

The Group held an investment in equity of AIROHA Technology Corp., which is classified as financial assets at fair value through profit or loss. The fair values $124,055 thousand as of December 31, 2023.

The fair value hierarchy of the investment was categorized as level 3 for the year ended December 31, 2022 since there was no obvious quoted market price in active market, and the Group applied significant unobservable inputs to measure the fair value. However, their shares are listed on the exchange market in October 2023 with quoted market price in active market, so the fair value hierarchy transfers from level 3 to level 1 in 2023.

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, 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

		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, 2023	$	1,584,573	529,534	2,114,107
Total gains and losses recognized:				
In profit or loss		32,748	-	32,748
In other comprehensive income		-	35,696	35,696
Acquired		1,117,161	19,659	1,136,820
Disposals		(11,500)	-	(11,500)
Effect of movement in exchange rate		6,281	(1,230)	5,051
Transferred out from Level 3.		(114,810)	-	(114,810)
Balance as of December 31, 2023	$	**2,614,453**	**583,659**	**3,198,112**

For the years ended December 31, 2024 and 2023, 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	
		2024	**2023**
Total gains and losses recognized:			
In profit or loss and presented in "other gains and losses"	$	**124,152**	**32,748**
In other comprehensive income, and presented in "unrealized gains from financial assets at fair value through other comprehensive income"	$	**(122,931)**	**35,696**

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.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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-equity investments without an active market	Market Approach	·The multiplier of price-to-book ratio (As of December 31, 2024 and December 31, 2023, were 1.8~9.9 and 3.8, respectively.) ·Price to sales ratio (As of December 31, 2024, was 6.1~9.6.) ·Market illiquidity discount (As of December 31, 2024 and December 31, 2023, were 20~40% and 20%.)	The estimated fair value would increase (decrease) if: ·the multiplier was higher (lower). ·the market illiquidity discount was lower (higher).
Financial assets at fair value through profit or loss-debt investments without an active market	Market Approach	·The multiplier of price-to-book ratio (As of December 31, 2024, was 8.5~10.7.) ·Price to sales ratio (As of December 31, 2024 and December 31,2023, were 1.6~12.1 and 10, respectively.) ·Market illiquidity discount (As of December 31, 2024 and December 31, 2023, was 20%.)	Same as above.
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, 2024 and December 31, 2023, were 1.5~12.3 and 1.5~5.7, respectively.) ·Price to sales ratio (As of December 31, 2024, was 0.7~9.6.) ·Market illiquidity discount (As of December 31, 2024 and December 31, 2023, was 10~40%, respectively.)	Same as above.
Financial assets at fair value through profit or loss - private fund	Net Asset Value Method	·Net Asset Value	Not applicable
Financial assets at fair value through other comprehensive income-equity investments without an active market	Net Asset Value Method	·Net Asset Value	Not applicable

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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, 2024						
Financial assets at fair value through profit or loss						
Equity investments without an active market	Multiplier of price-to-book ratio	1%	5,914	(5,914)	-	-
Equity investments without an active market	Market illiquidity discount	1%	5,914	(5,914)	-	-
Debt investments without an active market	Price to sales ratio	1%	7,885	(7,885)	-	-
Debt investments without an active market	Market illiquidity discount	1%	7,885	(7,885)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Multiplier of price-to-book ratio	1%	-	-	23,277	(23,277)
Equity investments without an active market	Market illiquidity discount	1%	-	-	23,277	(23,277)
December 31, 2023						
Financial assets at fair value through profit or loss						
Equity investments without an active market	Multiplier of price-to-book ratio	1%	3,619	(3,619)	-	-
Equity investments without an active market	Market illiquidity discount	1%	3,619	(3,619)	-	-
Debt investments without an active market	Price to sales ratio	1%	7,069	(7,069)	-	-
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Multiplier of price-to-book ratio	1%	-	-	5,837	(5,837)
Equity investments without an active market	Market illiquidity discount	1%	-	-	5,837	(5,837)

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.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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, 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)		Net amounts (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral instruments	
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)		Net amounts (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral instruments	
Accounts Receivable and Payable	$ 12,017,937	12,017,937	-	-	-	-
Other financial asset and short-term loan	$ 1,637,722	1,637,722	-	-	-	-

December 31, 2023

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	$ 10,747,449	8,120,157	2,627,292	-	-	2,627,292
Other financial asset and short-term loan	$ 11,185,409	11,185,409	-	-	-	-

December 31, 2023

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	$ 8,120,157	8,120,157	-	-	-	-
Other financial asset and short-term loan	$ 11,185,409	11,185,409	-	-	-	-

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

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ab) 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.

(Continued)

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.

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, 2024.

(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.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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.

2) Interest rate risk

The Group's interest rate risk arises from part of the short-term and long-term loans 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.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ac) 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, 2024	December 31, 2023
Total liabilities	$ 433,052,641	335,451,430
Less: cash and cash equivalents	(121,625,346)	(97,721,592)
Net debt	**311,427,295**	**237,729,838**
Total capital (Note)	**$ 553,126,779**	**459,347,604**
Debt to equity ratio	**56.30%**	**51.75%**

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

Management believes that there were no significant changes in the Group's approach to capital management for the years ended December 31, 2024 and 2023.

(ad) Financing activities not affecting current cash flow

For the years ended December 31, 2024 and 2023, reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2024	**Cash flows**	**Foreign exchange movement**	**Other (Note)**	**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**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	January 1, 2023	Cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Other	December 31, 2023
Long-term loans	$ 16,998,898	3,528,075	247	10,672	20,537,892
Short-term loans	79,589,451	(34,425,107)	-	-	45,164,344
Bonds payable	34,876,992	(4,500,000)	-	7,397	30,384,389
Lease liabilities	2,888,601	(1,422,604)	54,518	698,026	2,218,541
Total liabilities from financing activities	$ 134,353,942	(36,819,636)	54,765	716,095	98,305,166

Note: Other includes loss of control and reclassification of non-current assets (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
PEGAGLOBE (KUNSHAN) CO., LTD. (PEGAGLOBE KUNSHAN)	An associate (Note)
PEGAGLOBE (SHANGHAI) CO., LTD. (PEGAGLOBE SHANGHAI)	An associate (Note)
ADVANTECH CO., LTD.	Substantive related party
ADVANTECH TECHNOLOGY (CHINA) CO., LTD.	Substantive related party
Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd.	Substantive related party
FUYANG TECHNOLOGY CORPORATION (FUYANG)	Other related party (Note 1)
STARLINK ELECTRONICS CORPORATION (STARLINK)	Other related party (Note 1)

Note: Companies above were no longer the Group's subsidiaries but the Group's associates since the Group had lost control over the companies as of June 28, 2024. For more details, please refer to Note 6(h).

Note 1: 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, 2024, the liquidation process had not yet been completed.

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	
	2024	2023
Associates	$ 1,182,867	663,352
Other related parties	43,741	73,804
	$ 1,226,608	737,156

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 PEGAGLOBE KUNSHAN and PEGAGLOBE SHANGHAI.

(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	
	2024	2023
Associates	$ 54,446,277	384,669
Other related parties	29	-
	$ 54,446,306	384,669

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 PEGAGLOBE KUNSHAN and PEGAGLOBE SHANGHAI.

(iii) Accounts receivable from related parties

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

Account	Relationship	December 31, 2024	December 31, 2023
Accounts receivable	Associates-PEGAGLOBE KUNSHAN (Note)	$ 50,152,696	-
〃	Associates-PEGAGLOBE SHANGHAI (Note)	42,178,855	-
〃	Associates	-	6,775
〃	Other related parties	10,135	-
		$ 92,341,686	6,775

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Account	Relationship	December 31, 2024	December 31, 2023
Other receivables	Associates-PEGAGLOBE KUNSHAN (Note)	241,222	-
〃	Associates-PEGAGLOBE SHANGHAI (Note)	315,660	-
〃	Associates	19,120	21,116
〃	Other related parties	505,236	-
		$ **1,081,238**	**21,116**

Note: Receivables pertaining to selling of material for processing, selling of machinery and dividends have been written off due to the loss of control over PEGAGLOBE KUNSHAN and PEGAGLOBE SHANGHAI.

(iv) Payables to related parties

The payables to related parties were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Accounts payable	Associate-PEGAGLOBE KUNSHAN (Note)	$ 65,585,928	-
〃	Associate-PEGAGLOBE SHANGHAI (Note)	38,724,152	-
〃	Associates	452,666	783,419
		$ **104,762,746**	**783,419**

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

(c) Transactions with key management personnel

Compensation for key management personnel was as follows:

	For the years ended December 31	
	2024	**2023**
Short-term employee benefits	$ 440,124	477,336
Post-employment benefits	4,481	4,589
Share-based payments	71,145	59,485
	$ **515,750**	**541,410**

Please refer to Notes 6(u) and 6(v) 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, 2024	December 31, 2023
Other financial asset-restricted deposit	Post-release duty deposits, customs duty, lease deposits, travel agency guarantee, etc.	$ 148,676	124,937
Property, plant and equipment	Bank loans	351,050	309,637
Other financial asset-guarantee deposits	Customs duty guarantee, litigation guarantee, rental deposits, and deposits for performance guarantee	51,167	62,565
		$ 550,893	497,139

(9) Commitments and contingencies

(a) Significant commitments and contingencies

(i) Unused standby letters of credit:

	December 31, 2024	December 31, 2023
JPY	$ 2,109,290	4,517,542
USD	11,231	7,216
EUR	533	-

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

	December 31, 2024	December 31, 2023
NTD	$ 6,591	3,930

(iii) As of December 31, 2024, and 2023, the significant contracts for purchase of properties by the Group amounted to $22,398,036 thousand and $33,336,088 thousand, of which $5,832,550 thousand and $11,994,193 thousand, respectively, were unpaid.

(iv) As of December 31, 2024, and 2023, the Group issued a tariff guarantee of $451,197 thousand and $732,449 thousand, respectively, to the bank for the purpose of importing goods.

(10) Losses due to major disasters: None.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(11) Subsequent events:

(i) On January 17, 2025, the Group acquired approximately 633,200 thousand of special share from Lambda, Inc. Series D-1.

(ii) On January 24, 2025, the Board of Directors of our subsidiary, Pegatron Technology India Private Limited, approved a cash capital increase to be subscribed by strategic investor, resulting in a decrease in our shareholding percentage and loss of control over the subsidiary.

(12) Others

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

	For the years ended December 31					
By function	2024			2023		
By item	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	$ 24,087,601	16,779,764	40,867,365	34,560,500	16,369,705	50,930,205
Health and labor insurance	2,197,075	1,114,991	3,312,066	3,465,553	1,159,007	4,624,560
Pension	2,196,496	756,610	2,953,106	3,515,817	883,654	4,399,471
Others	1,466,443	928,297	2,394,740	1,342,065	841,243	2,183,308
Depreciation	11,524,660	4,019,769	15,544,429	12,706,182	2,474,335	15,180,517
Amortization	44,102	109,372	153,474	45,985	101,228	147,213

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	
	2024	2023
Depreciation in investment property	$ 3,160	3,009

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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	Securities held at the reporting date (excluding investment in subsidiaries, associates and joint ventures)	Table 3
4	Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock	Table 4
5	Acquisition of real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock	Table 5
6	Disposal of real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock	Table 6
7	Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock	Table 7
8	Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock	Table 8
9	Trading in derivative instruments	None
10	Information on investees (excluding investees in Mainland China)	Table 9
11	Information on investment in Mainland China	Table 10
12	Business relationships and significant inter-company transactions	Table 11

(b) Information on investees:

Please refer to Table 9 for the information on investees (excluding investees in Mainland China) for the year ended December 31, 2024.

(c) Information on investment in Mainland China: Please refer to Table 10.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Major shareholders:

Shareholder's Name	Shares	Percentage
ASUSTEK COMPUTER INC.	448,506,484	16.84 %

(14) Segment information

(a) Reportable segment profit or loss, segment assets, segment liabilities, and their measurement and reconciliations

The Group uses the internal management report that the chief operating decision-maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, excluding any extraordinary activity and foreign exchange gains or losses, because taxation, extraordinary activity and foreign exchange gains or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that in the report used by the chief operating decision-maker.

The operating segment accounting policies are similar to the ones described in Note 4 "Significant accounting policies" except for the recognition and measurement of pension cost, which is on a cash basis. The Group treated intersegment sales and transfers as third-party transactions. They are measured at market price.

Please refer to Note 6(x) for the information on revenue for the years ended December 31, 2024 and 2023. The Group's operating segment information and reconciliation were as follows:

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**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the year ended December 31, 2023	DMS	Strategic Investment Group	Adjustment and Eliminations	Total
Revenue:				
Revenue from external customers	$ 1,200,846,199	55,937,195	-	1,256,783,394
Intersegment revenues	347,025	524,740	(871,765)	-
Total revenue	**$ 1,201,193,224**	**56,461,935**	**(871,765)**	**1,256,783,394**
Share of profit of associates and joint ventures accounted for using equity method	**$ 4,748,231**	**4,346,764**	**(4,748,231)**	**4,346,764**
Reportable segment profit or loss	**$ 21,615,869**	**7,439,615**	**(4,748,231)**	**24,307,253**
Assets:				
Investments accounted for using equity method	**$ 79,548,571**	**31,940,397**	**(79,548,571)**	**31,940,397**
Reportable segment assets	**$ 485,364,901**	**156,952,639**	**(85,248,343)**	**557,069,197**
Reportable segment liabilities	**$ 296,555,009**	**44,596,192**	**(5,699,771)**	**335,451,430**

(b) Geographic information

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

Region	December 31, 2024	December 31, 2023
Non-current assets:		
Taiwan	$ 56,745,786	56,835,779
China	16,987,933	22,852,580
Others	24,700,827	18,089,678
Total	**$ 98,434,546**	**97,778,037**

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.

(c) Major customers

Major customers from DMS in 2024 and 2023 were as follows:

	For the years ended December 31	
Customer	2024	2023
A	$ 667,767,666	732,256,963
B	115,308,179	189,287,841
C	86,397,211	73,930,264
	$ 869,473,056	**995,475,068**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 1: Loans to other parties
(December 31, 2024)

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	MAINTEK	COTEK SUZHOU	Other Receivables	Y	1,642,150	-	-	0.59%	2	-	Financing necessities	-	-	-	29,714,814	29,714,814
2	ASUSPOWER	PEGATRON	Other Receivables	Y	6,046,396	3,534,762	3,534,762	0.00%	2	-	Business operation	-	-	-	7,067,537	7,067,537
2	ASUSPOWER	ASUSPOWER INVESTMENT	Other Receivables	Y	655,800	655,800	442,665	0.00%	2	-	Business operation	-	-	-	2,120,261	4,240,522
3	PEGA HOLDING	PEGATRON	Other Receivables	Y	29,848,735	29,796,273	29,796,273	0.00%	2	-	Business operation	-	-	-	106,201,262	106,201,262
4	UNIHAN	PEGATRON	Other Receivables	Y	2,219,128	2,170,042	2,170,042	0.00%	2	-	Business operation	-	-	-	7,214,818	7,214,818
5	CASETEK	PEGATRON	Other Receivables	Y	151,078	150,834	150,834	0.00%	2	-	Business operation	-	-	-	4,980,365	4,980,365
6	KTL	PEGATRON	Other Receivables	Y	524,640	524,640	524,640	0.00%	2	-	Business operation	-	-	-	556,435	556,435
6	KTL	PEL	Other Receivables	Y	492,645	-	-	5.12%	2	-	Business operation	-	-	-	556,435	556,435
7	DIGITEK CHONGQING	KAI-CHUAN	Other Receivables	Y	197,058	196,740	196,740	0.83%	2	-	Financing necessities	-	-	-	6,430,500	6,430,500
8	CASETEK SUZHOU	PROTEK SHANGHAI	Other Receivables	Y	1,381,002	1,368,456	1,368,456	1.20%	2	-	Financing necessities	-	-	-	2,839,092	2,839,092
9	RI-TENG	RI-PRO	Long-Term Accounts Receivable	Y	138,100	136,846	136,846	1.00%	2	-	Operational need	-	-	-	5,953,031	5,953,031
9	RI-TENG	PROTEK SHANGHAI	Short-Term Accounts Receivable	Y	4,603,340	4,561,520	4,561,520	2.10%	2	-	Operational need	-	-	-	5,953,031	5,953,031
10	CASETEK CAYMAN	PEGATRON	Short-Term Accounts Receivable	Y	2,627,440	2,623,200	2,623,200	0.00%	2	-	Operational need	-	-	-	51,466,058	51,466,058
11	ASIAROCK	Calrock	Internal Dealings	Y	262,320	262,320	262,320	4.00%	2	-	Financing need	-	-	-	655,800	655,800

Note 1: Reference for the nature of loan column

(1) The borrower has business contact with the creditor, please fill in 1.

(2) The borrower has short-term financing necessities, please fill in 2.

Note 2: Calculation for the ceiling on total loans granted

Ceiling on total loans granted

According to MAINTEK's policy for loans granted, the ceiling on total loans granted to all parties is 100% of net worth of MAINTEK.

While granting loans to Taiwan subsidiaries which are directly or indirectly not wholly-owned by the Company are as follows: ceiling on total loans granted to which is 40% of net worth of MAINTEK.

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 MAINTEK.

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

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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.
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 policy for loans granted, the ceiling on total loans granted to all parties is 40% of net worth of ASIAROCK.
While there is no limitation to granting loans between foreign subsidiaries which are directly or indirectly wholly-owned by the Company.

Ceiling on total loans granted to single party

According to MAINTEK's policy for loans granted, the ceiling on total loans granted to single party is 50% of net worth of MAINTEK.
While granting loans to Taiwan subsidiaries which are directly or indirectly not wholly-owned by the Company are as follows: ceiling on total loans granted to which is 40% of net worth of MAINTEK.
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 MAINTEK.
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 policy for loans granted, the ceiling on total loans granted to single party is 15% of net worth of ASIAROCK.
While there is no limitation to granting loans between foreign subsidiaries which are directly or indirectly wholly-owned by the Company.

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

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 2: Guarantees and endorsements for other parties
(December 31, 2024)

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)	335,083	35,533	35,476	35,476	-	2.12 %	837,708	N	N	N
2	ASROCK	ASIAROCK	(2)	6,509,997	2,627,440	2,623,200	2,006,748	-	28.21 %	6,509,997	Y	N	N
2	ASROCK	ASRock Rack	(2)	2,789,999	1,970,580	1,967,400	1,967,400	-	21.15 %	2,789,999	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.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 3: Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures)
（December 31, 2024）

Expressed in thousands of NTD

Securities held by	Marketable securities: Category	Marketable securities: Item	Relationship	General ledger account	As of December 31, 2024: 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 amortized cost	800	800,000	N/A	800,000	
	Stock	Ability Enterprise Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	17,995,300	1,182,291	6.22%	1,182,291	
	Stock	Airoha Technology Corp.	-	Current financial assets at fair value through profit or loss	215,000	151,360	0.13%	151,360	
	Stock	Fubon Financial Holding Co., Ltd. Preferred Shares B	-	Non-current financial assets at fair value through profit or loss	3,500,000	211,750	0.53%	211,750	
	Stock	Ark Semiconductor Inc.	-	Non-current financial assets at fair value through profit or loss	591,298	78,136	4.71%	78,136	
	Fund	China Renewable Energy Fund, LP (CREF)	-	Non-current financial assets at fair value through profit or loss	-	1,366,593	N/A	1,366,593	
	Stock	Taiwan Semiconductor Manufacturing Company Limited	-	Current financial assets at fair value through profit or loss	400,000	430,000	0.00%	430,000	
	Stock	Delta Electronics, Inc.	-	Current financial assets at fair value through profit or loss	290,000	124,845	0.01%	124,845	
	Stock	MediaTek Inc.	-	Current financial assets at fair value through profit or loss	255,000	360,825	0.02%	360,825	
ASUSPOWER INVESTMENT	Stock	Sporton International Inc.	-	Current financial assets at fair value through profit or loss	700	145	0.00%	145	
	Stock	WIN Semiconductors Corp.	-	Current financial assets at fair value through profit or loss	691,000	77,392	0.16%	77,392	
	Stock	Ability Enterprise Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	6,495	427	0.00%	427	
	Stock	Zowie Technology Corporation	-	Non-current financial assets at fair value through other comprehensive income	90,973	-	0.28%	-	
	Stock	Syntronix Corporation	-	Non-current financial assets at fair value through other comprehensive income	6,778	-	0.02%	-	
	Stock	Cognito Health International Inc.	-	Non-current financial assets at fair value through other comprehensive income	1,136,363	9	1.20%	9	
	Fund	AMED Ventures II	-	Non-current financial assets at fair value through profit or loss	-	276,020	N/A	276,020	
	Stock	Valens Semiconductor Ltd.	-	Non-current financial assets at fair value through profit or loss	3,092,412	263,640	2.91%	263,640	
ASUS INVESTMENT	Stock	Batom Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	4,130,000	190,079	11.09%	190,079	
	Stock	Speed Tech Corporation	-	Current financial assets at fair value through profit or loss	8,000,000	464,000	4.58%	464,000	
	Stock	Taiwan Union Technology Corporation	-	Current financial assets at fair value through profit or loss	197,000	33,490	0.07%	33,490	
	Stock	Tong Hsing Electronic Industries, Ltd.	-	Current financial assets at fair value through profit or loss	52,650	7,318	0.03%	7,318	
	Stock	Lightel Corporation	-	Non-current financial assets at fair value through other comprehensive income	2,000,000	96,201	9.27%	96,201	
	Stock	PT Sat Nusapersada Tbk	-	Non-current financial assets at fair value through other comprehensive income	531,434,100	213,288	10.01%	213,288	
	Stock	LIONS Taiwan Technology Inc.	-	Non-current financial assets at fair value through other comprehensive income	5,000,000	82,772	18.22%	82,772	
	Stock	Cruise10 CO., LTD.	-	Non-current financial assets at fair value through other comprehensive income	4,800,000	120,000	18.55%	120,000	
	Fund	NEW ECONOMY VENTURES LP	-	Non-current financial assets at fair value through profit or loss	-	52,424	N/A	52,424	
	Fund	AMED Ventures II	-	Non-current financial assets at fair value through profit or loss	-	241,517	N/A	241,517	
	Fund	AMED Taiwan Dollar Fund	-	Non-current financial assets at fair value through profit or loss	-	243,200	N/A	243,200	
	Stock	Neuroblade	-	Non-current financial assets at fair value through profit or loss	332,680	7,101	0.48%	7,101	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Securities held by	Marketable securities: Category	Marketable securities: Item	Relationship	General ledger account	As of December 31, 2024: Number of shares	As of December 31, 2024: Book value	As of December 31, 2024: Percentage of ownership	As of December 31, 2024: Fair value	NOTE
ASUS INVESTMENT	Stock	Reed Semiconductor	-	Non-current financial assets at fair value through profit or loss	1,194,616	109,391	2.10%	109,391	
ASUSTEK INVESTMENT	Stock	Batom Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	3,076,520	141,594	8.26%	141,594	
	Stock	Cognito Health International Inc.	-	Non-current financial assets at fair value through profit or loss	3,333,333	26	3.52%	26	
	Fund	Noah Green Technology Fund No. 1	-	Non-current financial assets at fair value through profit or loss	-	97,354	N/A	97,354	
HUA-YUAN	Stock	Ethos Original Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	5,000,000	51,799	7.49%	51,799	
	Stock	aiseed Inc.	-	Non-current financial assets at fair value through other comprehensive income	14,849,385	70,000	10.47%	70,000	
Pegapower Investment	Stock	H2 Inc.	-	Non-current financial assets at fair value through profit or loss	790,722	23,745	1.13%	23,745	
Pegatron Investment	Stock	Zettabyte Holdings, Inc.	-	Non-current financial assets at fair value through other comprehensive income	3,030,303	64,360	1.83%	64,360	
Pegatron Venture	Stock	KG Invest TW Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	2,500,000	1,484	3.22%	1,484	
	Stock	Panmedia Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,600,010	31,002	9.89%	31,002	
	Stock	TXOne Networks Inc.	-	Non-current financial assets at fair value through profit or loss	472,726	104,356	0.72%	104,356	
	Stock	BSOS Holdings Inc.	-	Non-current financial assets at fair value through other comprehensive income	5,639,098	32,543	6.30%	32,543	
	Stock	Fansi Me Inc.	-	Non-current financial assets at fair value through other comprehensive income	394,909	6,000	4.84%	6,000	
	Stock	All Win Fintech Company Limited	-	Non-current financial assets at fair value through other comprehensive income	1,258,360	15,100	2.00%	15,100	
	Stock	Humane Inc.	-	Non-current financial assets at fair value through profit or loss	64,065	4,895	0.20%	4,895	
	Stock	YunTan Technology Inc.	-	Non-current financial assets at fair value through other comprehensive income	107,984	8,641	5.00%	8,641	
	Stock	Bestmade Inc.	-	Non-current financial assets at fair value through other comprehensive income	8,434,900	4,074	7.29%	4,074	
	Stock	Wavenet Holding CO., Ltd.	-	Non-current financial assets at fair value through profit or loss	2,379,182	73,621	2.13%	73,621	
	Stock	POMO Network Inc.	-	Non-current financial assets at fair value through other comprehensive income	157,894	8	3.27%	8	
	Stock	Modernity Financial Holdings, Ltd.	-	Non-current financial assets at fair value through profit or loss	143,147	16,505	0.31%	16,505	
	Stock	Sygnum Bank AG	-	Non-current financial assets at fair value through profit or loss	370,879	55,713	0.18%	55,713	
	Stock	FUNP CO., Ltd.	-	Non-current financial assets at fair value through profit or loss	32,677	6,882	0.40%	6,882	
	Stock	StreamTeck Scientific Inc.	-	Non-current financial assets at fair value through profit or loss	414,285	29,000	9.63%	29,000	
	Stock	Return Helper Limited	-	Non-current financial assets at fair value through profit or loss	1,649	9,849	2.57%	9,849	
	Stock	Autopass Inc.	-	Non-current financial assets at fair value through profit or loss	2,083,804	48,043	4.22%	48,043	
	Stock	cacaFly Int'l Media Co.	-	Non-current financial assets at fair value through other comprehensive income	12,872	2,506	0.34%	2,506	
ASUSPOWER	Stock	Tesla, Inc.	-	Current financial assets at fair value through profit or loss	300	3,973	0.00%	3,973	
	Stock	TXOne Networks Inc.	-	Non-current financial assets at fair value through profit or loss	2,181,817	468,025	3.21%	468,025	
	Stock	Humane Inc.	-	Non-current financial assets at fair value through profit or loss	149,486	11,422	0.48%	11,422	
	Stock	CarUX Holding Limited	-	Non-current financial assets at fair value through other comprehensive income	7,218,101	1,602,007	5.02%	1,602,007	
PROTEK SHANGHAI	Stock	Luxshare-ICT Co., Ltd.	-	Current financial assets at fair value through profit or loss	29,845,105	5,410,047	0.41%	5,410,047	
	Bond	Luxshare-ICT Co., Ltd. (Corporate Bond)	-	Current financial assets at fair value through profit or loss	170,816	91,500	N/A	91,500	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Securities held by	Marketable securities		Relationship	General ledger account	As of December 31, 2024				NOTE
	Category	Item			Number of shares	Book value	Percentage of ownership	Fair value	
	Stock	Contemporary Amperex Technology Co., Limited	-	Current financial assets at fair value through profit or loss	5,400	6,447	0.00%	6,447	
RI-KUAN	Stock	Ethos Original Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	5,000,000	50,000	7.49%	50,000	
Lumens	Fund	Fuh Hwa Money Market Fund	-	Current financial assets at fair value through profit or loss	77,562,451	1,162,483	N/A	1,162,483	
KINSUS INVESTMENT	Stock	Ethos Original Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	5,000,000	50,000	7.49%	50,000	
	Stock	Li Chang Finery Inc.	-	Non-current financial assets at fair value through other comprehensive income	32,653	1,000	1.01%	1,000	
PEGAVISION	Fund	Yuanta Wan-Tai Money Market Fund	-	Current financial assets at fair value through profit or loss	366,690	5,784	N/A	5,784	
	Fund	Yuanta De-Li Money Market Fund	-	Current financial assets at fair value through profit or loss	12,569,675	213,727	N/A	213,727	
	Fund	Mega Diamond Money Market Fund	-	Current financial assets at fair value through profit or loss	1,366,785	17,878	N/A	17,878	
	Fund	FSITC Taiwan Money Market Fund	-	Current financial assets at fair value through profit or loss	46,378,169	740,511	N/A	740,511	
Mayin	Fund	Mega Diamond Money Market Fund	-	Current financial assets at fair value through profit or loss	392,329	5,132	N/A	5,132	
	Fund	FSITC Taiwan Money Market Fund	-	Current financial assets at fair value through profit or loss	1,841,751	29,407	N/A	29,407	
BeautyTech	Fund	Yuanta De-Li Money Market Fund	-	Current financial assets at fair value through profit or loss	502,952	8,552	N/A	8,552	
	Fund	Yuanta Wan-Tai Money Market Fund	-	Current financial assets at fair value through profit or loss	2,221,592	35,042	N/A	35,042	
	Fund	FSITC Taiwan Money Market Fund	-	Current financial assets at fair value through profit or loss	3,953,618	63,127	N/A	63,127	
FacialBeau	Fund	FSITC Taiwan Money Market Fund	-	Current financial assets at fair value through profit or loss	138,940	2,218	N/A	2,218	
AZUREWAVE	Stock	Ultimems, Inc.	-	Non-current financial assets at fair value through other comprehensive income	230,000	9,687	1.69%	9,687	
	Stock	aiseed Inc.	-	Non-current financial assets at fair value through other comprehensive income	6,364,022	30,000	4.49%	30,000	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 4: Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock
(For the year ended December 31, 2024)

Expressed in thousands of NTD

	Marketable securities					Beginning balance		Addition		Disposal				Ending balance	
Investor	Category	Item	General ledger account	Counterparty	Relationship with the investor	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Book Value	Gain (loss) on disposal	Number of shares	Amount (Note 1)
ASUSPOWER	Stock	CarUX Holding Limited	Non-current financial assets at fair value through other comprehensive income	-	-	-	-	7,218,101	1,562,641	-	-	-	-	7,218,101	1,602,007
ASLINK	Stock	PEGAGLOBE JIANGSU	Investments accounted for using equity method	-	-	-	514,056	-	-	-	607,872	N/A (Note 2)	N/A (Note 2)	-	-
PEGATRON	Stock	PMX	Investments accounted for using equity method	-	-	-	-	-	947,505	-	-	-	-	-	923,784
PEGATRON	Stock	Pegapower Investment	Investments accounted for using equity method	-	-	100,000,000	1,000,000	150,000,000	1,500,000	-	-	-	-	250,000,000	2,488,340
PEGATRON	Stock	Pegatron Investment	Investments accounted for using equity method	-	-	100,000,000	1,000,000	150,000,000	1,500,000	-	-	-	-	250,000,000	2,478,982
PEGATRON	Bond	Fubon Life Insurance Co., Ltd. Subordinated Corporate Bonds	Non-current financial assets at amortized cost	-	-	-	-	800	800,000	-	-	-	-	800	800,000
PEGATRON	Stock	Ability Enterprise Co., Ltd.	Non-current financial assets at fair value through other comprehensive income	-	-	33,135,300	874,772	-	-	15,140,000	1,000,030	255,426	744,604	17,995,300	1,182,291
PROTEK SHANGHAI	Stock	Luxshare-ICT Co., Ltd.	Current financial assets at fair value through profit or loss	-	-	39,845,105	5,840,136	-	-	10,000,000	1,850,527	1,009,267	841,260	29,845,105	5,410,047
PEGAVISION	Fund	Yuanta Wan-Tai Money Market Fund	Current financial assets at fair value through profit or loss	-	-	6,400,626	99,550	37,958,477	594,000	43,992,413	690,000	687,711	2,289	366,690	5,784
PEGAVISION	Fund	Yuanta De-Li Money Market Fund	Current financial assets at fair value through profit or loss	-	-	6,475,107	108,558	45,625,414	769,000	39,530,846	670,000	665,268	4,732	12,569,675	213,727
PEGAVISION	Fund	Mega Diamond Money Market Fund	Current financial assets at fair value through profit or loss	-	-	88,870,417	1,146,384	22,920,354	296,700	110,423,986	1,431,032	1,424,000	7,032	1,366,785	17,878
PEGAVISION	Fund	FSITC Taiwan Money Market Fund	Current financial assets at fair value through profit or loss	-	-	67,078,751	1,055,719	249,745,568	3,957,330	270,446,150	4,284,000	4,272,436	11,564	46,378,169	740,511
PEGAVISION	Stock	PEGAVISION VIETNAM	Investments accounted for using equity method	-	-	-	166,639	-	460,503	-	-	-	-	-	628,553
Lumens	Fund	Fuh Hwa Money Market Fund	Current financial assets at fair value through profit or loss	-	-	82,955,929	1,226,785	92,659,703	1,386,804	98,053,180	1,467,604	1,451,252	16,352	77,562,451	1,162,483
ASROCK	Stock	ASRock Rack	Investments accounted for using equity method	-	-	34,595,984	479,373	-	-	1,501,000	351,229	29,754	-	33,094,984	711,037
ASROCK	Stock	ASIAROCK	Investments accounted for using equity method	-	-	40,000,000	3,802,566	36,000,000	1,149,120	-	-	-	-	76,000,000	5,374,141
ASIAROCK	Stock	Calrock	Investments accounted for using equity method	-	-	2,000,000	64,140	28,000,000	893,760	-	-	-	-	30,000,000	984,574
KAEDAR	Stock	KAILEXING	Investments accounted for using equity method	-	-	-	431	-	- (Note 3)	-	689,507	13,786 (Note 3)	675,721 (Note 3)	-	-
KINSUS SAMOA	Stock	KINSUS CAYMAN	Investments accounted for using equity method	-	-	70,000,000	2,349,909	-	-	56,350,000	5,452,777	N/A (Note 2)	N/A (Note 2)	-	-
PIOTEK CAYMAN	Stock	PIOTEK	Investments accounted for using equity method	-	-	139,840,790	710,454	-	-	31,862,790	1,382,964	N/A (Note 2)	N/A (Note 2)	-	-

Note 1: The ending balance includes the gain/loss on equity investment and other related adjustment.

Note 2: As of the balance sheet date, the transaction has not yet been completed, and the actual amount will be determined upon the completion of the transaction.

Note 3: As of December 31, 2023, the transaction had not yet been completed, and in March 2024, the transaction was completed and the actual amount was disclosed.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 5: Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock
(For the year ended December 31, 2024)

Expressed in thousands of NTD

							If the counterparty is a related party, disclose the previous transfer information						
Name of company	**Type of property**	**Transaction date**	**Transaction amount**	**Payment term**	**Counterparty**	**Relationship**	**Owner**	**Relationship**	**Date of transfer**	**Amount**	**References for determining price**	**Purpose of acquisition and condition**	**Other**
PEGAVISION	Land and buildings	112.09.21 (Note 1)	3,040,000	On the basis of the contract	PEGATRON	Ultimate parent company	ASUSTEK COMPUTER INC.	None	97.01	1,415,191	The transaction amount refers professional appraisal institutions.	Satisfy the growth of business sales	None
PTI	Mandated building construction on rented land	113.01.08	504,295	On the basis of the contract	TAICHUANG ENGINEERING INDIA PRIVATE LIMITED	Non-related party	None	None	None	None	After bargaining, the price will be approved by the chairman of the Board of Directors to determine.	For production and operation	None
PMX	Mandated building dormitory construction on own land	113.07.23	654,049	On the basis of the contract	Constructora y Proveedora Fuentes S.A. de C.V.	Non-related party	None	None	None	None	After bargaining, the price will be approved by the chairman of the Board of Directors to determine.	For business use	None
Calrock	Factory building	113.11.01	1,180,440	On the basis of the contract	RIII CC CHINO OWNER, LLC	Non-related party	None	None	None	None	Appraisal report and the result of price negotiation.	For business use	None

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

Note 1: The registration of transfer of ownership was completed in March 2024.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 6: Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock
(For the year ended December 31, 2024)

Expressed in thousands of NTD

Name of company	Type of property	Transaction date	Acquisition date	Book value	Transaction amount	Payment term	Gain from disposal	Counterparty	Relationship	References for determining price	Purpose of acquisition and condition	Other
PEGATRON	Land and buildings	112.09.21 (Note 1)	97.01	1,078,146	3,040,000	On the basis of the contract	N/A	PEGAVISION	Related party	The transaction amount refers to professional appraisal institutions.	Group resource integration	None
RI-TENG	Land and buildings	113.11.15	95.03	353,851	394,991	On the basis of the contract	41,140	Shanghai Xinhongyuan Real Estate Co., Ltd.	Non-related party	Price negotiation	Asset utilization	None

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

Note1: The registration of transfer of ownership was completed in March 2024.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 7: 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, 2024)

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	4,423,946	0.44 %	60 DAYS END OF MONTH	-	-	(12,798,628)	(3.13)%	
PEGATRON	PHP	Subsidiary	Purchase	711,335	0.07 %	60 DAYS END OF MONTH	-	-	-	- %	
PEGATRON	PVN	Subsidiary	Purchase	3,282,041	0.33 %	60 DAYS END OF MONTH	-	-	(8,965,022)	(2.20)%	
PEGATRON	PTI	Subsidiary	Sale	(28,428,856)	(2.72)%	60 DAYS END OF MONTH	-	-	57,921,301	14.53 %	
PEGATRON	PTI	Subsidiary	Purchase	3,578,787	0.35 %	60 DAYS END OF MONTH	-	-	(38,314,369)	(9.40)%	
PEGATRON	PTX	Subsidiary	Sale	(16,567,152)	(1.59)%	90 DAYS END OF MONTH	-	-	8,262,015	2.07 %	
PEGATRON	PTSI	Subsidiary	Sale	(278,959)	(0.03)%	O/A 90 DAYS	-	-	117,713	0.03 %	
PEGATRON	CSG	Associate	Sale	(1,063,455)	(0.10)%	30 DAYS END OF MONTH	-	-	-	- %	
PEGATRON	CSG	Associate	Purchase	444,260	0.04 %	60 DAYS END OF MONTH	-	-	(452,326)	(0.11)%	
PEGATRON	MAINTEK	Subsidiary	Sale	(17,745,413)	(1.70)%	90 DAYS END OF MONTH	-	-	30,139,398	7.56 %	
PEGATRON	MAINTEK	Subsidiary	Purchase	9,578,689	0.95 %	60 DAYS END OF MONTH	-	-	(24,927,660)	(6.10)%	
PEGATRON	COTEK SUZHOU	Subsidiary	Sale	(105,992)	(0.01)%	90 DAYS END OF MONTH	-	-	681	- %	
PEGATRON	DIGITEK CHONGQING	Subsidiary	Purchase	1,516,470	0.15 %	60 DAYS END OF MONTH	-	-	(29,978,993)	(7.35)%	
PEGATRON	CASETEK SUZHOU	Subsidiary	Purchase	172,978	0.02 %	60 DAYS END OF MONTH	-	-	(28,109)	(0.01)%	
PEGATRON	ASRock Rack	Subsidiary	Purchase	171,837	0.02 %	O/A 60 DAYS	-	-	(5,390)	- %	
PEGATRON	AZUREWAVE	Subsidiary	Purchase	147,220	0.01 %	60 DAYS END OF MONTH	-	-	(48,139)	(0.01)%	
PEGATRON	PEGAGLOBE KUNSHAN	Associate	Purchase	77,503,395	7.68 %	O/A 45 DAYS	-	-	(65,540,879)	(16.04)%	
PEGATRON	RI Da	Associate	Purchase	192,902	0.02 %	60 DAYS END OF MONTH	-	-	(341)	- %	
PTB	PEGATRON	Parent company	Sale	(4,423,946)	(99.83)%	60 DAYS END OF MONTH	-	-	12,798,628	100.00 %	
PHP	PEGATRON	Parent company	Sale	(711,335)	(98.56)%	60 DAYS END OF MONTH	-	-	-	- %	
PVN	PEGATRON	Parent company	Sale	(3,282,041)	(100.00)%	60 DAYS END OF MONTH	-	-	8,965,022	98.13 %	
PTI	PEGATRON	Parent company	Sale	(3,578,787)	(73.90)%	60 DAYS END OF MONTH	-	-	38,314,369	92.46 %	
PTI	PEGATRON	Parent company	Purchase	28,428,856	98.15 %	60 DAYS END OF MONTH	-	-	(57,921,301)	(100.00)%	
PTX	PEGATRON	Parent company	Purchase	16,567,152	99.29 %	90 DAYS END OF MONTH	-	-	(8,262,015)	(99.28)%	
PTSI	PEGATRON	Parent company	Purchase	278,959	39.41 %	O/A 90 DAYS	-	-	(117,713)	(100.00)%	
CSG	PEGATRON	Associate	Sale	(444,260)	- %	60 DAYS END OF MONTH	-	-	452,326	- %	
CSG	PEGATRON	Associate	Purchase	1,063,455	- %	30 DAYS END OF MONTH	-	-	-	- %	
MAINTEK	PEGATRON	Parent company	Sale	(9,578,689)	(84.48)%	60 DAYS END OF MONTH	-	-	24,927,660	80.44 %	
MAINTEK	PEGATRON	Parent company	Purchase	17,745,413	99.41 %	90 DAYS END OF MONTH	-	-	(30,139,398)	(100.00)%	
MAINTEK	COTEK SUZHOU	Associate	Sale	(21,844,736)	(15.76)%	90 DAYS END OF MONTH	-	-	6,622,953	21.37 %	
MAINTEK	COTEK SUZHOU	Associate	Purchase	250,932	0.20 %	60 DAYS END OF MONTH	-	-	(16,980)	(0.06)%	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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
MAINTEK	CASETEK SUZHOU	Associate	Purchase and processing fee	754,753	0.58 %	60 DAYS END OF MONTH	-	-	(133,416)	(0.44)%	
COTEK SUZHOU	PEGATRON	Parent company	Purchase	105,992	0.48 %	90 DAYS END OF MONTH	-	-	(681)	(0.01)%	
COTEK SUZHOU	MAINTEK	Associate	Sale	(250,932)	(1.07)%	60 DAYS END OF MONTH	-	-	16,980	0.21 %	
COTEK SUZHOU	MAINTEK	Associate	Purchase	21,844,736	98.67 %	90 DAYS END OF MONTH	-	-	(6,622,953)	(96.94)%	
COTEK SUZHOU	POWTEK SHANGHAI	Associate	Sale	(22,560,590)	(96.64)%	90 DAYS END OF MONTH	-	-	7,562,551	95.67 %	
POWTEK SHANGHAI	COTEK SUZHOU	Associate	Purchase	22,560,590	100.00 %	90 DAYS END OF MONTH	-	-	(7,562,551)	(100.00)%	
PROTEK SHANGHAI	PEGAGLOBE KUNSHAN	Associate	Sale	(6,569,592)	(11.86)%	45 DAYS END OF MONTH	-	-	150	0.06 %	
PROTEK SHANGHAI	PEGAGLOBE SHANGHAI	Associate	Sale	(8,416,058)	(15.19)%	45 DAYS END OF MONTH	-	-	-	- %	
DIGITEK CHONGQING	PEGATRON	Parent company	Sale	(1,516,470)	(100.00)%	60 DAYS END OF MONTH	-	-	29,978,993	100.00 %	
DIGITEK CHONGQING	KAI-CHUAN	Associate	Purchase	149,734	0.18 %	60 DAYS END OF MONTH	-	-	(13,154)	(0.02)%	
PEGAGLOBE KUNSHAN	PEGATRON	Associate	Sale	(77,503,395)	- %	O/A 45 DAYS	-	-	65,540,879	- %	
PEGAGLOBE KUNSHAN	PROTEK SHANGHAI	Associate	Purchase	6,569,592	- %	45 DAYS END OF MONTH	-	-	(150)	- %	
PEGAGLOBE KUNSHAN	PEGAGLOBE SHANGHAI	Subsidiary	Purchase	6,604,315	4.07 %	60 DAYS END OF MONTH	-	-	-	- %	
PEGAGLOBE SHANGHAI	PROTEK SHANGHAI	Associate	Purchase	8,416,058	- %	45 DAYS END OF MONTH	-	-	-	- %	
PEGAGLOBE SHANGHAI	PEGAGLOBE KUNSHAN	Parent company	Sale	(6,604,315)	(14.26)%	60 DAYS END OF MONTH	-	-	-	- %	
RI Da	PEGATRON	Associate	Sale	(192,902)	- %	60 DAYS END OF MONTH	-	-	341	- %	
CASETEK SUZHOU	PEGATRON	Parent company	Sale	(172,978)	(13.09)%	60 DAYS END OF MONTH	-	-	28,109	8.38 %	
CASETEK SUZHOU	MAINTEK	Associate	Sale	(754,753)	(51.56)%	60 DAYS END OF MONTH	-	-	133,416	21.03 %	
KAI-CHUAN	DIGITEK CHONGQING	Associate	Sale	(149,734)	(57.12)%	60 DAYS END OF MONTH	-	-	13,154	39.79 %	
KINSUS	KINSUS SUZHOU	Subsidiary	Purchase	2,860,303	26.71 %	60 DAYS END OF MONTH	Incomparable due to different product specification	30~90 DAYS END OF MONTH for other vendors	(731,456)	(24.47)%	
KINSUS SUZHOU	KINSUS	Parent company	Sale	(2,860,303)	(86.05)%	60 DAYS END OF MONTH	Incomparable due to different product specification	No other comparable non-related party	731,456	100.00 %	
PEGAVISION	PEGAVISION JAPAN	Subsidiary	Sale	(3,398,548)	(57.36)%	90 DAYS END OF MONTH	Same as other clients	TT to 90 DAYS END OF MONTH	679,368	64.27 %	
PEGAVISION	BeautyTech	Subsidiary	Sale	(338,641)	(5.72)%	Within 120 DAYS END OF MONTH	Same as other clients	TT to 90 DAYS END OF MONTH	134,405	12.71 %	
PEGAVISION	Gemvision Zhejiang	Subsidiary	Sale	(191,288)	(3.23)%	Within 180 DAYS END OF MONTH	Same as other clients	TT to 90 DAYS END OF MONTH	27,005	2.55 %	
PEGAVISION JAPAN	PEGAVISION	Parent company	Purchase	3,398,548	100.00 %	90 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(679,368)	(100.00)%	
BeautyTech	PEGAVISION	Parent company	Purchase	338,641	86.14 %	Within 120 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(134,405)	(95.63)%	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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
Gemvision Zhejiang	PEGAVISION	Parent company	Purchase	191,288	86.29 %	Within 180 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(27,005)	(100.00)%	
ASROCK	ASIAROCK	Subsidiary	Purchase	11,551,289	95.05 %	90 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(3,315,390)	(95.02)%	
ASROCK	ASRock America	Subsidiary	Sale	(3,926,794)	(27.43)%	90 DAYS END OF MONTH	Same as other clients	Same as other clients	1,721,843	62.69 %	
ASROCK	ASRock Europe	Subsidiary	Sale	(3,836,897)	(26.81)%	45 DAYS END OF MONTH	Same as other clients	Same as other clients	291,784	10.62 %	
ASRock Rack	ASIAROCK	Associate	Purchase	1,963,543	20.98 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(457,808)	(23.95)%	
ASRock Rack	ASRock America	Associate	Sale	(408,871)	(4.64)%	90 DAYS END OF MONTH	Same as other clients	Same as other clients	134,989	19.74 %	
ASRock Rack	ASRock Europe	Associate	Sale	(191,466)	(2.17)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	-	- %	
ASRock Rack	PEGATRON	Parent company	Sale	(171,837)	(1.96)%	O/A 60 DAYS	Same as other clients	Same as other clients	5,390	0.79 %	
ASRock Industrial	ASIAROCK	Associate	Purchase	445,921	46.08 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(147,828)	(39.85)%	
ASRock Industrial	ASRock America	Associate	Sale	(196,957)	(13.43)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	-	- %	
ASRock Industrial	ASRock Europe	Associate	Sale	(225,601)	(15.38)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	-	- %	
ASIAROCK	ASROCK	Parent company	Sale	(11,551,289)	(76.29)%	90 DAYS END OF MONTH	Same as other clients	Same as other clients	3,315,390	84.54 %	
ASIAROCK	ASRock Rack	Associate	Sale	(1,963,543)	(12.97)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	457,808	11.67 %	
ASIAROCK	ASRock Industrial	Associate	Sale	(445,921)	(2.95)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	147,828	3.77 %	
ASRock America	ASROCK	Parent company	Purchase	3,926,794	86.63 %	90 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(1,721,843)	(92.73)%	
ASRock America	ASRock Rack	Associate	Purchase	408,871	9.02 %	90 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(134,989)	(7.27)%	
ASRock America	ASRock Industrial	Associate	Purchase	196,957	4.35 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	-	- %	
ASRock Europe	ASROCK	Parent company	Purchase	3,836,897	90.20 %	45 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(291,784)	(100.00)%	
ASRock Europe	ASRock Rack	Associate	Purchase	191,466	4.50 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	-	- %	
ASRock Europe	ASRock Industrial	Associate	Purchase	225,601	5.30 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	-	- %	
Lumens	Lumens Integration	Subsidiary	Sale	(139,297)	(21.00)%	90 DAYS END OF MONTH	-	-	69,926	57.00 %	
Lumens Integration	Lumens	Parent company	Purchase	139,297	97.00 %	90 DAYS END OF MONTH	-	-	(69,926)	(99.00)%	
AZUREWAVE	PEGATRON	Parent company	Sale	(147,220)	(2.00)%	60~90 DAYS	Same as non-related party	Longer than non-related party	48,139	2.00 %	
AZUREWAVE	Azurewave Shanghai	Subsidiary	Purchase and processing fee	1,591,294	29.00 %	30~365 DAYS	Same as non-related party	Longer than non-related party	(2,225,472)	(49.00)%	
Azurewave Shanghai	AZUREWAVE	Parent company	Sale	(1,591,294)	(50.00)%	30~365 DAYS	Same as non-related party	Longer than non-related party	2,227,377	98.00 %	

Note: 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: Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock
（December 31, 2024）

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	16,245,390	2.69 Times	-	-	-	-
PEGATRON	PVN	Subsidiary	13,386,950	2.14 Times	-	-	2,648,730	-
PEGATRON	PTI	Subsidiary	57,921,301	2.55 Times	-	-	-	-
PEGATRON	PTX	Subsidiary	8,262,015	2.91 Times	-	-	-	-
PEGATRON	PTSI	Subsidiary	117,713	3.08 Times	-	-	11,098	-
PEGATRON	MAINTEK	Subsidiary	30,139,398	5.12 Times	-	-	3,269,500	-
PEGATRON	DIGITEK CHONGQING	Subsidiary	31,530,610	2.98 Times	-	-	8,197,484	-
PEGATRON	PEGAGLOBE KUNSHAN	Associate	50,147,976	4.72 Times	2,428	Dunning	14,604,904	623
PEGATRON	PEGAGLOBE SHANGHAI	Associate	42,174,169	9.23 Times	-	-	5,910,481	422
CSG	PEGATRON	Associate	452,326	1.96 Times	-	-	-	-
PTB	PEGATRON	Parent company	12,798,628	3.72 Times	-	-	-	-
PVN	PEGATRON	Parent company	8,965,022	3.32 Times	-	-	2,682,974	-
PTI	PEGATRON	Parent company	38,314,369	3.27 Times	-	-	4,921,773	-
MAINTEK	PEGATRON	Parent company	24,927,660	5.09 Times	-	-	5,972,663	-
MAINTEK	COTEK SUZHOU	Associate	6,622,953	3.32 Times	-	-	-	-
COTEK SUZHOU	POWTEK SHANGHAI	Associate	7,562,551	2.78 Times	-	-	-	-
DIGITEK CHONGQING	PEGATRON	Parent company	29,978,993	3.09 Times	-	-	9,837,123	-
CASETEK SUZHOU	MAINTEK	Associate	133,416	5.63 Times	-	-	-	-
PEGAGLOBE SHANGHAI	PEGATRON	Associate	38,724,152	9.07 Times	-	-	11,546,184	-
PEGAGLOBE KUNSHAN	PEGATRON	Associate	65,540,879	5.71 Times	-	-	21,397,706	-
KINSUS SUZHOU	KINSUS	Parent company	731,456	5.37 Times	-	-	-	-
PEGAVISION	PEGAVISION JAPAN	Subsidiary	679,368	5.38 Times	61,252	Subsequent Collection	234,132	-
PEGAVISION	BeautyTech	Subsidiary	134,405	2.72 Times	-	-	36,287	-
ASROCK	ASRock Europe	Subsidiary	291,784	13.94 Times	-		-	-
ASROCK	ASRock America	Subsidiary	1,721,843	2.31 Times	-		250,319	-
ASRock Rack	ASRock America	Associate	134,989	3.34 Times	-		-	-
ASIAROCK	ASROCK	Parent company	3,315,390	3.68 Times	-	-	265,746	-
ASIAROCK	ASRock Rack	Associate	457,808	5.69 Times	-	-	158,693	-
ASIAROCK	ASRock Industrial	Associate	147,828	3.16 Times	-	-	62,842	-
Azurewave Shanghai	AZUREWAVE	Parent company	2,227,377	0.94 Times	-	-	-	-
ASUSPOWER	PEGATRON	Parent company	3,534,762	N/A (Note 1)	-	-	-	-
ASUSPOWER	ASUSPOWER INVESTMENT	Parent company	442,665	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 collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
PEGA HOLDING	PEGATRON	Parent company	29,796,273	N/A (Note 1)	-	-	-	-
UNIHAN	PEGATRON	Parent company	2,170,042	N/A (Note 1)	-	-	-	-
CASETEK	PEGATRON	Parent company	150,834	N/A (Note 1)	-	-	-	-
KTL	PEGATRON	Associate	524,640	N/A (Note 1)	-	-	-	-
DIGITEK CHONGQING	KAI-CHUAN	Associate	196,740	N/A (Note 1)	-	-	-	-
CASETEK SUZHOU	PROTEK SHANGHAI	Associate	1,368,456	N/A (Note 1)	-	-	-	-
RI-TENG	RI-PRO	Associate	136,846	N/A (Note 1)	-	-	-	-
RI-TENG	PROTEK SHANGHAI	Associate	4,561,520	N/A (Note 1)	-	-	-	-
CASETEK CAYMAN	PEGATRON	Parent company	2,623,200	N/A (Note 1)	-	-	-	-

Note 1: Since the receivables are not caused by selling and purchasing transactions, the turnover rate is not applicable.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 9: Information on investees (excluding investees in Mainland China)
(December 31, 2024)

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	Taipei City	Investing activities	13,033,429	13,033,429	932,844,700	100.00 %	11,355,792	491,363	491,363	
	ASUS INVESTMENT	Taipei City	Investing activities	16,184,982	16,184,982	979,254,600	100.00 %	14,310,254	677,020	677,020	
	ASUSTEK INVESTMENT	Taipei City	Investing activities	14,593,543	14,593,543	951,278,300	100.00 %	8,946,387	153,008	153,008	
	PEGA HOLDING	Cayman Islands	Investing activities	34,318,691	34,318,691	991,906,463	100.00 %	106,484,658	2,918,790	2,861,142	
	PUSA	CA, USA	Sales and repair service center in North America	16,085	16,085	50,000	100.00 %	23,333	1,722	1,722	
	PHH	Nijmegen, NETHERLANDS	Investing activities	1,278,287	1,278,287	-	100.00 %	3,418,644	168,016	168,016	
	AMA	Taipei City	Designing and developing computer parts	408,394	408,394	33,500,000	100.00 %	444,861	1,340	1,340	
	AZUREWAVE	New Taipei City	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	23.43 %	791,026	417,023	97,712	
	UNIHAN	Cayman Islands	Investing activities	5,823,962	5,823,962	170,110,010	100.00 %	7,214,997	253,794	253,672	
	CASETEK CAYMAN	Cayman Islands	Investing activities	14,717,122	14,717,122	1	100.00 %	51,466,058	2,998,456	2,998,456	
	PAU	Australia	Sales and repair service center in Australia	139,088	139,088	6,000,000	100.00 %	350,423	64,578	64,578	
	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 %	3,095,388	492,943	500,920	
	PVN	Vietnam	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	4,314,741	4,314,741	-	60.00 %	4,920,394	182,437	149,865	
	PHP	Vietnam	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	429,459	429,459	-	100.00 %	314,341	(64,267)	(64,303)	
	PTI	India	Manufacturing and selling consumer electronics	4,287,623	4,287,623	1,099,890,000	99.99 %	1,223,310	2,779,774	(257,023)	
	PTX	TX, USA	Sales service center in North America	144,033	144,033	500	100.00 %	(1,572,841)	(360,777)	(360,777)	
	PEL	TX, USA	Sales service center in North America	1,498,950	1,498,950	5,000	100.00 %	1,675,415	28,569	28,569	
	Pegapower Investment	Taipei City	Investing activities	2,500,000	1,000,000	250,000,000	100.00 %	2,488,340	1,312	1,312	
	Pegatron Investment	Taipei City	Investing activities	2,500,000	1,000,000	250,000,000	100.00 %	2,478,982	(9,055)	(9,055)	
	PELI	India	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	195,015	3,856	49,995,000	99.99 %	180,122	(15,717)	(15,715)	
	PTM	Malaysia	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	189,501	-	28,320,000	100.00 %	152,945	(42,849)	(42,849)	
	PMX	Chihuahua, Mexico	Manufacture of consumer electronics and electronic parts	947,505	-	-	15.62 %	923,784	319,725	51,912	

(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
ASUSPOWER INVESTMENT	STARLINK	New Taipei City	Manufacturing electronic parts and plastic products, and manufacturing and wholesaling electronic components	-	135,144	-	- %	-	3,651	Not required to disclose	Note 2
	KINSUS	Taoyuan City	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	12.17 %	3,835,134	48,889	Not required to disclose	
	ASROCK	Taipei City	Selling motherboards, related product development and design	82,626	82,626	2,791,000	2.26 %	209,119	1,288,775	Not required to disclose	
	AZUREWAVE	New Taipei City	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	4.59 %	154,886	417,023	Not required to disclose	
	Lumens	Hsinchu County	Researching, developing, manufacturing and selling computer data projectors and related peripherals	508,932	508,932	10,043,490	48.73 %	1,101,764	115,506	Not required to disclose	
	PEGAVISION	Taoyuan City	Manufacturing medical appliances	347,450	347,450	6,372,796	8.17 %	891,139	1,830,676	Not required to disclose	
	ASUSPOWER	Virgin Islands	Investing and trading activities	3,752,682	3,752,682	109,000,000	31.23 %	2,207,192	(11,056)	Not required to disclose	
	PTSI	Kentucky, USA	Sales and repair service center in North America	94,475	94,475	2,800	100.00 %	1,421,881	(90,578)	Not required to disclose	
	WISE INVESTMENT	Taipei City	Investing activities	48,780	48,780	-	48.78 %	417,442	299,850	Not required to disclose	
	PEGA INTERNATIONAL	Taipei City	Design service and sales	31,885	31,885	-	100.00 %	22,804	(2,075)	Not required to disclose	
	PJ	Japan	Sales and repair service center in Japan	27,287	27,287	1,632	100.00 %	424,680	124,965	Not required to disclose	
	PMX	Chihuahua, Mexico	Manufacture of consumer electronics and electronic parts	738,554	738,554	-	13.09 %	773,791	319,725	Not required to disclose	
	PSG	Singapore	Sales and repair service center in Singapore	23,990	23,990	1,000,000	100.00 %	243,701	24,204	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 %	79	492,943	Not required to disclose	
	PTI	India	Manufacturing and selling consumer electronics	429	429	110,000	0.01 %	471	2,779,774	Not required to disclose	
	PELI	India	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	20	-	5,000	0.01 %	18	(15,717)	Not required to disclose	
ASUS INVESTMENT	STARLINK	New Taipei City	Manufacturing electronic parts and plastic products, and manufacturing and wholesaling electronic components	-	90,000	-	- %	-	3,651	Not required to disclose	Note 2
	KINSUS	Taoyuan City	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	13.17 %	4,150,743	48,889	Not required to disclose	
	ASROCK	Taipei City	Selling motherboards, related product development and design	155,718	155,718	57,217,754	46.30 %	4,287,032	1,288,775	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	Lumens	Hsinchu County	Researching, developing, manufacturing and selling computer data projectors and related peripherals	7,338	7,338	587,079	2.85 %	64,403	115,506	Not required to disclose	
	ASUSPOWER	Virgin Islands	Investing and trading activities	3,488,741	3,488,741	103,000,000	29.51 %	2,085,630	(11,056)	Not required to disclose	
	AS FLY	Taipei City	Travel agency	6,000	6,000	-	100.00 %	14,544	1,516	Not required to disclose	
	HUA-YUAN	Taipei City	Investing activities	500,000	500,000	50,000,000	100.00 %	546,812	4,330	Not required to disclose	
	PMX	Chihuahua, Mexico	Manufacture of consumer electronics and electronic parts	1,114,671	1,114,671	-	19.22 %	1,136,304	319,725	Not required to disclose	
	FUYANG	Hsinchu County	Electronic parts and components manufacturing	-	464,711	-	- %	-	14,808	Not required to disclose	Note 3
ASUSTEK INVESTMENT	STARLINK	New Taipei City	Manufacturing electronic parts and plastic products, and manufacturing and wholesaling electronic components	-	60,000	-	- %	-	3,651	Not required to disclose	Note 2
	KINSUS	Taoyuan City	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 %	4,019,922	48,889	Not required to disclose	
	ASROCK	Taipei City	Selling motherboards, related product development and design	223,939	223,939	7,453,405	6.03 %	558,441	1,288,775	Not required to disclose	
	AZUREWAVE	New Taipei City	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	4.39 %	148,182	417,023	Not required to disclose	
	Lumens	Hsinchu County	Researching, developing, manufacturing and selling computer data projectors and related peripherals	5,117	5,117	409,427	1.99 %	44,915	115,506	Not required to disclose	
	PEGAVISION	Taoyuan City	Manufacturing medical appliances	64,292	64,292	4,934,434	6.33 %	690,002	1,830,676	Not required to disclose	
	ASUSPOWER	Virgin Islands	Investing and trading activities	4,652,885	4,652,885	137,000,000	39.26 %	2,774,715	(11,056)	Not required to disclose	
	FUYANG	Hsinchu County	Electronic parts and components manufacturing	-	929,422	-	- %	-	14,808	Not required to disclose	Note 3
	Dynaflex	Cayman Islands	Investing activities	254,574	254,574	5,714	11.43 %	259,763	(8,502)	Not required to disclose	
Pegapower Investment	Pegatron Venture	Taipei City	Investing activities	500,000	500,000	50,000,000	50.00 %	481,822	(4,075)	Not required to disclose	
	Zhuhe	Taipei City	Investing activities	90,000	60,000	9,000,000	45.00 %	88,879	(2,169)	Not required to disclose	
Pegatron Investment	Pegatron Venture	Taipei City	Investing activities	500,000	500,000	50,000,000	50.00 %	481,822	(4,075)	Not required to disclose	
	AzureMoto	Hsinchu County	Manufacturing electronic parts, vehicles and vehicle parts	216,000	-	21,600,000	90.00 %	205,722	(11,420)	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
ASUSPOWER	Dynaflex	Cayman Islands	Investing activities	295,130	295,130	6,429	12.86 %	301,366	(8,502)	Not required to disclose	
UNIHAN	CASETEK	Virgin Islands	Investing and trading activities	5,384,435	5,384,435	115,375,668	100.00 %	4,980,365	249,827	Not required to disclose	
CASETEK	SLITEK	Samoa Islands	Investing and trading activities	39,676	39,676	1,210,000	100.00 %	(5,574)	(2,144)	Not required to disclose	
	KHL	Hong Kong	Investing and trading activities	819,750	819,750	25,000,000	100.00 %	1,193,148	525,927	Not required to disclose	
	KTL	Samoa Islands	Investing and trading activities	163,950	163,950	5,000,000	100.00 %	556,435	12,848	Not required to disclose	
PEGA HOLDING	MAGNIFICENT	Virgin Islands	Investing and trading activities	8,537,888	8,537,888	177,961,090	100.00 %	29,591,279	876,620	Not required to disclose	
	PROTEK	Virgin Islands	Investing and trading activities	9,817,278	9,817,278	308,100,000	100.00 %	20,618,219	(154,804)	Not required to disclose	
	ASLINK	Cayman Islands	Investing and trading activities	7,384,528	7,384,528	229,711,968	100.00 %	12,475,974	1,386,137	Not required to disclose	
	DIGITEK	Virgin Islands	Investing and trading activities	1,608,301	1,608,301	49,050,000	100.00 %	6,455,928	410,394	Not required to disclose	
	COTEK	Virgin Islands	Investing and trading activities	2,263,002	2,263,002	81,275,000	100.00 %	2,728,930	213,579	Not required to disclose	
	POWTEK	Virgin Islands	Investing and trading activities	431,041	431,041	8,050,000	100.00 %	1,143,840	93,150	Not required to disclose	
	PIOTEK CAYMAN	Cayman Islands	Investing activities	3,025,647	3,025,647	92,000,000	49.00 %	345,347	(50,978)	Not required to disclose	
	GUT	Samoa Islands	Investing and trading activities	43,487	43,487	5,000,000	100.00 %	5,437	69	Not required to disclose	
PHH	PCZ	Czech Republic	Installing, repairing and selling electronic products	998,898	998,898	-	100.00 %	2,967,063	156,805	Not required to disclose	
PSG	PKR	Korea	Sales and repair service center in Korea	49,185	49,185	360,000	100.00 %	127,437	9,048	Not required to disclose	
PTSI	PCBR	Brasil	Maintenance service	21,314	21,314	-	100.00 %	3,178	(1,410)	Not required to disclose	
CASETEK CAYMAN	RIH LI	Samoa Islands	Investing activities	25,134,718	25,134,718	581,331,000	100.00 %	40,743,607	3,082,363	Not required to disclose	
	RI-KUAN	Taipei City	Selling iron and aluminum products	330,577	330,577	30,000,000	100.00 %	620,862	4,646	Not required to disclose	
	MEGA	Samoa Islands	Trading activities	32,790	32,790	1,000,000	100.00 %	69,944	4,648	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 CAYMAN	PMX	Chihuahua, Mexico	Manufacture of consumer electronics and electronic parts	3,279,000	3,279,000	-	52.07 %	3,079,287	319,725	Not required to disclose	
	PVN	Vietnam	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	3,279,000	3,279,000	-	40.00 %	3,253,278	182,437	Not required to disclose	
RI-KUAN	RITENG	CA, USA	Market survey	7,542	7,542	230,000	100.00 %	7,882	-	Not required to disclose	
Lumens	Lumens Integration	CA, USA	Selling computer communication products and peripherals	39,709	39,709	1,222,000	100.00 %	8,014	(14,706)	Not required to disclose	
	Lumens SAMOA	Samoa Islands	Investing activities	8,198	8,198	250,000	100.00 %	41,881	1,443	Not required to disclose	
KINSUS	KINSUS USA	CA, USA	Designing substrates, formulating marketing strategy analysis, developing new customers, researching and development new product technology	16,395	16,395	500,000	100.00 %	94,528	7,175	Not required to disclose	
	KINSUS SAMOA	Samoa Islands	Investing activities	3,581,978	5,048,385	109,239,940	100.00 %	2,377,719	(19,970)	Not required to disclose	
	KINSUS INVESTMENT	Taoyuan City	Investing activities	1,600,000	1,600,000	172,000,000	100.00 %	3,532,053	514,854	Not required to disclose	
	PEGAVISION	Taoyuan City	Manufacturing medical appliances	564,210	564,210	1,820,034	2.33 %	255,888	1,830,676	Not required to disclose	
KINSUS INVESTMENT	PEGAVISION	Taoyuan City	Manufacturing medical appliances	252,455	252,455	21,233,736	27.22 %	2,985,356	1,830,676	Not required to disclose	
	FUYANG	Hsinchu County	Electronic parts and components manufacturing	-	929,422	-	- %	-	14,808	Not required to disclose	Note 3
	Zhuhe	Taipei City	Investing activities	30,000	30,000	3,000,000	15.00 %	29,626	(2,169)	Not required to disclose	
KINSUS SAMOA	KINSUS CAYMAN	Cayman Islands	Investing activities	2,295,300	2,295,300	70,000,000	100.00 %	2,024,094	6,031	Not required to disclose	
	PIOTEK CAYMAN	Cayman Islands	Investing activities	1,334,094	2,897,644	40,686,220	51.00 %	359,444	(50,978)	Not required to disclose	
PIOTEK CAYMAN	PIOTEK	Virgin Islands	Investing activities	1,044,781	4,296,615	31,862,790	100.00 %	704,788	(50,978)	Not required to disclose	
PIOTEK	PIOTEK(H.K.)	Hong Kong	Trading activities	-	799	200,000	100.00 %	-	513	Not required to disclose	Note 4
PEGAVISION	PEGAVISION JAPAN	Japan	Selling medical appliances	2,078	2,078	198	100.00 %	165,729	41,345	Not required to disclose	
	Mayin	Taoyuan City	Investing activities	246,003	246,003	21,000,000	100.00 %	601,539	125,418	Not required to disclose	
	PEGAVISION VIETNAM	Vietnam	Manufacturing and selling medical appliances	631,333	170,830	-	100.00 %	628,553	(101)	Not required to disclose	
	Zhuhe	Taipei City	Investing activities	20,000	20,000	2,000,000	10.00 %	19,751	(2,169)	Not required to disclose	
Mayin	BeautyTech	Taoyuan City	Selling medical appliances and cosmetics	107,500	107,500	8,500,000	85.00 %	403,231	149,423	Not required to disclose	
	FacialBeau	Taoyuan City	Selling medical appliances and cosmetics	27,500	27,500	2,750,000	55.00 %	24,916	(304)	Not required to disclose	
BeautyTech	BEAUTYTECH SG	Singapore	Selling medical appliances and cosmetics	6,558	6,558	200,000	100.00 %	6,242	(206)	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
BeautyTech	FORIMART	New Taipei City	Selling medical appliances and cosmetics	15,000	-	1,500,000	100.00 %	15,051	51	Not required to disclose	
	BTP VN	Vietnam	Selling medical appliances and cosmetics	6,923	-	-	70.00 %	6,867	(272)	Not required to disclose	
FacialBeau	Aquamax	CA, USA	Selling medical appliances and cosmetics	36,069	36,069	11,000,000	100.00 %	7,387	250	Not required to disclose	
	RODNA	Korea	Selling medical appliances and cosmetics	2,225	2,225	-	100.00 %	1,928	(169)	Not required to disclose	
	IKIDO	Japan	Selling medical appliances and cosmetics	2,078	2,078	198	100.00 %	1,970	(20)	Not required to disclose	
ASROCK	ASRock Rack	Taipei City	Manufacturing and selling computer and related peripherals	375,230	390,240	33,094,984	53.03 %	711,037	507,694	Not required to disclose	
	ASIAROCK	Virgin Islands	Investing and holding activities	2,470,006	1,320,886	76,000,000	100.00 %	5,374,141	9,783	Not required to disclose	
	Leader	Virgin Islands	Investing and holding activities	71,559	71,559	2,100,000	100.00 %	349,537	142,420	Not required to disclose	
	ASRock Industrial	Taipei City	Manufacturing and selling computer and related peripherals	239,683	239,683	37,281,196	58.23 %	581,452	206,698	Not required to disclose	
	ASJade	Taipei City	Information software service	216,563	216,563	17,325,000	82.50 %	68,855	(69,400)	Not required to disclose	
	Soaring	Hong Kong	International trading activities	592	592	150,000	100.00 %	643	4	Not required to disclose	
	Zhuhe	Taipei City	Investing activities	20,000	20,000	2,000,000	10.00 %	20,000	(2,169)	Not required to disclose	
ASRock Industrial	ASEA	Malaysia	Sales service center in Asia Pacific	6,838	-	1,000,000	100.00 %	2,878	(4,275)	Not required to disclose	
	ASRock Gmbh	Germany	Sales center in Europe	3,512	-	100,000	100.00 %	1,514	(1,932)	Not required to disclose	
ASRock Rack	ASRock USA	CA, USA	Sales center in America	97	-	-	100.00 %	98	-	Not required to disclose	
ASJade	ASJade Japan	Japan	Information software service	1,087	1,087	500	100.00 %	1,032	(16)	Not required to disclose	
ASIAROCK	ASRock Europe	Nijmegen, NETHERLANDS	Data storage and sale of electronic material and international trading activities	5,820	5,820	200,000	100.00 %	827,230	11,481	Not required to disclose	
	Calrock	CA, USA	Office building leasing	953,760	60,000	30,000,000	100.00 %	984,574	(1,953)	Not required to disclose	
	Orbweb	Virgin Islands	Computer equipment installation and peripheral equipment wholesale and service	29,900	29,900	4,000,000	27.59 %	-	(3,078)	Not required to disclose	
Leader	Firstplace	Virgin Islands	Investing and holding activities	61,500	61,500	2,050,000	100.00 %	349,485	142,419	Not required to disclose	
Firstplace	ASRock America	CA, USA	Data storage and sale of electronic material and international trading activities	60,000	60,000	2,000,000	100.00 %	348,351	142,404	Not required to disclose	
AZUREWAVE	EZWAVE	New Taipei City	Information products service	5,015	5,015	500,000	100.00 %	(24,487)	51	Not required to disclose	
	Azwave	Samoa Islands	Investing activities	2,173,438	2,173,438	70,177,161	100.00 %	2,972,956	431,205	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
AZUREWAVE	AZURE	New Taipei City	Selling electronic parts	25,000	25,000	2,000,000	100.00 %	34,962	3,409	Not required to disclose	
	Azurewave USA	CA, USA	Market development activities	19,820	19,820	650,000	100.00 %	796	(116)	Not required to disclose	
	Azurewave(VN)	Vietnam	Development, design and sale of communication equipment	288,183	191,313	-	100.00 %	187,626	(84,935)	Not required to disclose	
	Zhuhe	Taipei City	Investing activities	10,000	10,000	1,000,000	5.00 %	9,892	(2,169)	Not required to disclose	

Note 1: 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 2: The dissolution and liquidation of STARLINK was resolved by the shareholders' meeting in October 2024.

Note 3: The dissolution and liquidation of FUYANG was resolved by the shareholders' meeting in March 2024.

Note 4: PIOTEK(H.K.) remitted investment amount and accumulated retained earnings USD 2,224 in thousands to PIOTEK during May 2024.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 10: Information on investment in Mainland China
(December 31, 2024)

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 period	Amount remitted from Taiwan to Mainland China /Amount remitted back to Taiwan: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China /Amount remitted back to Taiwan: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan at end of the period	Net income of investee	Ownership held by the Company (direct or indirect)	Investment income (loss) 〔Note 2, (2) 〕	Book value of investments in Mainland China	Accumulated amount of investment income 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	7,495,466 USD 228,590,000	(2)	5,797,272 USD 176,800,000	-	-	5,797,272 USD 176,800,000	852,740 USD 26,579,938	100%	852,740 USD 26,579,938	29,714,814 USD 906,215,737	-
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.	10,099,320 USD 308,000,000	(2)	10,099,320 USD 308,000,000	-	-	10,099,320 USD 308,000,000	(166,871) (USD 5,201,370)	100%	(166,871) (USD 5,201,370)	20,749,417 USD 632,797,102	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	2,318,253 USD 70,700,000	(2), (3)	1,490,184 USD 45,446,280	-	-	1,490,184 USD 45,446,280	(63,385) (USD 1,975,702)	68.42%	(43,370) (USD 1,351,838)	520,500 USD 15,873,753	-
COTEK SUZHOU	Developing, manufacturing and selling new electronic components, circuit boards and relevant products, and providing technical services and after-sales service	2,655,990 USD 81,000,000	(2)	2,262,510 USD 69,000,001	-	-	2,262,510 USD 69,000,001	208,697 USD 6,505,107	100%	208,697 USD 6,505,107	2,642,563 USD 80,590,526	-
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.	229,530 USD 7,000,000	(2)	345,754 USD 10,544,482	-	-	345,754 USD 10,544,482	-	-	-	-	-
POWTEK SHANGHAI	Selling main boards, computer peripherals, notebooks, servers and software, and providing after-sales service	262,320 USD 8,000,000	(2)	431,041 USD 13,145,510	-	-	431,041 USD 13,145,510	92,696 USD 2,889,324	100%	92,696 USD 2,889,324	1,143,214 USD 34,864,705	-
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	1,606,710 USD 49,000,000	(2)	1,606,710 USD 49,000,000	-	-	1,606,710 USD 49,000,000	393,389 USD 12,261,940	100%	393,389 USD 12,261,940	6,430,500 USD 196,111,611	-
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	136,846 CNY 30,000,000	(3)	-	-	-	-	2,508 USD 78,172	100%	2,508 USD 78,172	153,721 USD 4,688,059	-

(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 period	Amount remitted from Taiwan to Mainland China /Amount remitted back to Taiwan		Accumulated amount of remittance from Taiwan at end of the period	Net income of investee	Ownership held by the Company (direct or indirect)	Investment income (loss) 〔Note 2, (2) 〕	Book value of investments in Mainland China	Accumulated amount of investment income remitted back to Taiwan
					Remitted to Mainland China	Remitted back to Taiwan						
PEGAGLOBE KUNSHAN	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	6,361,260 USD 194,000,000	(2)	6,361,260 USD 194,000,000	-	-	6,361,260 USD 194,000,000	(95,845) (USD 2,987,501)	37.5%	(328,424) (USD 10,237,001)	12,161,139 USD 370,879,498	-
PEGAGLOBE JIANGSU	Investing activities with own funds; equity investment	983,700 USD 30,000,000	(2)	983,700 USD 30,000,000	-	-	983,700 USD 30,000,000	12,001 USD 374,085	100%	12,001 USD 374,085	560,871 USD 17,104,939	-
PEGAGLOBE SHANGHAI (Note 14)	Engaged in the manufacture of satellite navigation and positioning receiving equipment and key groups, mobile phones, printing equipment, optoelectronic devices, computer equipment, Internet equipment, network equipment, integrated circuits, communication equipment, display devices, electronic components and electromechanical groups and equipment manufacturing and sale; related product maintenance and graphic design; technology development and other services; integrated circuit design, industrial design services, electronic components wholesale sale, non-residential real estate leases; housing leases	9,123 CNY 2,000,000	(3)	-	-	-	-	(409,570) (USD 12,766,311)	37.5%	(409,570) (USD 12,766,311)	(409,494) (USD 12,488,371)	-
CASETEK SUZHOU	Manufacturing, developing and selling computers, computer parts, application systems, and providing after-sales service	1,836,240 USD 56,000,000	(2)	1,836,240 USD 56,000,000	-	-	1,836,240 USD 56,000,000	(167,286) (USD 5,214,316)	100%	(167,286) (USD 5,214,316)	2,839,092 USD 86,584,089	1,880,496 USD 64,756,881
KAEDAR	Tooling molds of stainless-steel computer cases	573,825 USD 17,500,000	(2)	803,588 USD 24,507,092	-	-	803,588 USD 24,507,092	525,743 USD 16,387,433	100%	525,743 USD 16,387,433	1,176,166 USD 35,869,669	475,076 USD 16,968,508
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	393,480 USD 12,000,000	(2)	393,480 USD 12,000,000	-	-	393,480 USD 12,000,000	1,886 USD 58,794	100%	1,886 USD 58,794	227,443 USD 6,936,341	-
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	327,900 USD 10,000,000	(2)	327,900 USD 10,000,000	-	-	327,900 USD 10,000,000	(122,765) (USD 3,826,581)	100%	(122,765) (USD 3,826,581)	12,389 USD 377,841	-
Zhangjiagang East High-tech	Process, sale and transportation of steel.	196,740 USD 6,000,000	(2)	39,348 USD 1,200,000	-	-	39,348 USD 1,200,000	(10,649) (USD 331,925)	20%	(2,130) (USD 66,385)	(6,916) (USD 210,920)	-
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	1,442,760 USD 44,000,000	(2)	1,251,802 USD 38,176,344	-	-	1,251,802 USD 38,176,344	-	-	-	-	-
HONGJIE SHANGHAI (Note 8)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	163,950 USD 5,000,000	(2)	30,585 USD 932,769	-	-	30,585 USD 932,769	-	-	-	-	-

(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 period	Amount remitted from Taiwan to Mainland China /Amount remitted back to Taiwan		Accumulated amount of remittance from Taiwan at end of the period	Net income of investee	Ownership held by the Company (direct or indirect)	Investment income (loss) 〔Note 2, (2) 〕	Book value of investments in Mainland China	Accumulated amount of investment income remitted back to Taiwan
					Remitted to Mainland China	Remitted back to Taiwan						
HONGJIE SUZHOU (Note 8)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	436,434 USD 13,309,984	(2)	197,585 USD 6,025,762	-	-	197,585 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.	167,229 USD 5,100,000	(2)	37,937 USD 1,156,954	-	-	37,937 USD 1,156,954	-	-	-	-	-
HONGJIE CHONGQING (Note 8)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	16,395 USD 500,000	(2)	2,508 USD 76,500	-	-	2,508 USD 76,500	-	-	-	-	-
Hongruisheng (Note 6)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	85,582 USD 2,610,000	(2)	20,756 USD 633,000	-	-	20,756 USD 633,000	-	-	-	-	-
Heilongjiang Hongjie (Note 8)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	80,663 USD 2,460,000	(2)	14,519 USD 442,800	-	-	14,519 USD 442,800	-	-	-	-	-
Suzhou Lianshuo (Note 6)	Manufacture of plugs.	229,020 USD 6,984,441	(2)	251,048 USD 7,656,224	-	-	251,048 USD 7,656,224	-	-	-	-	-
Shanghai Yiding (Note 8)	Research and develop, manufacture and sale of portable micro computer, laptop and related products.	1,016,490 USD 31,000,000	(2)	642,684 USD 19,600,000	-	-	642,684 USD 19,600,000	-	-	-	-	-
Jinhong (Note 8)	Design, process, sale and manufacture of non-metal molds. Manufacture and sale of precision molds, standard molds, plastic and hardware.	29,511 USD 900,000	(2)	56,235 USD 1,715,000	-	-	56,235 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.	209,856 USD 6,400,000	(2)	102,829 USD 3,136,000	-	-	102,829 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	1,770,660 USD 54,000,000	(2)	554,986 USD 16,925,453	-	-	554,986 USD 16,925,453	-	-	-	-	-
RI-TENG (Note 12)	Designing, researching, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling	5,082,417 USD 154,999,000	(2)	10,121,389 USD 308,673,038	-	-	10,121,389 USD 308,673,038	81,581 (USD 2,542,869)	100%	81,581 (USD 2,542,869)	5,953,031 USD 181,550,197	1,798,722 USD 57,458,123
RI-PRO (Note 12)	Designing, researching, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling	98,370 USD 3,000,000	(2)	20,680 USD 630,695	-	-	20,680 USD 630,695	23,523 (USD 733,212)	100%	23,523 (USD 733,212)	(805) (USD 24,558)	-
Luxcase (Yangcheng) (Note 12)	Designing, researching, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling	30,651,094 USD 934,769,575	(2)	21,060,072 USD 642,271,181	-	-	21,060,072 USD 642,271,181	6,993,156 USD 217,977,012	48.17%	3,364,921 USD 104,884,744	36,369,491 USD 1,109,164,116	-

(Continued)

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, 2024 (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)
62,361,495 USD 1,901,844,914.33	67,984,660 USD 2,073,335,166.76	-

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. Financial statements of the significant subsidiaries were audited and certified 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 earnings of USD27,000,000. PIOTEK SUZHOU's capital reduced the amount of USD130,000,000 to offset losses. 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.

(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).

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 11： Business relationships and significant intercompany transactions
（December 31, 2024）

Expressed in thousands of NTD

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
0	PEGATRON	PTI	1	Sale	28,428,856	-	2.53%
0	PEGATRON	PTX	1	Sale	16,567,152	-	1.47%
0	PEGATRON	PTSI	1	Sale	278,959	-	0.02%
0	PEGATRON	MAINTEK	1	Sale	17,745,413	-	1.58%
0	PEGATRON	COTEK SUZHOU	1	Sale	105,992	-	0.01%
0	PEGATRON	PTB	1	Accounts Receivable	16,245,390	-	2.41%
0	PEGATRON	PVN	1	Accounts Receivable	13,386,950	-	1.98%
0	PEGATRON	PTI	1	Accounts Receivable	57,921,301	-	8.58%
0	PEGATRON	PTX	1	Accounts Receivable	8,262,015	-	1.22%
0	PEGATRON	PTSI	1	Accounts Receivable	117,713	-	0.02%
0	PEGATRON	MAINTEK	1	Accounts Receivable	30,139,398	-	4.47%
0	PEGATRON	DIGITEK CHONGQING	1	Accounts Receivable	31,530,610	-	4.67%
1	PTB	PEGATRON	2	Sale	4,423,946	-	0.39%
1	PTB	PEGATRON	2	Accounts Receivable	12,798,628	-	1.90%
2	PHP	PEGATRON	2	Sale	711,335	-	0.06%
3	PVN	PEGATRON	2	Sale	3,282,041	-	0.29%
3	PVN	PEGATRON	2	Accounts Receivable	8,965,022	-	1.33%
4	PTI	PEGATRON	2	Sale	3,578,787	-	0.32%
4	PTI	PEGATRON	2	Accounts Receivable	38,314,369	-	5.68%
5	MAINTEK	PEGATRON	2	Sale	9,578,689	-	0.85%
5	MAINTEK	COTEK SUZHOU	3	Sale	21,844,736	-	1.94%
5	MAINTEK	PEGATRON	2	Accounts Receivable	24,927,660	-	3.69%
5	MAINTEK	COTEK SUZHOU	3	Accounts Receivable	6,622,953	-	0.98%
6	COTEK SUZHOU	MAINTEK	3	Sale	250,932	-	0.02%
6	COTEK SUZHOU	POWTEK SHANGHAI	3	Sale	22,560,590	-	2.00%
6	COTEK SUZHOU	POWTEK SHANGHAI	3	Accounts Receivable	7,562,551	-	1.12%
7	PROTEK SHANGHAI	PEGAGLOBE KUNSHAN	3	Sale	6,569,446	-	0.58%
7	PROTEK SHANGHAI	PEGAGLOBE SHANGHAI	3	Sale	8,416,058	-	0.75%
8	DIGITEK CHONGQING	PEGATRON	2	Sale	1,516,470	-	0.13%

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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
8	DIGITEK CHONGQING	PEGATRON	2	Accounts Receivable	29,978,993	-	4.44%
8	DIGITEK CHONGQING	KAI-CHUAN	3	Other Receivables	196,740	-	0.03%
9	PEGAGLOBE KUNSHAN	PEGATRON	2	Sale	23,819,481	-	2.12%
10	PEGAGLOBE SHANGHAI	PEGAGLOBE KUNSHAN	2	Sale	6,604,315	-	0.59%
11	KAI-CHUAN	DIGITEK CHONGQING	3	Sale	149,734	-	0.01%
12	CASETEK SUZHOU	PEGATRON	2	Sale	172,978	-	0.02%
12	CASETEK SUZHOU	MAINTEK	3	Sale	754,753	-	0.07%
12	CASETEK SUZHOU	MAINTEK	3	Accounts Receivable	133,416	-	0.02%
12	CASETEK SUZHOU	PROTEK SHANGHAI	3	Other Receivables	1,368,456	-	0.20%
13	ASUSPOWER	PEGATRON	2	Other Receivables	3,534,762	-	0.52%
13	ASUSPOWER	ASUSPOWER INVESTMENT	2	Other Receivables	442,665	-	0.07%
14	PEGA HOLDING	PEGATRON	2	Other Receivables	29,796,273	-	4.42%
15	UNIHAN	PEGATRON	2	Other Receivables	2,170,042	-	0.32%
16	CASETEK	PEGATRON	2	Other Receivables	150,834	-	0.02%
17	CASETEK CAYMAN	PEGATRON	2	Short-Term Accounts Receivable	2,623,200	-	0.39%
18	KTL	PEGATRON	2	Other Receivables	524,640	-	0.08%
19	RI-TENG	RI-PRO	3	Long-Term Accounts Receivable	136,846	-	0.02%
19	RI-TENG	PROTEK SHANGHAI	3	Short-Term Accounts Receivable	4,561,520	-	0.68%
20	KINSUS SUZHOU	KINSUS	2	Sale	2,860,303	-	0.25%
20	KINSUS SUZHOU	KINSUS	2	Accounts Receivable	731,456	-	0.11%
21	PEGAVISION	PEGAVISION JAPAN	1	Sale	3,398,548	-	0.30%
21	PEGAVISION	BeautyTech	1	Sale	338,641	-	0.03%
21	PEGAVISION	Gemvision Zhejiang	1	Sale	191,288	-	0.02%
21	PEGAVISION	PEGAVISION JAPAN	1	Accounts Receivable	679,368	-	0.10%
21	PEGAVISION	BeautyTech	1	Accounts Receivable	134,405	-	0.02%
22	ASROCK	ASRock Europe	1	Sale	3,836,897	-	0.34%
22	ASROCK	ASRock America	1	Sale	3,926,794	-	0.35%
22	ASROCK	ASRock Europe	1	Accounts Receivable	291,784	-	0.04%
22	ASROCK	ASRock America	1	Accounts Receivable	1,721,843	-	0.26%
23	ASRock Rack	PEGATRON	2	Sale	171,837	-	0.02%

(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
23	ASRock Rack	ASRock America	3	Sale	408,871	-	0.04%
23	ASRock Rack	ASRock Europe	3	Sale	191,466	-	0.02%
23	ASRock Rack	ASRock America	3	Accounts Receivable	134,989	-	0.02%
24	ASRock Industrial	ASRock Europe	3	Sale	225,601	-	0.02%
24	ASRock Industrial	ASRock America	3	Sale	196,957	-	0.02%
25	ASIAROCK	ASROCK	2	Sale	11,551,289	-	1.03%
25	ASIAROCK	ASRock Rack	3	Sale	1,963,543	-	0.17%
25	ASIAROCK	ASRock Industrial	3	Sale	445,921	-	0.04%
25	ASIAROCK	ASROCK	2	Accounts Receivable	3,315,390	-	0.49%
25	ASIAROCK	ASRock Rack	3	Accounts Receivable	457,808	-	0.07%
25	ASIAROCK	ASRock Industrial	3	Accounts Receivable	147,828	-	0.02%
26	Lumens	Lumens Integration	1	Sale	139,297	-	0.01%
27	AZUREWAVE	PEGATRON	2	Sale	147,220	-	0.01%
28	Azurewave Shanghai	AZUREWAVE	2	Sale	1,591,294	-	0.14%
28	Azurewave Shanghai	AZUREWAVE	2	Accounts Receivable	2,227,377	-	0.33%

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.