

PEGATRON CORPORATION AND SUBSIDIARIES**Consolidated Financial Statements****With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2025 and 2024**

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

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Independent Auditors' Review Report

To the Board of Directors of Pegatron Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Pegatron Corporation and its subsidiaries as of September 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, and changes in equity and cash flows for the nine months ended September 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$88,149,014 thousand and \$95,243,419 thousand, constituting 14.36% and 15.01% of consolidated total assets as of September 30, 2025 and 2024, respectively, total liabilities amounting to \$10,650,700 thousand and \$11,141,931 thousand, constituting 2.76% of consolidated total liabilities as of September 30, 2025 and 2024, and total comprehensive income (loss) amounting to \$3,672,790 thousand, \$(990,745) thousand, \$(2,639,716) thousand and \$2,640,091 thousand, constituting 25.99%, (161.15)%, 278.66% and 12.50% of consolidated total comprehensive income for the three months and nine months ended September 30, 2025 and 2024, respectively.

Furthermore, as stated in Note 6(g), the other equity accounted investments of Pegatron Corporation and its subsidiaries in its investee companies of \$47,304,871 thousand and \$46,977,793 thousand as of September 30, 2025 and 2024, respectively, and its equity in net earnings on these investee companies of \$588,236 thousand, \$962,181 thousand, \$2,387,720 thousand and \$1,796,222 thousand for the three months and nine months ended September 30, 2025 and 2024, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Pegatron Corporation and its subsidiaries as of September 30, 2025 and 2024, and of its consolidated financial performance for the three months and nine months ended September 30, 2025 and 2024, and its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of certain consolidated subsidiaries, with total assets of \$108,012,874 thousand and \$100,729,465 thousand, representing 17.59% and 15.87% of the related consolidated total assets as of September 30, 2025 and 2024, and net sales of \$25,766,346 thousand, \$17,094,375 thousand, \$71,525,812 thousand and \$46,209,725 thousand, representing 9.99%, 5.81%, 8.97% and 5.79% of the related consolidated total net sales for the three months and nine months ended September 30, 2025 and 2024, respectively. Those financial statements were reviewed by other auditors whose reports have been furnished to us, and our review, insofar as it relates to the amounts included for certain consolidated subsidiaries, are based solely on the reports of the other auditors.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chih, Shih-Chin and Chen, Chun-Kuang.

KPMG

Taipei, Taiwan (Republic of China)
November 12, 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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ review 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’ review 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****September 30, 2025, December 31, 2024, and September 30, 2024****(Expressed in Thousands of New Taiwan Dollars)**

Assets		September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%
Current assets:							
1100	Cash and cash equivalents (Notes 6(a) and (h))	\$ 117,492,526	19.1	121,625,346	18.0	111,328,948	17.5
1110	Current financial assets at fair value through profit or loss (Note 6(b))	5,166,943	0.9	9,445,203	1.4	10,616,873	1.7
1170	Accounts receivable, net (Notes 6(d), (h) and (x))	161,695,488	26.3	172,829,567	25.6	170,869,427	26.9
1180	Accounts receivable due from related parties, net (Notes 6(d), (x) and 7)	72,036,427	11.7	92,341,686	13.7	84,604,371	13.3
1200	Other receivables, net (Notes 6(h) and 7)	2,061,222	0.3	1,531,629	0.2	1,112,506	0.2
130X	Inventories (Notes 6(e) and (h))	77,324,199	12.6	101,702,256	15.1	88,632,146	14.0
1460	Non-current assets classified as held for sale (disposal groups) (Note 6(f))	7,703,905	1.3	4,168,370	0.6	-	-
1476	Other current financial assets (Notes 6(h), (l) and 8)	8,724,765	1.4	3,931,524	0.6	4,843,733	0.8
1479	Other current assets (Notes 6(h) and (l))	6,931,308	1.1	7,241,690	1.1	6,773,035	1.0
		<u>459,136,783</u>	<u>74.7</u>	<u>514,817,271</u>	<u>76.3</u>	<u>478,781,039</u>	<u>75.4</u>
Non-current assets:							
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	4,856,099	0.8	4,132,365	0.6	3,709,336	0.6
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	3,252,067	0.5	3,723,715	0.6	3,660,223	0.6
1540	Non-current financial assets at amortised cost, net	800,000	0.1	800,000	0.1	590,000	0.1
1550	Investments accounted for using equity method (Note 6(g))	47,418,363	7.7	49,509,201	7.4	47,101,325	7.4
1600	Property, plant and equipment (Notes 6(h), (j) and 8)	80,784,879	13.3	79,016,943	11.7	77,644,757	12.2
1755	Right-of-use assets (Notes 6(h) and (k))	5,090,404	0.8	6,255,284	0.9	4,958,496	0.8
1760	Investment property, net	25,772	-	30,025	-	29,735	-
1780	Intangible assets (Note 6(h))	405,244	0.1	283,682	-	261,900	-
1840	Deferred tax assets (Note 6(h))	2,438,298	0.4	2,779,572	0.4	2,359,184	0.4
1915	Prepayments on purchase of equipment (Note 9)	9,270,483	1.5	12,825,318	1.9	15,012,903	2.4
1980	Other non-current financial assets (Notes 6(h), (l) and 8)	433,048	0.1	508,315	0.1	490,021	0.1
1990	Other non-current assets (Notes 6(h) and (l))	75,665	-	70,434	-	51,419	-
		<u>154,850,322</u>	<u>25.3</u>	<u>159,934,854</u>	<u>23.7</u>	<u>155,869,299</u>	<u>24.6</u>
Total assets		\$ <u>613,987,105</u>	<u>100.0</u>	<u>674,752,125</u>	<u>100.0</u>	<u>634,650,338</u>	<u>100.0</u>

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)

September 30, 2025, December 31, 2024, and September 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%
Liabilities and Equity							
Current liabilities:							
2100	Short-term loans (Notes 6(h) and (m))	\$ 34,897,516	5.7	23,818,649	3.5	18,799,975	3.0
2130	Current contract liabilities (Note 6(x))	2,201,393	0.4	1,587,338	0.2	1,674,834	0.3
2170	Accounts payable (Note 6(h))	176,790,080	28.8	204,550,755	30.4	193,429,406	30.4
2180	Accounts payable to related parties (Note 7)	85,739,848	13.9	104,762,746	15.5	92,970,384	14.6
2209	Accrued expenses (Notes 6(h) and (y))	20,425,259	3.3	20,577,776	3.0	19,641,465	3.1
2219	Other payables (Notes 6(h) and 9)	2,997,476	0.5	3,476,314	0.5	4,002,575	0.6
2230	Current tax liabilities	3,252,823	0.5	2,982,444	0.5	2,362,625	0.4
2260	Liabilities related to non-current assets classified as held for sale (disposal groups) (Note 6(f))	-	-	1,503,890	0.2	-	-
2281	Current lease liabilities (Notes 6(h) and (q))	485,648	0.1	604,836	0.1	547,223	0.1
2321	Bonds payable, current portion (Note 6(p))	9,700,000	1.6	7,500,000	1.1	2,500,000	0.4
2322	Long-term loans payable, current portion (Note 6(o))	4,667,960	0.8	3,775,061	0.6	3,710,628	0.6
2399	Other current liabilities (Notes 6(h), (n) and (o))	<u>5,166,060</u>	<u>0.8</u>	<u>10,917,182</u>	<u>1.6</u>	<u>11,502,101</u>	<u>1.8</u>
		<u>346,324,063</u>	<u>56.4</u>	<u>386,056,991</u>	<u>57.2</u>	<u>351,141,216</u>	<u>55.3</u>
Non-Current liabilities:							
2527	Non-current contract liabilities (Note 6(x))	2,400,880	0.4	3,329,927	0.5	3,467,133	0.6
2530	Bonds payable (Note 6(p))	10,195,144	1.6	14,891,310	2.2	19,889,746	3.1
2540	Long-term loans (Notes 6(o) and 8)	12,608,213	2.1	14,526,273	2.2	15,590,011	2.5
2570	Deferred tax liabilities	7,524,136	1.2	6,418,015	1.0	5,755,178	0.9
2581	Non-current lease liabilities (Notes 6(h) and (q))	1,391,747	0.2	1,920,453	0.2	1,432,932	0.2
2650	Credit balance of investments accounted for using equity method (Note 6(g))	-	-	6,916	-	5,612	-
2670	Other non-current liabilities (Notes 6(h), (n), (o) and (r))	<u>5,388,632</u>	<u>0.9</u>	<u>5,902,756</u>	<u>0.9</u>	<u>5,762,106</u>	<u>0.9</u>
		<u>39,508,752</u>	<u>6.4</u>	<u>46,995,650</u>	<u>7.0</u>	<u>51,902,718</u>	<u>8.2</u>
		<u>385,832,815</u>	<u>62.8</u>	<u>433,052,641</u>	<u>64.2</u>	<u>403,043,934</u>	<u>63.5</u>
Total liabilities							
Equity Attributable to Owners of the Parent Company (Notes 6(t) and (u)):							
3110	Share capital	<u>26,822,001</u>	<u>4.4</u>	<u>26,631,771</u>	<u>3.9</u>	<u>26,631,881</u>	<u>4.2</u>
Capital surplus:							
3210	Capital surplus, premium on capital stock	79,696,286	13.0	79,691,155	11.8	79,689,074	12.6
3280	Capital surplus, others	<u>6,369,944</u>	<u>1.0</u>	<u>5,207,374</u>	<u>0.8</u>	<u>4,888,718</u>	<u>0.8</u>
		<u>86,066,230</u>	<u>14.0</u>	<u>84,898,529</u>	<u>12.6</u>	<u>84,577,792</u>	<u>13.4</u>
Retained earnings:							
3310	Legal reserve	22,569,086	3.7	20,808,569	3.1	20,808,569	3.3
3320	Special reserve	-	-	6,984,734	1.0	6,984,734	1.1
3350	Unappropriated retained earnings	<u>67,627,226</u>	<u>11.0</u>	<u>64,237,214</u>	<u>9.5</u>	<u>59,947,867</u>	<u>9.4</u>
		<u>90,196,312</u>	<u>14.7</u>	<u>92,030,517</u>	<u>13.6</u>	<u>87,741,170</u>	<u>13.8</u>
Other equity interest:							
3410	Exchange differences on translation of foreign financial statements	(10,004,451)	(1.6)	2,771,268	0.5	(2,060,925)	(0.3)
3420	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	346,856	-	766,703	0.1	876,395	0.1
3491	Other equity, unearned compensation	<u>(663,629)</u>	<u>(0.1)</u>	<u>(5,655)</u>	<u>-</u>	<u>(9,895)</u>	<u>-</u>
		<u>(10,321,224)</u>	<u>(1.7)</u>	<u>3,532,316</u>	<u>0.6</u>	<u>(1,194,425)</u>	<u>(0.2)</u>
		<u>192,763,319</u>	<u>31.4</u>	<u>207,093,133</u>	<u>30.7</u>	<u>197,756,418</u>	<u>31.2</u>
36xx	Equity attributable to the parent company						
	Non-controlling interests (Notes 6(i) and (t))	<u>35,390,971</u>	<u>5.8</u>	<u>34,606,351</u>	<u>5.1</u>	<u>33,849,986</u>	<u>5.3</u>
	Total equity	<u>228,154,290</u>	<u>37.2</u>	<u>241,699,484</u>	<u>35.8</u>	<u>231,606,404</u>	<u>36.5</u>
	Total liabilities and equity	<u>\$ 613,987,105</u>	<u>100.0</u>	<u>674,752,125</u>	<u>100.0</u>	<u>634,650,338</u>	<u>100.0</u>

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 three months and nine months ended September 30, 2025 and 2024

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

		For the three months ended September 30				For the nine months ended September 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Notes 6(x) and 7)	\$ 257,863,123	100.0	294,230,234	100.0	797,632,389	100.0	798,344,682	100.0
5000	Cost of sales (Notes 6(e), (j), (k), (q), (r), (u), (v), (y) and 7)	<u>246,960,972</u>	<u>95.8</u>	<u>282,190,592</u>	<u>95.9</u>	<u>768,187,660</u>	<u>96.3</u>	<u>764,124,704</u>	<u>95.7</u>
	Gross profit from operations	<u>10,902,151</u>	<u>4.2</u>	<u>12,039,642</u>	<u>4.1</u>	<u>29,444,729</u>	<u>3.7</u>	<u>34,219,978</u>	<u>4.3</u>
6000	Operating expenses (Notes 6(d), (j), (k), (q), (r), (u), (v), (y) and 7):								
6100	Selling expenses	1,391,802	0.5	1,163,083	0.4	3,829,199	0.5	3,384,906	0.4
6200	General and administrative expenses	2,324,449	0.9	3,218,762	1.1	6,717,337	0.8	9,338,091	1.2
6300	Research and development expenses	<u>3,967,981</u>	<u>1.5</u>	<u>4,017,600</u>	<u>1.4</u>	<u>11,726,477</u>	<u>1.5</u>	<u>11,897,809</u>	<u>1.5</u>
	Total operating expenses	<u>7,684,232</u>	<u>2.9</u>	<u>8,399,445</u>	<u>2.9</u>	<u>22,273,013</u>	<u>2.8</u>	<u>24,620,806</u>	<u>3.1</u>
	Net operating income	<u>3,217,919</u>	<u>1.3</u>	<u>3,640,197</u>	<u>1.2</u>	<u>7,171,716</u>	<u>0.9</u>	<u>9,599,172</u>	<u>1.2</u>
	Non-operating income and expenses:								
7100	Interest income (Note 6(z))	1,077,083	0.4	1,505,820	0.5	3,072,447	0.4	4,364,405	0.6
7010	Other income (Note 6(z))	490,034	0.1	379,239	0.1	3,972,514	0.5	1,526,406	0.2
7020	Other gains and losses (Notes 6(g), (h), (j) and (z))	2,651,168	1.0	427,388	0.2	481,737	-	5,158,576	0.6
7050	Finance costs (Notes 6(p), (q) and (z))	(349,490)	(0.1)	(259,861)	(0.1)	(1,010,733)	(0.1)	(1,097,459)	(0.1)
7060	Share of profit of associates and joint ventures accounted for using equity method (Note 6(g))	<u>588,236</u>	<u>0.2</u>	<u>884,919</u>	<u>0.3</u>	<u>2,387,720</u>	<u>0.3</u>	<u>1,718,960</u>	<u>0.2</u>
	Total non-operating income and expenses	<u>4,457,031</u>	<u>1.6</u>	<u>2,937,505</u>	<u>1.0</u>	<u>8,903,685</u>	<u>1.1</u>	<u>11,670,888</u>	<u>1.5</u>
	Profit before tax	<u>7,674,950</u>	<u>2.9</u>	<u>6,577,702</u>	<u>2.2</u>	<u>16,075,401</u>	<u>2.0</u>	<u>21,270,060</u>	<u>2.7</u>
7950	Less: Tax expenses (Note 6(s))	<u>2,189,375</u>	<u>0.8</u>	<u>1,595,492</u>	<u>0.5</u>	<u>4,350,837</u>	<u>0.5</u>	<u>6,299,033</u>	<u>0.8</u>
	Profit for the period	<u>5,485,575</u>	<u>2.1</u>	<u>4,982,210</u>	<u>1.7</u>	<u>11,724,564</u>	<u>1.5</u>	<u>14,971,027</u>	<u>1.9</u>
8300	Other comprehensive income (loss):								
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss								
8311	Gains (losses) on remeasurements of defined benefit plans	-	-	265	-	(5,615)	-	1,266	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	817,215	0.3	(194,781)	(0.1)	585,753	0.1	706,920	0.1
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	(2)	-	-	-	(529)	-	-	-
8349	Income tax related to components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>817,213</u>	<u>0.3</u>	<u>(194,516)</u>	<u>(0.1)</u>	<u>579,609</u>	<u>0.1</u>	<u>708,186</u>	<u>0.1</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or								
8361	Exchange differences on translation of foreign financial statements	5,664,330	2.2	(4,095,319)	(1.4)	(9,829,716)	(1.2)	3,970,807	0.5
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method (Note 6(g))	2,164,123	0.8	(69,778)	-	(3,423,773)	(0.4)	1,474,450	0.2
8399	Income tax related to components of other comprehensive income (loss) that will be reclassified to profit or loss (Note 6(s))	<u>727</u>	<u>-</u>	<u>7,810</u>	<u>-</u>	<u>(2,030)</u>	<u>-</u>	<u>2,388</u>	<u>-</u>
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>7,827,726</u>	<u>3.0</u>	<u>(4,172,907)</u>	<u>(1.4)</u>	<u>(13,251,459)</u>	<u>(1.6)</u>	<u>5,442,869</u>	<u>0.7</u>
8300	Other comprehensive income (loss) for the period, net of tax	<u>8,644,939</u>	<u>3.3</u>	<u>(4,367,423)</u>	<u>(1.5)</u>	<u>(12,671,850)</u>	<u>(1.5)</u>	<u>6,151,055</u>	<u>0.8</u>
8500	Total comprehensive income (loss) for the period	<u>\$ 14,130,514</u>	<u>5.4</u>	<u>614,787</u>	<u>0.2</u>	<u>(947,286)</u>	<u>-</u>	<u>21,122,082</u>	<u>2.7</u>
	Profit attributable to:								
8610	Owners of the parent company	\$ 4,544,904	1.7	4,295,665	1.5	9,135,648	1.2	13,139,445	1.7
8620	Non-controlling interests	<u>940,671</u>	<u>0.4</u>	<u>686,545</u>	<u>0.2</u>	<u>2,588,916</u>	<u>0.3</u>	<u>1,831,582</u>	<u>0.2</u>
		<u>\$ 5,485,575</u>	<u>2.1</u>	<u>4,982,210</u>	<u>1.7</u>	<u>11,724,564</u>	<u>1.5</u>	<u>14,971,027</u>	<u>1.9</u>
	Comprehensive income (loss) attributable to:								
8710	Owners of the parent company	\$ 12,983,896	5.0	92,232	-	(3,060,462)	(0.3)	19,146,695	2.5
8720	Non-controlling interests	<u>1,146,618</u>	<u>0.4</u>	<u>522,555</u>	<u>0.2</u>	<u>2,113,176</u>	<u>0.3</u>	<u>1,975,387</u>	<u>0.2</u>
		<u>\$ 14,130,514</u>	<u>5.4</u>	<u>614,787</u>	<u>0.2</u>	<u>(947,286)</u>	<u>-</u>	<u>21,122,082</u>	<u>2.7</u>
	Earnings per share, net of tax (Note 6(w))								
9750	Basic earnings per share	<u>\$ 1.69</u>		<u>1.61</u>		<u>3.42</u>		<u>4.93</u>	
9850	Diluted earnings per share	<u>\$ 1.69</u>		<u>1.60</u>		<u>3.40</u>		<u>4.90</u>	

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 nine months ended September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of the parent company												
	Share capital		Retained earnings				Total other equity interest						
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unearned compensation	Total other equity interest	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
Balance as of January 1, 2024	\$ 26,642,241	84,195,646	19,239,612	7,523,660	58,318,738	85,082,010	(7,359,989)	375,255	(125,271)	(7,110,005)	188,809,892	32,807,875	221,617,767
Profit (loss) for the period	-	-	-	-	13,139,445	13,139,445	-	-	-	-	13,139,445	1,831,582	14,971,027
Other comprehensive income (loss) for the period	-	-	-	-	1,266	1,266	5,299,064	706,920	-	6,005,984	6,007,250	143,805	6,151,055
Total comprehensive income (loss) for the period	-	-	-	-	13,140,711	13,140,711	5,299,064	706,920	-	6,005,984	19,146,695	1,975,387	21,122,082
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	-	210,041	-	-	-	-	-	-	-	-	210,041	-	210,041
Changes in ownership interests in subsidiaries	-	(11,118)	-	-	-	-	-	-	-	-	(11,118)	11,118	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	205,780	205,780	-	(205,780)	-	(205,780)	-	-	-
Expiration of restricted shares of stock issued to employees	(10,360)	10,360	-	-	(30,669)	(30,669)	-	-	-	-	(30,669)	-	(30,669)
Compensation cost arising from restricted shares of stock	-	172,863	-	-	-	-	-	-	115,376	115,376	288,239	-	288,239
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(944,394)	(944,394)
Balance as of September 30, 2024	\$ 26,631,881	84,577,792	20,808,569	6,984,734	59,947,867	87,741,170	(2,060,925)	876,395	(9,895)	(1,194,425)	197,756,418	33,849,986	231,606,404
Balance as of January 1, 2025	\$ 26,631,771	84,898,529	20,808,569	6,984,734	64,237,214	92,030,517	2,771,268	766,703	(5,655)	3,532,316	207,093,133	34,606,351	241,699,484
Profit (loss) for the period	-	-	-	-	9,135,648	9,135,648	-	-	-	-	9,135,648	2,588,916	11,724,564
Other comprehensive income (loss) for the period	-	-	-	-	(6,144)	(6,144)	(12,775,719)	585,753	-	(12,189,966)	(12,196,110)	(475,740)	(12,671,850)
Total comprehensive income (loss) for the period	-	-	-	-	9,129,504	9,129,504	(12,775,719)	585,753	-	(12,189,966)	(3,060,462)	2,113,176	(947,286)
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	1,760,517	-	(1,760,517)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(6,984,734)	6,984,734	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(11,984,263)	(11,984,263)	-	-	-	-	(11,984,263)	-	(11,984,263)
Changes in equity of associates and joint ventures accounted for using equity method	-	236,963	-	-	-	-	-	-	-	-	236,963	-	236,963
Changes in ownership interests in subsidiaries	-	143,856	-	-	584	584	-	-	-	-	144,440	(144,440)	-
Share-based payments	207,140	-	-	-	-	-	-	-	-	-	207,140	-	207,140
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	1,005,600	1,005,600	-	(1,005,600)	-	(1,005,600)	-	-	-
Expiration of restricted shares of stock issued to employees	(16,910)	16,910	-	-	14,370	14,370	-	-	-	-	14,370	-	14,370
Compensation cost arising from restricted shares of stock	-	769,972	-	-	-	-	-	-	(657,974)	(657,974)	111,998	-	111,998
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,184,116)	(1,184,116)
Balance as of September 30, 2025	\$ 26,822,001	86,066,230	22,569,086	-	67,627,226	90,196,312	(10,004,451)	346,856	(663,629)	(10,321,224)	192,763,319	35,390,971	228,154,290

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 nine months ended September 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the nine months ended September 30	
	2025	2024
Cash flows from operating activities:		
Profit before tax	\$ 16,075,401	21,270,060
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	10,756,155	11,769,930
Amortization expense	138,371	107,475
Expected credit loss (reversal gain)	121,645	(65,660)
Loss (gain) on financial assets and liabilities at fair value through profit or loss	(1,300,487)	(1,748,789)
Interest expense	992,866	1,080,978
Interest income	(3,072,447)	(4,364,405)
Dividend income	(90,243)	(112,678)
Compensation cost arising from employee stock options	497,285	361,885
Amortization of issuance costs on bonds payable	3,834	5,357
Share of profit or loss of associates and joint ventures accounted for using equity method	(2,387,720)	(1,718,960)
Loss (gain) on lease remeasurement	(11,823)	(14,972)
Loss (gain) on disposal of property, plant and equipment	(275,822)	(166,197)
Property, plant and equipment charged to expenses	(506,536)	26,572
Loss (gain) on disposal of intangible assets	(97)	-
Intangible assets charged to expenses	(5,032)	-
Loss (gain) on disposal of investments	88,860	(2,862,628)
Other income	(2,704,477)	-
Impairment loss on non-financial assets	-	49,229
Government grants income	(44,189)	(39,911)
Total adjustments to reconcile profit	<u>2,200,143</u>	<u>2,307,226</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in financial assets at fair value through profit or loss	4,855,013	2,175,527
Decrease (increase) in notes and accounts receivable	27,993,695	(156,390,106)
Increase in other receivables	(628,327)	(784,630)
Decrease in inventories	9,106,410	15,706,917
Increase in other current assets	(727,716)	(518,605)
(Increase) decrease in other financial assets	(4,793,241)	728,007
Decrease (increase) in other non-current assets	196,273	(23,503)
Total changes in operating assets	<u>36,002,107</u>	<u>(139,106,393)</u>
Changes in operating liabilities:		
Decrease in contract liabilities	(314,993)	(629,181)
(Decrease) increase in accounts payable	(27,456,884)	169,039,964
Decrease in accrued expenses	(75,812)	(461,937)
Increase (decrease) in other payable	459,019	(1,493,411)
Decrease in other current liabilities	(2,782,164)	(15,326)
(Decrease) increase in other non-current liabilities	(458,176)	181,711
Total changes in operating liabilities	<u>(30,629,010)</u>	<u>166,621,820</u>
Total changes in operating assets and liabilities	<u>5,373,097</u>	<u>27,515,427</u>
Total adjustments	<u>7,573,240</u>	<u>29,822,653</u>
Cash flows generated from operations	23,648,641	51,092,713
Interest received	3,142,061	4,280,635
Dividends received	90,243	112,678
Interest paid	(1,169,272)	(831,980)
Income taxes paid	(2,089,044)	(8,248,902)
Net cash flows from operating activities	<u>23,622,629</u>	<u>46,405,144</u>

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

PEGATRON CORPORATION AND SUBSIDIARIES**Consolidated Statements of Cash Flows (CONT'D)****For the nine months ended September 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the nine months ended September 30	
	2025	2024
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(306,542)	(1,560,066)
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,251,324	289,029
Acquisition of financial assets at amortized cost	-	(590,000)
Acquisition of property, plant and equipment	(15,824,325)	(12,219,924)
Proceeds from disposal of property, plant and equipment	1,122,587	540,583
Acquisition of intangible assets	(301,773)	(129,284)
Proceeds from disposal of intangible assets	381	-
Acquisition of right-of-use assets	-	(188,321)
Proceeds from disposal of right-of-use assets	228,762	-
Disposal of subsidiaries	(484,061)	(3,338,078)
Increase in other financial assets	(6,425)	(100,086)
(Increase) decrease in prepayments on purchase of equipment	(579,311)	2,109,141
Net cash flows used in investing activities	(14,899,383)	(15,187,006)
Cash flows from financing activities:		
Increase (decrease) in short-term loans	10,187,856	(3,121,024)
Repayments of bonds	(2,500,000)	(8,000,000)
Proceeds from long-term loans	1,755,000	1,538,700
Repayments of long-term loans	(2,808,069)	(2,806,390)
Repayments of lease liabilities	(409,737)	(868,445)
Cash dividends paid	(13,454,899)	(11,969,361)
Redemption of restricted stock	207,140	-
Changes in non-controlling interests	14,278	45,782
Net cash flows used in financing activities	(7,008,431)	(25,180,738)
Effect of exchange rate fluctuations on cash and cash equivalents held	(7,308,507)	2,718,604
Net (decrease) increase in cash and cash equivalents	(5,593,692)	8,756,004
Cash and cash equivalents, beginning of the period	123,086,218	102,572,944
Cash and cash equivalents, end of the period	\$ 117,492,526	111,328,948
Components of cash and cash equivalents, beginning of the period:		
Cash and cash equivalents reported in the balance sheet	\$ 121,625,346	97,721,592
Reclassification to non-current assets classified as held for sale (disposal groups)	1,460,872	4,851,352
Cash and cash equivalents, beginning of the period	\$ 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

September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

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

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

The consolidated financial statements of the Company as of and for the nine months ended September 30, 2025 and 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 November 12, 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, 2025:

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

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

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

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

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

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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 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

(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.

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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 “the Regulations”) and the International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by Financial Supervisory Commission, and do not include all of the information required by the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to “IFRS endorsed by the FSC”) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of consolidation

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

Investor	Subsidiary	Nature of business	Shareholding ratio			Notes
			September 30, 2025	December 31, 2024	September 30, 2024	
THE COMPANY	UNIHAN HOLDING LTD. (UNIHAN)	Investing activities	100.00 %	100.00 %	100.00 %	Note 21
UNIHAN	CASETEK HOLDINGS LIMITED (CASETEK)	Investing and trading activities	100.00 %	100.00 %	100.00 %	Note 21
CASETEK	SLITEK HOLDINGS LIMITED (SLITEK)	Investing and trading activities	100.00 %	100.00 %	100.00 %	Note 21
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 %	100.00 %	Note 21
CASETEK	KAEDAR HOLDINGS LIMITED (KHL)	Investing and trading activities	100.00 %	100.00 %	100.00 %	Note 21
KHL	KAEDAR ELECTRONICS (KUNSHAN) CO., LTD. (KAEDAR)	Tooling molds of stainless-steel computer cases	- %	100.00 %	100.00 %	Note 12 and Note 21
CASETEK	KAEDAR TRADING LTD. (KTL)	Investing and trading activities	100.00 %	100.00 %	100.00 %	Note 21
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 %	100.00 %	Note 21

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio			Notes
			September 30, 2025	December 31, 2024	September 30, 2024	
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 %	100.00 %	Note 21
THE COMPANY, ASUSPOWER INVESTMENT AND ASUSTEK INVESTMENT	AZUREWAVE TECHNOLOGIES, INC. (AZUREWAVE)	Wireless network development and computer and business equipment, wholesale and retail sales of telecommunications equipment and information software, provision of computer peripheral hardware and mobile e-commerce services.	31.91 %	32.41 %	32.41 %	Note 1
AZUREWAVE	EZWAVE TECHNOLOGIES, INC. (EZWAVE)	Manufacturing office machinery, electronic parts and computer peripherals	100.00 %	100.00 %	100.00 %	Note 21
AZUREWAVE	Azurewave Technologies (USA) Inc. (Azurewave USA)	Market development activities	100.00 %	100.00 %	100.00 %	Note 21
AZUREWAVE	AZURE LIGHTING TECHNOLOGIES, INC. (AZURE)	Selling electronic parts	100.00 %	100.00 %	100.00 %	Note 21
AZUREWAVE	Azurewave Technologies (Vietnam) Company Limited (Azurewave(VN))	Development, design and sale of communication equipment	100.00 %	100.00 %	100.00 %	Note 21
AZUREWAVE	Azwave Holding (Samoa) Inc. (Azwave)	Investing activities	100.00 %	100.00 %	100.00 %	
AZUREWAVE	AzureNet Technology Inc. (AzureNet)	Sale of 5G modules and system products.	100.00 %	- %	- %	Note 14 and Note 21
Azwave	Azurewave Technologies (Shanghai) Inc. (Azurewave Shanghai)	Designing, manufacturing and trading computer products	100.00 %	100.00 %	100.00 %	
Azwave	AIGALE CORPORATION (SHANGHAI) (AIGALE)	Designing and selling electronic products and communication equipment	100.00 %	100.00 %	100.00 %	Note 21
THE COMPANY	AMA PRECISION INC. (AMA)	Designing and developing computer parts	100.00 %	100.00 %	100.00 %	Note 21
THE COMPANY	PEGATRON HOLLAND HOLDING B.V. (PHH)	Investing activities	100.00 %	100.00 %	100.00 %	Note 21
PHH	PEGATRON Czech s.r.o. (PCZ)	Installing, repairing and selling electronic products	100.00 %	100.00 %	100.00 %	Note 21
THE COMPANY	PEGATRON HOLDING LTD. (PEGA HOLDING)	Investing activities	100.00 %	100.00 %	100.00 %	
PEGA HOLDING	POWTEK HOLDINGS LIMITED (POWTEK)	Investing and trading activities	100.00 %	100.00 %	100.00 %	Note 21
POWTEK	POWTEK (SHANGHAI) LTD. (POWTEK SHANGHAI)	Selling main boards, computer peripherals, notebooks, servers and software, and providing after-sales service	100.00 %	100.00 %	100.00 %	Note 21
PEGA HOLDING, KINSUS SAMOA	PIOTEK HOLDINGS LTD. (CAYMAN) (PIOTEK CAYMAN)	Investing activities	100.00 %	100.00 %	100.00 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio			Notes
			September 30, 2025	December 31, 2024	September 30, 2024	
PIOTEK CAYMAN	PIOTEK HOLDINGS LIMITED (PIOTEK)	Investing activities	100.00 %	100.00 %	100.00 %	
PIOTEK	PIOTEK (H.K.) TRADING LIMITED (PIOTEK(H.K.))	Trading activities	- %	100.00 %	100.00 %	Note 12
PEGA HOLDING	GRAND UPRIGHT TECHNOLOGY LIMITED (GUT)	Investing and trading activities	100.00 %	100.00 %	100.00 %	Note 21
PEGA HOLDING	ASLINK PRECISION CO., LTD. (ASLINK)	Investing and trading activities	100.00 %	100.00 %	100.00 %	Note 21
ASLINK	PEGAGLOBE INVESTMENT (JIANGSU) CO., LTD. (PEGAGLOBE JIANGSU)	Investing activities with own funds; equity investment	100.00 %	100.00 %	100.00 %	Note 21
PEGA HOLDING	DIGITEK GLOBAL HOLDINGS LIMITED (DIGITEK)	Investing and trading activities	100.00 %	100.00 %	100.00 %	Note 21
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 %	100.00 %	
DIGITEK CHONGQING	CHONGQING ZUANSUO TRADING CO., LTD. (ZUANSUO)	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 %	100.00 %	Note 21
PEGA HOLDING	MAGNIFICENT BRIGHTNESS LIMITED (MAGNIFICENT)	Investing and trading activities	100.00 %	100.00 %	100.00 %	Note 21
MAGNIFICENT	MAINTEK COMPUTER (SUZHOU) CO., LTD. (MAINTEK)	Manufacture, develop and research and sale of new electronic component such as power supplier and computer case, computer system, laptop, motherboard and related product; repair service.	100.00 %	100.00 %	100.00 %	
PEGA HOLDING	PROTEK GLOBAL HOLDINGS LTD. (PROTEK)	Investing and trading activities	100.00 %	100.00 %	100.00 %	Note 21

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio			Notes
			September 30, 2025	December 31, 2024	September 30, 2024	
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 %	100.00 %	Note 20
PEGA HOLDING	COTEK HOLDINGS LIMITED (COTEK)	Investing and trading activities	100.00 %	100.00 %	100.00 %	Note 21
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 %	100.00 %	Note 21
THE COMPANY	ASUSPOWER INVESTMENT CO., LTD. (ASUSPOWER INVESTMENT)	Investing activities	100.00 %	100.00 %	100.00 %	
THE COMPANY	ASUS INVESTMENT CO., LTD. (ASUS INVESTMENT)	Investing activities	100.00 %	100.00 %	100.00 %	
THE COMPANY	ASUSTEK INVESTMENT CO., LTD. (ASUSTEK INVESTMENT)	Investing activities	100.00 %	100.00 %	100.00 %	
ASUSPOWER INVESTMENT, ASUS INVESTMENT AND ASUSTEK INVESTMENT	ASROCK INCORPORATION (ASROCK)	Selling motherboards, related product development and design	54.60 %	54.59 %	54.58 %	Note 3
ASROCK	ASIA ROCK TECHNOLOGY LIMITED (ASIA ROCK)	Investing and holding activities	100.00 %	100.00 %	100.00 %	
ASIA ROCK	CALROCK HOLDINGS, LLC (Calrock)	Office building leasing	- %	100.00 %	100.00 %	Note 4
ASIA ROCK	ASRock Europe B.V. (ASRock Europe)	Data storage and sale of electronic material and international trading activities	100.00 %	100.00 %	100.00 %	
ASROCK	ASRock Holding Inc.(ASRock VG)	Investing and holding activities	100.00 %	- %	- %	Note 4
ASRock VG	CALROCK HOLDINGS, LLC (Calrock)	Office building leasing	100.00 %	- %	- %	Note 4
ASROCK	LEADER INSIGHT HOLDINGS LIMITED (Leader)	Investing and holding activities	- %	100.00 %	100.00 %	Note 16
ASROCK	FIRSTPLACE INTERNATIONAL LTD. (Firstplace)	Investing and holding activities	100.00 %	- %	- %	Note 16
Leader	FIRSTPLACE INTERNATIONAL LTD. (Firstplace)	Investing and holding activities	- %	100.00 %	100.00 %	Note 16

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio			Notes
			September 30, 2025	December 31, 2024	September 30, 2024	
Firstplace	ASRock America, Inc. (ASRock America)	Data storage and sale of electronic material and international trading activities	100.00 %	100.00 %	100.00 %	
ASROCK	ASRock Rack Incorporation (ASRock Rack)	Manufacturing and selling computer and related peripherals	53.04 %	53.03 %	57.27 %	Note 5
ASRock Rack	ASROCK RACK AMERICA INC. (ASRock USA)	Sales service center in America	100.00 %	100.00 %	- %	Note 14
ASROCK	ASRock Industrial Computer Corporation (ASRock Industrial)	Manufacturing and selling computer and related peripherals	58.29 %	58.23 %	60.10 %	Note 6
ASRock Industrial	ASROCK INDUSTRIAL COMPUTER SEA SDN. BHD. (ASEA)	Sales service center in Asia Pacific	100.00 %	100.00 %	100.00 %	Note 14
ASRock Industrial	ASROCK Industrial Computer Europe GmbH (ASRock GmbH)	Sales service center in Europe	100.00 %	100.00 %	100.00 %	Note 14
ASROCK	Soaring Asia Limited (Soaring)	International trading activities	100.00 %	100.00 %	100.00 %	
ASROCK	ASJade Technology Incorporation (ASJade)	Information software service	83.06 %	82.50 %	82.50 %	Note 7
ASJade	ASJade Technology Japan Corp. (ASJade Japan)	Information software service	100.00 %	100.00 %	100.00 %	
THE COMPANY, ASUSPOWER INVESTMENT, ASUS INVESTMENT AND CASETEK CAYMAN	PEGATRON Mexico, S.A. DE C.V. (PMX)	Manufacture of consumer electronics and electronic parts	100.00 %	100.00 %	100.00 %	Note 21
ASUSPOWER INVESTMENT, ASUS INVESTMENT AND ASUSTEK INVESTMENT	KINSUS INTERCONNECT TECHNOLOGY CORP. (KINSUS)	Manufacturing electronic parts, whole selling and retailing of electronic components, as well as providing business management consultant service	38.07 %	38.09 %	38.08 %	Note 2
KINSUS	KINSUS INVESTMENT CO., LTD. (KINSUS INVESTMENT)	Investing activities	100.00 %	100.00 %	100.00 %	
KINSUS, KINSUS INVESTMENT, ASUSPOWER INVESTMENT AND ASUSTEK INVESTMENT	PEGAVISION CORPORATION (PEGAVISION)	Manufacturing medical appliances	44.05 %	44.05 %	44.05 %	Note 8
PEGAVISION	PEGAVISION VIETNAM COMPANY LIMITED (PEGAVISION VIETNAM)	Manufacturing and selling medical appliances	100.00 %	100.00 %	100.00 %	
PEGAVISION	PEGAVISION JAPAN INC. (PEGAVISION JAPAN)	Selling medical appliances	100.00 %	100.00 %	100.00 %	
PEGAVISION	Pegavision (Jiangsu) Limited (Pegavision Jiangsu)	Manufacturing and selling medical appliances	100.00 %	100.00 %	100.00 %	

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio			Notes
			September 30, 2025	December 31, 2024	September 30, 2024	
PEGAVISION	Mayin Investment Co., Ltd. (Mayin)	Investing activities	100.00 %	100.00 %	100.00 %	
PEGAVISION	Pegavision (Shanghai) Company Limited (Pegavision Shanghai Company)	Selling medical appliances	100.00 %	100.00 %	100.00 %	Note 11
PEGAVISION	PEGAVISION NETHERLANDS B.V. (PEGAVISION NL)	Selling medical appliances	100.00 %	- %	- %	Note 9
Mayin	BeautyTech Platform Corporation(BeautyTech)	Selling medical appliances and cosmetics	85.00 %	85.00 %	85.00 %	
BeautyTech	Pegavision (Shanghai) Limited (Pegavision Shanghai)	Selling medical appliances	- %	100.00 %	100.00 %	Note 17
Pegavision Shanghai	Gemvision Technology (Zhejiang) Limited (Gemvision Zhejiang)	Selling medical appliances	- %	100.00 %	100.00 %	Note 17
BeautyTech	Gemvision Technology (Zhejiang) Limited (Gemvision Zhejiang)	Selling medical appliances	100.00 %	- %	- %	Note 17
BeautyTech	BEAUTYTECH PLATFORM (SINGAPORE) PTE. LTD. (BEAUTYTECH SG)	Selling medical appliances and cosmetics	- %	100.00 %	100.00 %	Note 18
BeautyTech	BeautyTech Platform (Shanghai) Corporation (BeautyTech Shanghai)	Selling medical appliances and cosmetics	100.00 %	100.00 %	100.00 %	Note 17
BeautyTech	FORIMART Corporation (FORIMART)	Selling medical appliances and cosmetics	100.00 %	100.00 %	100.00 %	
BeautyTech	BEAUTYTECH PLATFORM (VIETNAM) LIMITED LIABILITY COMPANY (BTP VN)	Selling medical appliances and cosmetics	70.00 %	70.00 %	- %	Note 14
Mayin	FacialBeau International Corporation (FacialBeau)	Selling medical appliances and cosmetics	55.00 %	55.00 %	55.00 %	
FacialBeau	FacialBeau (Jiangsu) Corporation (FacialBeau Jiangsu)	Selling medical appliances and cosmetics	100.00 %	100.00 %	100.00 %	Note 11
FacialBeau	Aquamax Vision Corporation (Aquamax)	Selling medical appliances and cosmetics	100.00 %	100.00 %	100.00 %	
FacialBeau	IKIDO Inc. (IKIDO)	Selling medical appliances and cosmetics	100.00 %	100.00 %	100.00 %	
FacialBeau	RODNA CO., LTD. (RODNA)	Selling medical appliances and cosmetics	100.00 %	100.00 %	100.00 %	
KINSUS INVESTMENT, ASUSTEK INVESTMENT AND ASUS INVESTMENT	FUYANG TECHNOLOGY CORPORATION (FUYANG)	Manufacturing electronic parts and components	- %	- %	89.13 %	Note 12 and Note 21
KINSUS	KINSUS CORP. (USA) (KINSUS USA)	Designing substrates, formulating marketing strategy analysis, developing new customers, researching and development new product technology	100.00 %	100.00 %	100.00 %	

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio			Notes
			September 30, 2025	December 31, 2024	September 30, 2024	
KINSUS	KINSUS HOLDING (SAMOA) LIMITED (KINSUS SAMOA)	Investing activities	100.00 %	100.00 %	100.00 %	
KINSUS SAMOA	KINSUS HOLDING (CAYMAN) LIMITED (KINSUS CAYMAN)	Investing activities	100.00 %	100.00 %	100.00 %	
KINSUS CAYMAN	KINSUS INTERCONNECT TECHNOLOGY (SUZHOU) CORP. (KINSUS SUZHOU)	Manufacturing and selling printed circuit board (PCB) (not high-density fine-line)	100.00 %	100.00 %	100.00 %	
PIOTEK, KINSUS SUZHOU, PEGAGLOBE JIANGSU	PIOTEK COMPUTER (SUZHOU) CO., LTD. (PIOTEK SUZHOU)	Researching, developing, producing and selling new electronic components, PCBs and related products and providing after-sale services	100.00 %	100.00 %	100.00 %	
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 12 and Note 21
ASUSPOWER INVESTMENT, ASUS INVESTMENT AND ASUSTEK INVESTMENT	ASUSPOWER CORPORATION (ASUSPOWER)	Investing and trading activities	100.00 %	100.00 %	100.00 %	
THE COMPANY	CASETEK HOLDINGS LIMITED (CAYMAN) (CASETEK CAYMAN)	Investing activities	100.00 %	100.00 %	100.00 %	
CASETEK CAYMAN	RIH LI INTERNATIONAL LIMITED (RIH LI)	Investing activities	100.00 %	100.00 %	100.00 %	
RIH LI	RI-TENG COMPUTER ACCESSORY (SHANGHAI) CO., LTD. (RI-TENG)	Designing, researching, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling	100.00 %	100.00 %	100.00 %	Note 21
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 %	100.00 %	Note 21
CASETEK CAYMAN	RI-KUAN METAL CORPORATION (RI-KUAN)	Selling iron and aluminum products	100.00 %	100.00 %	100.00 %	Note 21
RI-KUAN	RITENG USA, INC. (RITENG)	Market survey	100.00 %	100.00 %	100.00 %	Note 21
CASETEK CAYMAN	MEGA MERIT LIMITED (MEGA)	Trading activities	100.00 %	100.00 %	100.00 %	Note 21
ASUS INVESTMENT	AS FLY TRAVEL SERVICE LIMITED (AS FLY)	Travel agency	100.00 %	100.00 %	100.00 %	Note 21
ASUSPOWER INVESTMENT	PEGATRON TECHNOLOGY SERVICE INC. (PTSI)	Sales and repair service center in North America	100.00 %	100.00 %	100.00 %	Note 21

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio			Notes
			September 30, 2025	December 31, 2024	September 30, 2024	
PTSI	PEGATRON SERVICOS DE INFORMATICA LTDA.(PCBR)	Repair service	100.00 %	100.00 %	100.00 %	Note 21
PTSI	PEGATRON TECHNOLOGIES LLC (PTX)	Researching, designing, manufacturing, and repairing of information, communication, and consumer electronics	100.00 %	- %	- %	Note 14 and Note 21
ASUSPOWER INVESTMENT	PEGA INTERNATIONAL LIMITED (PEGA INTERNATIONAL)	Design service and sales	100.00 %	100.00 %	100.00 %	Note 21
ASUSPOWER INVESTMENT	PEGATRON JAPAN INC.(PJ)	Sales and repair service center in Japan	100.00 %	100.00 %	100.00 %	Note 21
ASUSPOWER INVESTMENT, ASUS INVESTMENT AND ASUSTEK INVESTMENT	Lumens Digital Optics Inc. (Lumens)	Researching, developing, manufacturing and selling computer data projectors and related peripherals	53.30 %	53.57 %	53.57 %	Note 13 and Note 21
Lumens	Lumens Integration Inc. (Lumens Integration)	Selling computer information products and peripherals	100.00 %	100.00 %	100.00 %	Note 21
Lumens	Lumens Digit Image Inc. (SAMOA)(Lumens SAMOA)	Investing activities	100.00 %	100.00 %	100.00 %	Note 21
Lumens SAMOA	Lumens (Suzhou) Digital Image Inc.(Lumens Suzhou)	Manufacturing and selling computer data projectors and related peripherals	100.00 %	100.00 %	100.00 %	Note 21
ASUSPOWER INVESTMENT	PEGATRON SERVICE SINGAPORE PTE. LTD. (PSG)	Sales and repair service center in Singapore	100.00 %	100.00 %	100.00 %	Note 21
PSG	PEGATRON SERVICE KOREA LLC. (PKR)	Sales and repair service center in Korea	100.00 %	100.00 %	100.00 %	Note 21
THE COMPANY, ASUS INVESTMENT	HUA-YUAN INVESTMENT CO., LTD. (HUA-YUAN)	Investing activities	100.00 %	100.00 %	100.00 %	Note 15 and Note 21
THE COMPANY	PEGATRON SERVICE AUSTRALIA PTY. LTD.(PAU)	Sales and repair service center in Australia	100.00 %	100.00 %	100.00 %	Note 21
THE COMPANY	PEGATRON USA, INC. (PUSA)	Sales and repair service center in North America	100.00 %	100.00 %	100.00 %	Note 21
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 %	100.00 %	Note 21
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 %	100.00 %	Note 19
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 %	100.00 %	Note 21

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio			Notes
			September 30, 2025	December 31, 2024	September 30, 2024	
THE COMPANY, ASUSPOWER INVESTMENT	TATA ELECTRONICS PRODUCTS AND SOLUTIONS PRIVATE LIMITED (TEPS)(Former PTI)	Manufacturing and selling consumer electronics	- %	100.00 %	100.00 %	Note 10 and Note 21
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 %	100.00 %	Note 21
THE COMPANY	PEGATRON TECHNOLOGY TEXAS INC. (PTT) (Former PTX)	Sales service center in North America	100.00 %	100.00 %	100.00 %	Note 21
THE COMPANY	PEGATRON ELECTRONICS INC. (PEL)	Sales service center in North America	100.00 %	100.00 %	100.00 %	Note 21
THE COMPANY	PEGAUNIHAN TECHNOLOGY MALAYSIA SDN. BHD. (PTM)	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	100.00 %	100.00 %	100.00 %	Note 21
THE COMPANY	Pegapower Investment Co., Ltd. (Pegapower Investment)	Investing activities	100.00 %	100.00 %	100.00 %	Note 21
THE COMPANY	Pegatron Investment Co., Ltd. (Pegatron Investment)	Investing activities	100.00 %	100.00 %	100.00 %	Note 21
Pegapower Investment, Pegatron Investment	Pegatron Venture Capital Co., Ltd. (Pegatron Venture)	Investing activities	100.00 %	100.00 %	100.00 %	Note 21
Pegapower Investment, KINSUS INVESTMENT, PEGAVISION, ASROCK, AZUREWAVE	Zhuhe Investment Co., Ltd. (Zhuhe)	Investing activities	85.00 %	85.00 %	85.00 %	Note 21
Pegatron Investment	AzureMoto Technology, Inc. (AzureMoto)	Manufacturing electronic parts, vehicles and vehicle parts	90.00 %	90.00 %	90.00 %	Note 14 and Note 21

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

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PEGATRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- Note 2: During 2025 and 2024, KINSUS issued restricted shares for its employees and repurchase the treasury shares that lapsed due to those restricted shares, resulting in the Group's shareholding to decrease to 38.07%. The Group held 38.07% voting shares of KINSUS; however, the Group considered the remaining 61.93% of shareholdings are not concentrated and the Group has an ability to lead the decision making in relevant activities of the investee company based on the experience in its previous shareholders' meeting. In addition, there is no indication that other shareholders are collaborating together for passing any resolution. Therefore, the Group included KINSUS into the consolidated financial report.
- Note 3: During 2025 and 2024, ASROCK resolved to reduce the capital through cancellation of the repurchases of restricted employee new shares and repurchase the treasury shares that lapsed due to those restricted shares, increasing the Group's shareholding to 54.60%.
- Note 4: ASIAROCK initially established ASRock VG as a wholly-owned subsidiary by contributing its equity interest in Calrock as capital, and obtained incorporation registration on May 13, 2025. In July 2025, ASIAROCK conducted a capital reduction and transferred the equity interest in ASRock VG back to ASRock.
- Note 5: During 2024, ASRock Rack issued restricted shares for its employees pursuant to a resolution of the Board of Directors. On November 27, 2024, the Group disposed of a portion of its shareholding in ASRock Rack, resulting in a decrease in the Group's shareholding to 53.03%. On June 19, 2025, ASRock Rack cancelled treasury shares, resulting in an increase in the Group's shareholding to 53.04%.
- Note 6: During 2025 and 2024, ASRock Industrial issued restricted shares for its employees and cancelled treasury shares, resulting in the Group's shareholding to increase to 58.29%.
- Note 7: In 2025, ASJade increased its capital by issuing 16,000 thousand new shares. As the Group did not subscribe in proportion to its ownership interest, the Group's shareholding percentage increased to 83.06%.
- Note 8: The Group holds 44.05% of the voting shares of PEGAVISION. However, considering that the remaining 55.95% of the shares are widely dispersed and that the level of participation by other shareholders in previous shareholders' meetings indicates the Group's practical ability to direct the relevant activities, and in the absence of any contractual arrangements among the other shareholders to make collective decisions, PEGAVISION is included in the consolidated financial statements.
- Note 9: To develop the European market, the Board of Directors of PEGAVISION resolved on December 31, 2024 to set up PEGAVISION NETHERLANDS B.V., which was 100% directly held by PEGAVISION. The registration was completed on February 28, 2025.
- Note 10: On January 24, 2025, the Board of Directors of Pegatron Technology India Private Limited (PTI), a former subsidiary of the Group, approved a cash capital increase, with all newly issued shares subscribed by strategic investors. As a result, the Group lost control over PTI. Later in 2025, PTI changed its name to TATA ELECTRONICS PRODUCTS AND SOLUTIONS PRIVATE LIMITED (TEPS).
- Note 11: The entity was founded, however, the capital infusion has not been completed as of September 30, 2025.
- Note 12: The subsidiary had been liquidated as of September 30, 2025.
- Note 13: During 2025 and 2024, the entity issued new shares for employee stock options, decreasing the Group's shareholding to 53.30% after the capital increase.
- Note 14: The subsidiary was newly established during 2025 and 2024, with the capital infusion having been completed as of September 30, 2025.

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PEGATRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- Note 15: The entity was originally named HUA-YUAN INVESTMENT LIMITED and it completed its name change in 2024, and in 2025, the entity was directly 100% owned by the Company.
- Note 16: LEADER INSIGHT HOLDINGS LTD. (Leader) completed its dissolution and liquidation in August 2025, and distributed the equity of FIRSTPLACE INTERNATIONAL LTD. (Firstplace) as remaining assets to ASRock Inc.
- Note 17: As part of the Group's business restructuring, Beauty Tech Platform (Shanghai) Corporation and Pegavision (Shanghai) Limited were merged in 2025. Beauty Tech Platform (Shanghai) Corporation is the surviving entity, while Pegavision (Shanghai) Limited was dissolved upon the merger.
- Note 18: As part of the group's business restructuring, BEAUTYTECH PLATFORM (SINGAPORE) PTE. LTD. was deregistered in 2025.
- Note 19: As the subsidiary is not material, its financial statements for the period from January 1 to September 30, 2024, have not been reviewed by independent auditors.
- Note 20: As the subsidiary is not material, its financial statements for the period from January 1 to September 30, 2025, have not been reviewed by independent auditors.
- Note 21: As the subsidiary is not material, its financial statements for the periods from January 1 to September 30, 2025 and 2024, have not been reviewed by independent auditors.

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Account Standards 34, "Interim Financial Reporting".

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(d) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off event.

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Provisions

Carbon fees

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

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

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 "Interim Financial Reporting" endorsed by the FSC requires management to make 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.

The preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts

There were no material differences in the disclosures of significant accounts between the consolidated financial statements for the current period and the 2024 consolidated financial statements. Please refer to Note 6 of the 2024 annual consolidated financial statements.

(a) Cash and cash equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand	\$ 9,016	11,147	8,762
Cash in banks	58,376,431	75,602,053	74,877,067
Time deposits	55,148,832	41,220,783	28,531,286
Cash equivalents	3,958,247	4,791,363	7,911,833
	<u>\$ 117,492,526</u>	<u>121,625,346</u>	<u>111,328,948</u>

- (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 currency risk and sensitivity analysis.

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	September 30, 2025	December 31, 2024	September 30, 2024
Current mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Shares of stock of listed companies	\$ 2,763,515	7,069,842	7,174,095
Beneficiary certificates and others	<u>2,403,428</u>	<u>2,375,361</u>	<u>3,442,778</u>
Subtotal	<u>5,166,943</u>	<u>9,445,203</u>	<u>10,616,873</u>
Non-current mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Shares of stock of listed companies	\$ 385,669	475,390	425,393
Shares of stock of unlisted companies	2,422,161	1,379,867	1,362,475
Beneficiary certificates	<u>2,048,269</u>	<u>2,277,108</u>	<u>1,921,468</u>
Subtotal	<u>4,856,099</u>	<u>4,132,365</u>	<u>3,709,336</u>
Total	<u>\$ 10,023,042</u>	<u>13,577,568</u>	<u>14,326,209</u>

(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

	September 30, 2025	December 31, 2024	September 30, 2024
Equity instruments at fair value through other comprehensive income:			
Shares of stock of listed companies	\$ 734,513	1,396,006	1,551,594
Shares of stock of unlisted companies	<u>2,517,554</u>	<u>2,327,709</u>	<u>2,108,629</u>
Total	<u>\$ 3,252,067</u>	<u>3,723,715</u>	<u>3,660,223</u>

(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 three months and nine months ended September 30, 2025 and 2024, the dividend income of \$2,742 thousand, \$25,330 thousand, \$9,876 thousand and \$32,464 thousand, related to equity investments at fair value through other comprehensive income were recognized, respectively.

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- (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:

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivables from operating activities	\$ -	2,730	4,777
Accounts receivable-measured at amortized cost	161,840,112	172,923,418	170,959,751
Accounts receivable-related parties	72,106,936	92,342,749	84,604,371
Less: Allowance for impairment	<u>215,133</u>	<u>97,644</u>	<u>95,101</u>
	<u>\$ 233,731,915</u>	<u>265,171,253</u>	<u>255,473,798</u>

- (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:

	September 30, 2025		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 231,660,662	0%~1%	(65,845)
Overdue 0 to 30 days	1,800,220	0%~30%	(25,978)
Overdue 31 to 120 days	386,947	2%~100%	(86,630)
Overdue 121 to 365 days	97,374	6%~100%	(34,835)
Over 365 days past due	<u>1,845</u>	100%	<u>(1,845)</u>
	<u>\$ 233,947,048</u>		<u>(215,133)</u>

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
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	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)
	<u>\$ 265,268,897</u>		<u>(97,644)</u>
	September 30, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 253,822,273	0%~2%	(46,037)
Overdue 0 to 30 days	1,586,277	0%~30%	(25,555)
Overdue 31 to 120 days	143,930	0%~100%	(19,327)
Overdue 121 to 365 days	14,700	50%~100%	(2,463)
Over 365 days past due	1,719	100%	(1,719)
	<u>\$ 255,568,899</u>		<u>(95,101)</u>

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

	For the nine months ended September 30	
	2025	2024
Balance as of January 1	\$ 97,644	160,171
Impairment losses (reversed) recognized	119,735	(65,994)
Effect of movement in exchange rates	(2,246)	924
Balance as of September 30	<u>\$ 215,133</u>	<u>95,101</u>

The aforesaid financial assets were not pledged as collateral.

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

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PEGATRON CORPORATION AND SUBSIDIARIES
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(e) Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Merchandise	\$ 1,717,147	2,508,432	3,031,035
Finished goods	25,627,068	51,033,734	32,581,116
Work in process	14,081,636	10,534,434	14,486,632
Raw materials	35,898,348	37,625,656	38,533,363
	<u>\$ 77,324,199</u>	<u>101,702,256</u>	<u>88,632,146</u>

The components of cost of goods sold were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Cost of goods sold	\$ 246,219,614	281,668,049	764,775,355	759,971,892
Provision on (reversal of) evaluation of inventory	(493,687)	(351,873)	60,199	(1,339,510)
Loss on disposal of inventory	1,138,203	771,865	3,075,133	5,290,767
Others	96,842	102,551	276,973	201,555
	<u>\$ 246,960,972</u>	<u>282,190,592</u>	<u>768,187,660</u>	<u>764,124,704</u>

As of September 30, 2025, December 31, 2024 and September 30, 2024, 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 August 13, 2025 through the resolution to dispose of its 18.5% investment in Luxsan Precision Industry (Kunshan) Co., Ltd., which was accounted for using the equity method to Luxsan Precision iTech (Kunshan) Co., Ltd., indirectly through its subsidiary ASLINK PRECISION CO., LTD.

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

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

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PEGATRON CORPORATION AND SUBSIDIARIES
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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:

	September 30, 2025	December 31, 2024
Non-current assets classified as held for sale (disposal groups):		
Cash and cash equivalents	\$ -	1,460,872
Net other receivables	-	25,015
Inventories	-	347,771
Other current assets	-	121,096
Investments accounted for using equity method	5,593,074	-
Property, plant and equipment	2,110,831	1,834,707
Right-of-use assets	-	158,477
Intangible assets	-	5,032
Prepayments on purchase of equipment	-	147,467
Other non-current assets	-	67,933
	\$ 7,703,905	4,168,370
Liabilities related to non-current assets classified as held for sale (disposal groups):		
Short-terms loans	\$ -	891,011
Accounts payable	-	349,201
Other payable	-	216,867
Current tax liabilities	-	15,479
Other current liabilities	-	598
Other non-current liabilities	-	30,734
	\$ -	1,503,890

(Continued)

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:

	September 30, 2025	December 31, 2024	September 30, 2024
Associates	\$ <u>47,418,363</u>	<u>49,509,201</u>	<u>47,101,325</u>
Credit balance of investments accounted for using equity method-associate	\$ <u>-</u>	<u>6,916</u>	<u>5,612</u>

The Group has lost control over its wholly-owned subsidiary, PTI and PEGAGLOBE KUNSHAN, on January 24, 2025 and June 28, 2024 respectively. The remaining equity of 40% and 37.5% has been remeasured at fair value, and the Group has significant influence over PTI and PEGAGLOBE KUNSHAN thereafter.

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		
			September 30, 2025	December 31, 2024	September 30, 2024
Luxcase Precision Technology (Yancheng) Co., Ltd. (Luxcase (Yancheng))	Designing, developing, manufacturing and selling electronic components, precision, non-metal and metal tooling, 3C electronic product parts and accessories	China	48.17 %	48.17 %	48.17 %
Luxsan Precision Industry (Kunshan) Co., Ltd. (LUXSAN KUNSAN) (Former PEGAGLOBE KUNSHAN)	Manufacturing consumer electronic products, such as mobile phones and communication equipment	China	19 %	37.5 %	37.5 %
TATA ELECTRONICS PRODUCTS AND SOLUTIONS PRIVATE LIMITED (TEPS) (Former PTI)	Manufacturing and selling consumer electronics	India	40 %	- %	- %

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

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Notes to the Consolidated Financial Statements

(i) Luxcase (Yancheng)

	September 30, 2025	December 31, 2024	September 30, 2024
Current assets	\$ 208,782,909	155,168,276	158,189,240
Non-current assets	44,846,604	52,311,103	43,362,748
Current liabilities	(170,921,205)	(130,379,897)	(129,255,332)
Non-current liabilities	(4,369,072)	(1,855,336)	(1,291,223)
Net assets attributable to shareholders	<u>\$ 78,339,236</u>	<u>75,244,146</u>	<u>71,005,433</u>
Net assets attributable to non-controlling interests	<u>\$ 148,532</u>	<u>-</u>	<u>-</u>
Net assets attributable to shareholders	<u>\$ 78,190,704</u>	<u>75,244,146</u>	<u>71,005,433</u>

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Operating revenue	<u>\$ 80,091,990</u>	<u>105,061,418</u>	<u>233,484,183</u>	<u>264,093,312</u>
Profit (loss) from continuing operations	\$ 3,559,455	2,001,241	7,151,984	3,688,685
Other comprehensive income (loss)	(35,334)	(45,435)	(51,536)	(28,484)
Total comprehensive income (loss)	<u>\$ 3,524,121</u>	<u>1,955,806</u>	<u>7,100,448</u>	<u>3,660,201</u>
Comprehensive income (loss) attributable to non-controlling interests	<u>\$ (9,502)</u>	<u>-</u>	<u>(11,456)</u>	<u>-</u>
Comprehensive income (loss) attributable to shareholders	<u>\$ 3,533,623</u>	<u>1,955,806</u>	<u>7,111,904</u>	<u>3,660,201</u>

	For the nine months ended September 30	
	2025	2024
Shares of net assets of the associate as of January 1	\$ 36,247,362	30,944,923
Profit (loss) attributable to the Group	3,445,146	1,773,064
Other comprehensive income (loss) attributable to the Group	(2,260,704)	1,277,419
Changes in the ownership interest attributable to the Group	<u>235,004</u>	<u>210,041</u>
Shares of net assets of associates	37,666,808	34,205,447
Add: Goodwill	<u>113,492</u>	<u>117,920</u>
Carrying amount of the associate's equity as of September 30	<u>\$ 37,780,300</u>	<u>34,323,367</u>

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Notes to the Consolidated Financial Statements

(ii) LUXSAN KUNSHAN

	September 30, 2025	December 31, 2024	September 30, 2024
Current assets	\$ 241,493,658	169,324,507	135,663,952
Non-current assets	7,235,345	9,317,347	8,817,345
Current liabilities	(218,228,902)	(144,493,202)	(112,092,936)
Non-current liabilities	(652,792)	(1,718,947)	(1,076,156)
Net assets attributable to shareholders	<u><u>\$ 29,847,309</u></u>	<u><u>32,429,705</u></u>	<u><u>31,312,205</u></u>

	For the three months ended September 30, 2025	For the nine months ended September 30, 2025
Operating revenue	\$ <u><u>218,975,110</u></u>	<u><u>480,636,751</u></u>
Profit (loss) from continuing operations	\$ (680,948)	(663,762)
Other comprehensive income (loss)	(2,177)	(2,624)
Comprehensive income (loss) attributable to shareholders	<u><u>\$ (683,125)</u></u>	<u><u>(666,386)</u></u>

	For the nine months ended September 30	
	2025	2024
Shares of net assets of the associate as of January 1	\$ 12,161,139	-
Addition	-	11,739,883
Profit (loss) profit attributable to the Group	(138,275)	(194,900)
Other comprehensive income (loss) attributable to the Group	(760,762)	197,094
Changes in ownership interest attributable to the Group	1,959	-
Transferred to non-current assets held for sale	(5,593,074)	-
Carrying amount of the associate's equity as of September 30	<u><u>\$ 5,670,987</u></u>	<u><u>11,742,077</u></u>

Note: The new share of net assets of affiliated companies included a gain on bargain purchase of \$481,739 thousand (recognized as other gains and losses on gains on disposal of investments) for the nine months ended September 30, 2024.

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(iii) TEPS

	September 30, 2025	
Current assets	\$	36,902,986
Non-current assets		19,756,457
Current liabilities		(48,448,266)
Non-current liabilities		(551,941)
Net assets attributable to shareholders	\$	<u><u>7,659,236</u></u>
	For the three months ended September 30, 2025	For the nine months ended September 30, 2025
Operating revenue	\$ <u><u>33,005,311</u></u>	<u><u>133,665,148</u></u>
Profit (loss) from continuing operations	\$ (2,463,624)	(1,936,503)
Other comprehensive income (loss)	(5)	(1,321)
Comprehensive income (loss) attributable to shareholders	\$ <u><u>(2,463,629)</u></u>	<u><u>(1,937,824)</u></u>
		For the nine months ended September 30, 2025
Shares of net assets of the associate as of January 1	\$	-
Addition		4,324,501
Profit (loss) attributable to the Group		(863,420)
Other comprehensive income (loss) attributable to the Group		(397,387)
Carrying amount of the associate's equity as of September 30	\$	<u><u>3,063,694</u></u>
Note: The new share of net assets of affiliated companies included a gain on bargain purchase of \$642,085 thousand (recognized as other gains and losses on gains on disposal of investments).		

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

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amount of individually insignificant associates' equity	\$ <u><u>903,382</u></u>	<u><u>971,655</u></u>	<u><u>1,030,269</u></u>

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	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Attributable to the Group:				
Profit (loss) from continuing operations	\$ 15,742	115,777	(55,731)	140,796
Other comprehensive income (loss)	(5,419)	(95)	(5,449)	(63)
Total comprehensive income (loss)	<u>\$ 10,323</u>	<u>115,682</u>	<u>(61,180)</u>	<u>140,733</u>

As of September 30, 2025, December 31, 2024 and September 30, 2024, the aforesaid investments accounted for using equity method were not pledged as collateral.

The unreviewed financial statements of investments accounted for using equity method

The investments accounted for using equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

(h) Loss of control over a subsidiary

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

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

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

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

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)
	<u><u>\$ 9,472,361</u></u>

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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		
		September 30, 2025	December 31, 2024	September 30, 2024
KINSUS and its subsidiaries	Taiwan	61.93 %	61.91 %	61.92 %
ASROCK and its subsidiaries	Taiwan	45.40 %	45.41 %	45.42 %

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

	September 30, 2025	December 31, 2024	September 30, 2024
Current assets	\$ 28,064,365	29,676,727	26,563,408
Non-current assets	50,852,830	49,758,570	52,292,204
Current liabilities	(18,805,844)	(16,990,377)	(15,577,309)
Non-current liabilities	(19,755,252)	(22,566,687)	(23,499,093)
Net assets	<u>\$ 40,356,099</u>	<u>39,878,233</u>	<u>39,779,210</u>
Non-controlling interest	<u>\$ 26,230,846</u>	<u>25,882,806</u>	<u>25,767,507</u>

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Operating revenue	<u>\$ 10,356,188</u>	<u>8,197,120</u>	<u>28,539,658</u>	<u>22,491,986</u>
Net income for the period	\$ 612,707	488,049	1,779,400	1,302,063
Other comprehensive income (loss)	125,023	(27,688)	(269,083)	138,762
Comprehensive income	<u>\$ 737,730</u>	<u>460,361</u>	<u>1,510,317</u>	<u>1,440,825</u>
Net income attribute to non-controlling interest	<u>\$ 437,870</u>	<u>365,582</u>	<u>1,278,500</u>	<u>996,112</u>
Comprehensive income attribute to non-controlling interest	<u>\$ 508,938</u>	<u>302,969</u>	<u>1,164,366</u>	<u>1,032,881</u>

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	For the nine months ended September 30	
	2025	2024
Cash flows from operating activities	\$ 4,434,252	4,887,434
Cash flows used in investing activities	(5,554,491)	(7,680,809)
Cash flows (used in) from financing activities	(1,875,566)	799,263
Effect of movement in exchange rate	(94,826)	57,917
Net decrease in cash and cash equivalents	<u>\$ (3,090,631)</u>	<u>(1,936,195)</u>
Dividends paid to non-controlling interest	<u>\$ 771,730</u>	<u>724,376</u>

(ii) Information regarding ASROCK and its subsidiaries

	September 30, 2025	December 31, 2024	September 30, 2024
Current assets	\$ 20,669,713	17,674,496	15,662,870
Non-current assets	1,919,320	1,962,889	732,125
Current liabilities	(11,488,843)	(9,187,833)	(7,037,793)
Non-current liabilities	(60,046)	(87,910)	(92,076)
Net assets	<u>\$ 11,040,144</u>	<u>10,361,642</u>	<u>9,265,126</u>
Non-controlling interest	<u>\$ 5,713,787</u>	<u>5,306,897</u>	<u>4,699,657</u>

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Operating revenue	<u>\$ 11,644,791</u>	<u>6,266,032</u>	<u>34,124,996</u>	<u>16,443,674</u>
Net income for the period	\$ 639,934	385,190	1,709,132	1,079,218
Other comprehensive income (loss)	110,595	(113,685)	(437,731)	128,716
Comprehensive income	<u>\$ 750,529</u>	<u>271,505</u>	<u>1,271,401</u>	<u>1,207,934</u>
Net income attribute to non-controlling interest	<u>\$ 346,110</u>	<u>211,852</u>	<u>950,229</u>	<u>590,535</u>
Comprehensive income attribute to non-controlling interest	<u>\$ 396,334</u>	<u>160,682</u>	<u>751,496</u>	<u>647,289</u>

	For the nine months ended September 30	
	2025	2024
Cash flows from operating activities	\$ 1,835,221	33,179
Cash flows (used in) from investing activities	(397,212)	557,031
Cash flows used in financing activities	(1,229,585)	(951,551)
Effect of movement in exchange rate	(336,081)	120,907
Net decrease in cash and cash equivalents	<u>\$ (127,657)</u>	<u>(240,434)</u>
Dividends paid to non-controlling interest	<u>\$ 493,342</u>	<u>438,696</u>

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(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:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery equipment</u>	<u>Instrument equipment</u>	<u>Other facilities</u>	<u>Construction in progress</u>	<u>Total</u>
Cost or deemed cost:							
Balance as of January 1, 2025	\$ 13,154,409	56,605,466	54,362,184	1,309,051	41,309,647	8,653,163	175,393,920
Additions	4,314,339	2,648,215	411,568	186,943	2,101,599	1,874,044	11,536,708
Disposals and obsolescence	-	(2,578,197)	(9,128,554)	(162,354)	(3,174,705)	-	(15,043,810)
Reclassifications	-	8,936,748	4,454,469	1,520	9,058,893	(5,866,727)	16,584,903
Disposal of subsidiaries	-	(1,416,275)	(3,783,614)	(19,931)	(9,036,998)	(12,420)	(14,269,238)
Transferred to non-current assets held for sale	(2,019,211)	(130,897)	-	-	-	-	(2,150,108)
Effect of movement in exchange rate	(17,235)	(2,528,003)	(849,773)	(57,666)	(1,487,333)	(49,937)	(4,989,947)
Balance as of September 30, 2025	<u>\$ 15,432,302</u>	<u>61,537,057</u>	<u>45,466,280</u>	<u>1,257,563</u>	<u>38,771,103</u>	<u>4,598,123</u>	<u>167,062,428</u>
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	42,294	1,185,631	409,221	111,393	3,730,135	1,683,064	7,161,738
Disposals and obsolescence	-	(568,151)	(1,340,993)	(165,867)	(1,740,400)	-	(3,815,411)
Reclassifications	42,331	2,671,607	5,058,652	2,333	987,873	(1,966,761)	6,796,035
Disposal of subsidiaries	-	(357,163)	(433,169)	(35)	(1,437,190)	(7,873)	(2,235,430)
Effect of movement in exchange rate	(14,562)	1,510,834	688,182	28,672	1,162,137	(343,988)	3,031,275
Balance as of September 30, 2024	<u>\$ 12,846,657</u>	<u>57,486,404</u>	<u>57,190,592</u>	<u>1,275,674</u>	<u>40,881,446</u>	<u>8,031,606</u>	<u>177,712,379</u>
Depreciation and impairment loss:							
Balance as of January 1, 2025	\$ -	28,401,008	38,891,845	1,020,407	28,063,717	-	96,376,977
Depreciation for the period	-	2,493,989	3,777,426	126,156	3,778,704	-	10,176,275
Disposals and obsolescence	-	(1,853,741)	(8,992,471)	(157,269)	(3,193,564)	-	(14,197,045)
Reclassifications	-	1,838,230	2,909,863	(1)	1,630,742	-	6,378,834
Disposal of subsidiaries	-	(410,317)	(3,162,022)	(19,931)	(5,550,762)	-	(9,143,032)
Transferred to non-current assets held for sale	-	(39,277)	-	-	-	-	(39,277)
Effect of movement in exchange rate	-	(1,453,191)	(675,614)	(52,719)	(1,093,659)	-	(3,275,183)
Balance as of September 30, 2025	<u>\$ -</u>	<u>28,976,701</u>	<u>32,749,027</u>	<u>916,643</u>	<u>23,635,178</u>	<u>-</u>	<u>86,277,549</u>
Balance as of January 1, 2024	\$ -	27,202,810	38,298,383	1,001,448	24,968,111	-	91,470,752
Depreciation for the period	-	2,567,091	3,928,016	118,437	4,112,140	-	10,725,684
Impairment loss	-	19,293	9,673	-	20,263	-	49,229
Disposals and obsolescence	-	(547,820)	(1,229,461)	(163,718)	(1,484,554)	-	(3,425,553)
Reclassifications	-	147,979	-	-	(195,418)	-	(47,439)
Disposal of subsidiaries	-	(277,644)	(203,793)	-	(275,111)	-	(756,548)
Effect of movement in exchange rate	-	727,004	569,442	25,601	729,450	-	2,051,497
Balance as of September 30, 2024	<u>\$ -</u>	<u>29,838,713</u>	<u>41,372,260</u>	<u>981,768</u>	<u>27,874,881</u>	<u>-</u>	<u>100,067,622</u>
Carrying value:							
Balance as of January 1, 2025	<u>\$ 13,154,409</u>	<u>28,204,458</u>	<u>15,470,339</u>	<u>288,644</u>	<u>13,245,930</u>	<u>8,653,163</u>	<u>79,016,943</u>
Balance as of September 30, 2025	<u>\$ 15,432,302</u>	<u>32,560,356</u>	<u>12,717,253</u>	<u>340,920</u>	<u>15,135,925</u>	<u>4,598,123</u>	<u>80,784,879</u>
Balance as of January 1, 2024	<u>\$ 12,776,594</u>	<u>25,840,836</u>	<u>14,510,316</u>	<u>297,730</u>	<u>13,210,780</u>	<u>8,667,164</u>	<u>75,303,420</u>
Balance as of September 30, 2024	<u>\$ 12,846,657</u>	<u>27,647,691</u>	<u>15,818,332</u>	<u>293,906</u>	<u>13,006,565</u>	<u>8,031,606</u>	<u>77,644,757</u>

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (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 three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Impairment loss	\$ -	29,987	-	49,229

- (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.
- (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, 2025	\$ 3,931,004	4,992,429	2,954	8,926,387
Additions	13,154	368,092	-	381,246
Reductions	(331,833)	(295,557)	-	(627,390)
Reclassification	240,374	27,387	629	268,390
Disposal of subsidiaries	-	(870,881)	-	(870,881)
Effect of movement in exchange rate	(286,723)	(160,983)	(209)	(447,915)
Balance as of September 30, 2025	<u>\$ 3,565,976</u>	<u>4,060,487</u>	<u>3,374</u>	<u>7,629,837</u>
Balance as of January 1, 2024	\$ 3,842,627	3,448,595	4,809	7,296,031
Additions	278,090	576,099	-	854,189
Reductions	(19,596)	(553,675)	(1,360)	(574,631)
Disposal of subsidiaries	(29,052)	(269,998)	-	(299,050)
Effect of movement in exchange rate	150,835	127,244	104	278,183
Balance as of September 30, 2024	<u>\$ 4,222,904</u>	<u>3,328,265</u>	<u>3,553</u>	<u>7,554,722</u>

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
Accumulated depreciation:				
Balance as of January 1, 2025	\$ 1,019,261	1,650,674	1,168	2,671,103
Depreciation for the period	71,716	505,712	157	577,585
Reductions	(103,072)	(274,006)	-	(377,078)
Reclassification	81,897	(106)	105	81,896
Disposal of subsidiaries	-	(289,722)	-	(289,722)
Effect of movement in exchange rate	(73,039)	(51,229)	(83)	(124,351)
Balance as of September 30, 2025	<u>\$ 996,763</u>	<u>1,541,323</u>	<u>1,347</u>	<u>2,539,433</u>
Balance as of January 1, 2024	\$ 999,270	1,366,367	1,753	2,367,390
Depreciation for the period	84,421	957,323	136	1,041,880
Reductions	(9,921)	(401,350)	(748)	(412,019)
Disposal of subsidiaries	(9,871)	(507,625)	-	(517,496)
Effect of movement in exchange rate	35,393	81,044	34	116,471
Balance as of September 30, 2024	<u>\$ 1,099,292</u>	<u>1,495,759</u>	<u>1,175</u>	<u>2,596,226</u>
Carrying value:				
Balance as of January 1, 2025	<u>\$ 2,911,743</u>	<u>3,341,755</u>	<u>1,786</u>	<u>6,255,284</u>
Balance as of September 30, 2025	<u>\$ 2,569,213</u>	<u>2,519,164</u>	<u>2,027</u>	<u>5,090,404</u>
Balance as of January 1, 2024	<u>\$ 2,843,357</u>	<u>2,082,228</u>	<u>3,056</u>	<u>4,928,641</u>
Balance as of September 30, 2024	<u>\$ 3,123,612</u>	<u>1,832,506</u>	<u>2,378</u>	<u>4,958,496</u>

(l) Other financial assets and other assets

Other financial assets and other assets were as follows:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Other financial assets - current	\$ 8,724,765	3,931,524	4,843,733
Other financial assets - non-current	433,048	508,315	490,021
Other current assets	6,931,308	7,241,690	6,773,035
Other non-current assets	75,665	70,434	51,419
	<u>\$ 16,164,786</u>	<u>11,751,963</u>	<u>12,158,208</u>

- (i) Other financial assets are assets that do not qualify as cash equivalents which consisted of time deposits, restricted time deposits, callable bonds, and guarantee deposits. Please refer to Note 8 for details.
- (ii) Other current assets consisted of prepayments, temporary payments, rights to the returned goods, and others.
- (iii) Other non-current assets consisted of prepayments on other long-term expenses and others.

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Short-term loans

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank loans	<u>\$ 34,897,516</u>	<u>23,818,649</u>	<u>18,799,975</u>
Range of interest rate	<u>1.72%~5.52%</u>	<u>1.47%~6.5%</u>	<u>1.47%~6.50%</u>

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

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

	September 30, 2025	December 31, 2024	September 30, 2024
Other current liabilities	\$ 5,166,060	10,917,182	11,502,101
Other non-current liabilities	<u>5,388,632</u>	<u>5,902,756</u>	<u>5,762,106</u>
	<u>\$ 10,554,692</u>	<u>16,819,938</u>	<u>17,264,207</u>

(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.

(o) Long-term loans

The details, terms and conditions were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured bank loans	\$ 17,124,519	18,071,428	19,096,130
Secured bank loans	<u>151,654</u>	<u>229,906</u>	<u>204,509</u>
	17,276,173	18,301,334	19,300,639
Less: current portion	<u>(4,667,960)</u>	<u>(3,775,061)</u>	<u>(3,710,628)</u>
Total	<u>\$ 12,608,213</u>	<u>14,526,273</u>	<u>15,590,011</u>
Range of interest rate	<u>1.15%~5.16%</u>	<u>1.1%~6.23%</u>	<u>1.10%~6.23%</u>

(i) Please refer to Note 6(z) for the interest expenses of the Group for the three months and nine months ended September 30, 2025 and 2024.

(ii) Collateral for bank loans

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

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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:

	September 30, 2025	December 31, 2024	September 30, 2024
Ordinary corporate bonds issued	\$ 19,900,000	22,400,000	22,400,000
Unamortized discount on bonds payable	(4,856)	(8,690)	(10,254)
Bonds payable, end of the period	19,895,144	22,391,310	22,389,746
Less: current portion	(9,700,000)	(7,500,000)	(2,500,000)
	<u>\$ 10,195,144</u>	<u>14,891,310</u>	<u>19,889,746</u>

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Interest expense	<u>\$ 31,343</u>	<u>38,848</u>	<u>93,699</u>	<u>148,902</u>

The main rights and obligations of the first and second unsecured ordinary corporate bonds issued in 2017, and the first unsecured ordinary corporate bonds issued in 2019, which were repaid in 2025 and 2024, respectively, 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.

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Item	1st unsecured ordinary bonds issued in 2017
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.
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.
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.

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Item	1st unsecured ordinary bonds issued in 2019
4.Issuance period	Each of Tranche A and Tranche B has 5-year term, 7-year term, respectively. The issuance period of Tranche A commences from June 13, 2019 and matures on June 13, 2024. The issuance period of Tranche B commences from June 13, 2019 and matures June 13, 2026.
5.Coupon rate	Tranche A, B bear annual coupon rates of 0.85%, 0.95%, respectively.
6.Repayment	Tranche A, Tranche B are repayable on maturity.
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.

Please refer to Note 6(p) of 2024 annual consolidated financial statement of other related information.

(q) Lease liabilities

The Group's lease liabilities were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Current	\$ <u>485,648</u>	<u>604,836</u>	<u>547,223</u>
Non-current	\$ <u>1,391,747</u>	<u>1,920,453</u>	<u>1,432,932</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Interest on lease liabilities	\$ <u>36,441</u>	<u>36,114</u>	<u>89,141</u>	<u>134,718</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>6,971</u>	<u>12,247</u>	<u>21,240</u>	<u>36,564</u>
Income from sub-leasing right-of-use assets	\$ <u>62</u>	<u>-</u>	<u>130</u>	<u>241</u>
Expenses relating to short-term leases	\$ <u>19,828</u>	<u>13,715</u>	<u>52,291</u>	<u>55,269</u>
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	\$ <u>(4,475)</u>	<u>(149)</u>	<u>3,672</u>	<u>8,549</u>

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	For the nine months ended September 30	
	2025	2024
Total cash outflow for leases	\$ 576,081	1,103,545

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

Management believes that there were no material market volatility, no material reimbursement and settlement or other material one-time events. As a result, the pension cost in the accompanying interim consolidated financial statements was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Operating cost	\$ 208	233	797	697
Operating expense	2,094	1,585	6,207	4,821
	\$ 2,302	1,818	7,004	5,518

(ii) Defined contribution plans

The contributions of the Group for the employees' pension benefits were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Operating cost	\$ 319,523	364,040	945,101	1,818,799
Operating expense	182,362	179,581	522,211	578,183
	\$ 501,885	543,621	1,467,312	2,396,982

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(s) Income tax

(i) Tax expense in the interim financial statements is measured and disclosed according to paragraph B12 of IAS 34 “Interim Financial Reporting.”

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

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Current income tax expense				
Current period incurred	\$ 2,197,433	1,673,523	4,553,555	6,442,303
Prior years income tax adjustment	(8,058)	(78,031)	(202,718)	(143,270)
Income tax expense	<u>\$ 2,189,375</u>	<u>1,595,492</u>	<u>4,350,837</u>	<u>6,299,033</u>

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

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Items that will be reclassified to profit or loss:				
Exchange differences on translation of foreign financial statements	\$ <u>727</u>	<u>7,810</u>	<u>(2,030)</u>	<u>2,388</u>

(iv) 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.

(t) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the nine months ended September 30, 2025 and 2024. For the related information, please refer to Note 6(t) of the consolidated financial statements for the year ended December 31, 2024.

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Issuance of ordinary shares

Reconciliation of shares outstanding for the nine months ended September 30, 2025 and 2024 was as follows:

	Ordinary Shares (In thousands of shares)	
	For the nine months ended September 30	
	2025	2024
Balance as of January 1	2,663,177	2,664,224
Expiration of restricted shares of stock issued to employee	(1,691)	(1,036)
Issuance of restricted stock to employee	20,714	-
Balance as of September 30	<u>2,682,200</u>	<u>2,663,188</u>

For the nine months ended September 30, 2025 and 2024, the Company had retired 31 thousand and 569 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 2,683,872 thousand, 2,663,188 thousand and 2,663,777 thousand shares were issued and outstanding as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively. All share proceeds from outstanding capital have been collected.

As of September 30, 2025, December 31, 2024 and September 30, 2024, the restricted shares of stock issued to employees have expired, of which 1,672 thousand, 11 thousand and 589 thousand shares, respectively, have not been retired.

(ii) Global depositary receipts

As of September 30, 2025, December 31, 2024 and September 30, 2024 the Company has listed, in total, 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 shares of stock, respectively.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Capital surplus

The components of the capital surplus were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Premium from issuance of share capital	\$ 68,622,623	68,617,492	68,615,411
Premium from conversion of convertible bonds	11,073,663	11,073,663	11,073,663
From treasury stock transactions	47,865	47,865	47,865
Difference between consideration and carrying amount of subsidiaries acquired or disposed	2,448,761	2,448,761	2,273,401
Changes in equity of associates accounted for using equity method	975,228	738,265	582,651
Changes in ownership interest in subsidiaries	1,643,539	1,499,683	1,518,122
Employee stock options	1,304	1,304	1,304
Restricted stock to employees	843,330	61,579	55,458
Other	409,917	409,917	409,917
	<u>\$ 86,066,230</u>	<u>84,898,529</u>	<u>84,577,792</u>

(iv) Retained earnings

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

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

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

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1) Legal reserve

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

2) Special reserve

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

3) Earnings distribution

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

	For the years ended December 31	
	2024	2023
Common stock dividends per share (dollars)		
— Cash	\$ 4.50	4.00
(v) Other equity (net of tax)		

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Other equity—unearned compensation	Total
Balance as of January 1, 2025	\$ 2,771,268	766,703	(5,655)	3,532,316
Exchange differences on foreign operations	(9,351,946)	-	-	(9,351,946)
Exchange differences on associates and joint ventures accounted for using equity method	(3,423,773)	-	-	(3,423,773)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	585,753	-	585,753
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(1,005,600)	-	(1,005,600)
Unearned compensation	-	-	(657,974)	(657,974)
Balance as of September 30, 2025	\$ (10,004,451)	346,856	(663,629)	(10,321,224)

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	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	3,824,614	-	-	3,824,614
Exchange differences on associates and joint ventures accounted for using equity method	1,474,450	-	-	1,474,450
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	706,920	-	706,920
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(205,780)	-	(205,780)
Unearned compensation	-	-	115,376	115,376
Balance as of September 30, 2024	<u>\$ (2,060,925)</u>	<u>876,395</u>	<u>(9,895)</u>	<u>(1,194,425)</u>

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

	For the nine months ended September 30	
	2025	2024
Balance as of January 1	\$ 34,606,351	32,807,875
Income attributable to non-controlling interests	2,588,916	1,831,582
Other comprehensive income (loss) attributable to non-controlling interests		
Exchange differences on foreign operations	(475,740)	143,805
Changes in ownership interest in subsidiaries	(144,440)	11,118
Changes in non-controlling interests	(1,184,116)	(944,394)
Balance as of September 30	<u>\$ 35,390,971</u>	<u>33,849,986</u>

(u) Share-based payment

Except for the following disclosure, there was no significant change for share-based payment for the nine months ended September 30, 2025 and 2024. For the related information, please refer to Note 6(u) of the consolidated financial statements for the year ended December 31, 2024.

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Issuance of restricted stock to employee

	<u>Equity-settled share-based payment</u> <u>Restricted stock to employee</u> <u>Issuance 2025</u>
Thousand units granted	21,229
Contractual life	3 year
Vesting period	Note A
Actual turnover rate of employee	0.22%
Estimated future turnover rate of employee	9.31%~19.21%

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

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

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

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

(ii) Restricted stock to employee

For the three months and nine months ended September 30, 2025 and 2024, 13 thousand, 589 thousand, 1,691 thousand and 1,036 thousand shares of the restricted shares of stock awards issued to employees have expired, respectively.

(iii) Expenses recognized in profit or loss

The Company incurred expenses of share-based arrangements for the three months and nine months ended September 30, 2025 and 2024 were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Expenses resulting from the issuance of new shares of restricted stock awards	\$ <u>165,793</u>	<u>40,344</u>	<u>212,364</u>	<u>209,355</u>

(v) Subsidiary's share-based payments

Except for the following disclosure, there was no significant change for share-based payment for the three months and nine months ended September 30, 2025 and 2024. For the related information, please refer to Note 6(v) of the consolidated financial statements for the year ended December 31, 2024.

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The subsidiary's incurred expenses of share-based arrangements for the three months and nine months ended September 30, 2025 and 2024 were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
AZUREWAVE and its subsidiaries	\$ 13,953	1,897	21,423	5,152
ASROCK and its subsidiaries	127,226	78,839	225,571	81,386
Lumens and its subsidiaries	446	1,478	1,782	5,244
KINSUS and its subsidiaries	15,907	52,623	36,145	60,748
	<u>\$ 157,532</u>	<u>134,837</u>	<u>284,921</u>	<u>152,530</u>

(w) Earnings per share

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

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Basic earnings per share				
Profit attributable to ordinary shareholders	\$ <u>4,544,904</u>	<u>4,295,665</u>	<u>9,135,648</u>	<u>13,139,445</u>
Weighted-average number of ordinary shares	<u>2,681,750</u>	<u>2,663,266</u>	<u>2,669,122</u>	<u>2,663,721</u>
	<u>\$ 1.69</u>	<u>1.61</u>	<u>3.42</u>	<u>4.93</u>
Diluted earnings per share				
Profit attributable to ordinary shareholders (diluted)	\$ <u>4,544,904</u>	<u>4,295,665</u>	<u>9,135,648</u>	<u>13,139,445</u>
Weighted-average number of ordinary shares	2,681,750	2,663,266	2,669,122	2,663,721
Effect of potentially dilutive ordinary share				
Effect of employee stock compensation	<u>12,613</u>	<u>13,262</u>	<u>17,566</u>	<u>17,867</u>
Weighted-average number of ordinary shares (diluted)	<u>2,694,363</u>	<u>2,676,528</u>	<u>2,686,688</u>	<u>2,681,588</u>
	<u>\$ 1.69</u>	<u>1.60</u>	<u>3.40</u>	<u>4.90</u>

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(x) Revenue from contracts with customers

(i) Disaggregation of revenue

For the three months ended September 30, 2025			
	DMS	Strategic Investment Group	Total
Primary geographical markets:			
Europe	\$ 99,632,917	1,336,955	100,969,872
U.S.A.	95,322,016	5,426,758	100,748,774
Taiwan	24,676,654	3,958,906	28,635,560
China	5,957,606	10,728,668	16,686,274
Japan	5,229,855	1,465,635	6,695,490
Other countries	1,623,191	2,503,962	4,127,153
	\$ 232,442,239	25,420,884	257,863,123
For the three months ended September 30, 2024			
	DMS	Strategic Investment Group	Total
Primary geographical markets:			
Europe	\$ 113,187,828	1,398,760	114,586,588
U.S.A.	114,846,911	3,451,795	118,298,706
Taiwan	26,973,531	3,590,349	30,563,880
China	6,947,762	5,541,823	12,489,585
Japan	3,035,377	1,170,709	4,206,086
Other countries	12,130,644	1,954,745	14,085,389
	\$ 277,122,053	17,108,181	294,230,234
For the nine months ended September 30, 2025			
	DMS	Strategic Investment Group	Total
Primary geographical markets:			
Europe	\$ 299,975,674	5,018,463	304,994,137
U.S.A.	311,354,086	15,975,533	327,329,619
Taiwan	67,601,671	10,240,221	77,841,892
China	16,278,433	28,748,757	45,027,190
Japan	12,218,007	3,900,421	16,118,428
Other countries	18,660,736	7,660,387	26,321,123
	\$ 726,088,607	71,543,782	797,632,389

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the nine months ended September 30, 2024			
	DMS	Strategic Investment Group	Total
Primary geographical markets:			
Europe	\$ 319,180,660	4,058,864	323,239,524
U.S.A.	300,958,329	10,134,310	311,092,639
Taiwan	67,630,604	8,833,078	76,463,682
China	19,593,414	14,586,979	34,180,393
Japan	9,563,395	3,419,585	12,982,980
Other countries	35,287,299	5,098,165	40,385,464
	<u><u>\$ 752,213,701</u></u>	<u><u>46,130,981</u></u>	<u><u>798,344,682</u></u>

(ii) Contract balances

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable	\$ -	2,730	4,777
Accounts receivable	233,947,048	265,266,167	255,564,122
Less: Allowance for impairment	215,133	97,644	95,101
Total	<u><u>\$ 233,731,915</u></u>	<u><u>265,171,253</u></u>	<u><u>255,473,798</u></u>
Contract liabilities	<u><u>\$ 4,602,273</u></u>	<u><u>4,917,265</u></u>	<u><u>5,141,967</u></u>

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 nine months ended September 30, 2025 and 2024.

(y) Remunerations to employees and directors

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

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months and nine months ended September 30, 2025 and 2024 the Company estimated its employee remuneration amounting to \$436,000 thousand, \$431,000 thousand, \$893,000 thousand and \$1,366,000 thousand, and directors' remuneration amounting to \$44,000 thousand, \$43,000 thousand, \$89,000 thousand and \$136,000 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 Articles of Incorporation. Such amounts were recognized as operating costs or operating expenses for the three months and nine months ended September 30, 2025 and 2024. The differences, if any, between the actual distributed amounts and estimated amounts will be treated as changes in accounting estimates and charged to profit or loss in next year. The numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares, one day before the approval by the Board of Directors.

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. There was no difference between the amounts approved in the Board of Directors meeting. For further information, please refer to Market Observation Post System.

(z) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Interest income	\$ 1,077,083	1,505,820	3,072,447	4,364,405

(ii) Other income

The details of other income were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Subsidy income	\$ 72,913	45,168	2,943,378	471,597
Rental income	222,047	79,420	462,919	289,258
Dividend income	66,567	93,177	90,243	112,678
Technical service income	63,553	78,211	221,755	317,515
Other income	64,954	83,263	254,219	335,358
	\$ 490,034	379,239	3,972,514	1,526,406

(Continued)

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 three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Gains (losses) on disposal of investment	\$ 32,275	88,178	(88,860)	2,862,628
Foreign exchange gains (losses)	152,830	147,438	(901,781)	712,821
Gains (losses) on disposal of property, plant and equipment	(31,229)	38,679	275,822	166,197
Gains (losses) on lease modifications	(215)	165	11,823	14,972
Impairment losses on non-financial assets	-	(29,987)	-	(49,229)
Net gains on financial assets measured at fair value through profit or loss	2,549,142	419,610	1,300,487	1,748,789
Others	(51,635)	(236,695)	(115,754)	(297,602)
	<u>\$ 2,651,168</u>	<u>427,388</u>	<u>481,737</u>	<u>5,158,576</u>

(iv) Finance costs

The details of finance costs were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Interest expenses	\$ 343,625	253,638	992,866	1,080,978
Financial expenses-bank fees and factoring fees, etc.	5,865	6,223	17,867	16,481
	<u>\$ 349,490</u>	<u>259,861</u>	<u>1,010,733</u>	<u>1,097,459</u>

(aa) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Concentration of credit risk

As of September 30, 2025, December 31, 2024 and September 30, 2024, the accounts receivable from the Group's top three customers amounted to \$116,034,162 thousand, \$133,547,113 thousand and \$128,339,443 thousand, representing 72%, 77% and 75% of accounts receivable, respectively, which exposes the Group to credit risk.

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>More than 2 years</u>
September 30, 2025					
Non-derivative financial liabilities					
Secured bank loans	\$ 151,654	151,654	8,825	8,821	134,008
Unsecured bank loans	52,022,035	52,074,166	39,556,651	4,080,299	8,437,216
Unsecured ordinary corporate bonds	19,895,144	19,900,000	9,700,000	7,500,000	2,700,000
Non-interest bearing liabilities	290,726,802	290,726,802	285,396,053	5,330,749	-
Lease liabilities	<u>1,877,395</u>	<u>1,877,395</u>	<u>485,648</u>	<u>349,383</u>	<u>1,042,364</u>
	<u>\$ 364,673,030</u>	<u>364,730,017</u>	<u>335,147,177</u>	<u>17,269,252</u>	<u>12,313,588</u>
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	<u>2,525,289</u>	<u>2,525,289</u>	<u>604,836</u>	<u>488,389</u>	<u>1,432,064</u>
	<u>\$ 405,564,600</u>	<u>405,674,238</u>	<u>368,547,616</u>	<u>22,774,121</u>	<u>14,352,501</u>
September 30, 2024					
Non-derivative financial liabilities					
Secured bank loans	\$ 204,509	204,509	6,263	6,237	192,009
Unsecured bank loans	37,896,105	38,005,920	22,504,340	4,416,813	11,084,767
Unsecured ordinary corporate bonds	22,389,746	22,400,000	2,500,000	9,700,000	10,200,000
Non-interest bearing liabilities	315,060,793	315,060,793	309,550,953	5,509,840	-
Lease liabilities	<u>1,980,155</u>	<u>1,980,155</u>	<u>547,223</u>	<u>435,467</u>	<u>997,465</u>
	<u>\$ 377,531,308</u>	<u>377,651,377</u>	<u>335,108,779</u>	<u>20,068,357</u>	<u>22,474,241</u>

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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)

	September 30, 2025			September 30, 2024		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 12,945,515	30.4710	394,462,788	13,212,231	31.6600	418,299,233
USD:CNY	61,690	7.1055	1,879,757	24,502	7.0074	775,733
CNY:USD	2,608,901	0.1407	11,187,928	4,298,932	0.1427	19,422,922
INR:USD	-	-	-	17,911,515	0.0119	6,767,653
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	12,945,529	30.4710	394,463,214	12,901,469	31.6600	408,460,509
USD:CNY	9,563	7.1055	291,394	17,317	7.0074	548,256
CNY:USD	669,918	0.1407	2,872,855	3,499,370	0.1427	15,810,437
INR:USD	-	-	-	3,589,637	0.0119	1,356,302
	December 31, 2024					
	Foreign Currency	Exchange Rate	NTD			
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 14,287,095	32.7900	468,473,845			
USD:CNY	22,530	7.1884	738,759			
CNY:USD	3,796,067	0.1391	17,315,820			
INR:USD	9,604,470	0.0117	3,678,236			
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	14,040,030	32.7900	460,372,584			
USD:CNY	16,184	7.1884	530,674			
CNY:USD	3,226,341	0.1391	14,717,005			
INR:USD	4,644,750	0.0117	1,778,806			

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 nine months ended September 30, 2025 and 2024, would have increased or decreased the net profit before tax by \$93,570 thousand and \$185,911 thousand, respectively. The analysis is performed on the same basis for both periods.

3) Foreign exchange gains or losses on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months and nine months ended September 30, 2025 and 2024, foreign exchange gain (loss), including realized and unrealized, amounted to \$152,830 thousand, \$147,438 thousand, (\$901,781) thousand and \$712,821 thousand, respectively.

4) Interest rate analysis

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

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

If the interest rate increases / decreases by 1%, the Group's net profit after tax will decrease / increase by \$153,601 thousand and \$180,704 thousand for the nine months ended September 30, 2025 and 2024, respectively, assuming all other variable factors remaining constant. This is mainly due to the Group's borrowing in floating variable rate.

5) 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:

Equity price on reporting date	For the nine months ended September 30			
	2025		2024	
	Comprehensive Income (Loss) (net of tax)	Net Income (Loss) (before tax)	Comprehensive Income (Loss) (net of tax)	Net Income (Loss) (before tax)
Increase 3%	\$ 97,562	137,264	109,807	241,715
Decrease 3%	\$ (97,562)	(137,264)	(109,807)	(241,715)

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
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(iv) 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:

	September 30, 2025				
	Book Value	Fair Value			Total
	Level 1	Level 2	Level 3		
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	\$ 10,023,042	5,552,612	-	4,470,430	10,023,042
Financial assets at fair value through other comprehensive income					
Stock of listed companies	734,513	734,513	-	-	734,513
Stock of unlisted companies	2,517,554	-	-	2,517,554	2,517,554
Subtotal	\$ 3,252,067	734,513	-	2,517,554	3,252,067
Financial assets at amortized cost					
Cash and cash equivalents	\$117,492,526	-	-	-	-
Notes and accounts receivable	233,731,915	-	-	-	-
Other receivables	2,061,222	-	-	-	-
Other financial assets	9,157,813	-	-	-	-
Bond investment	800,000	-	-	-	-
Subtotal	\$363,243,476	-	-	-	-
Financial liabilities at amortized cost					
Bank loans	\$ 52,173,689	-	-	-	-
Non-interest bearing liabilities	290,726,802	-	-	-	-
Lease liabilities	1,877,395	-	-	-	-
Unsecured ordinary corporate bonds	19,895,144	-	-	-	-
Subtotal	\$364,673,030	-	-	-	-

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PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2024					
	<u>Book Value</u>	<u>Fair Value</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	\$ <u>13,577,568</u>	<u>9,920,593</u>	<u>-</u>	<u>3,656,975</u>	<u>13,577,568</u>
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	<u>2,327,709</u>	<u>-</u>	<u>-</u>	<u>2,327,709</u>	<u>2,327,709</u>
Subtotal	\$ <u>3,723,715</u>	<u>1,396,006</u>	<u>-</u>	<u>2,327,709</u>	<u>3,723,715</u>
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	<u>800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	\$ <u>393,568,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	<u>22,391,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	\$ <u>405,564,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
September 30, 2024					
	<u>Book Value</u>	<u>Fair Value</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	\$ <u>14,326,209</u>	<u>11,042,266</u>	<u>-</u>	<u>3,283,943</u>	<u>14,326,209</u>
Financial assets at fair value through other comprehensive income					
Stock of listed companies	1,551,594	1,551,594	-	-	1,551,594
Stock of unlisted companies	<u>2,108,629</u>	<u>-</u>	<u>-</u>	<u>2,108,629</u>	<u>2,108,629</u>
Subtotal	\$ <u>3,660,223</u>	<u>1,551,594</u>	<u>-</u>	<u>2,108,629</u>	<u>3,660,223</u>
Financial assets at amortized cost					
Cash and cash equivalents	\$111,328,948	-	-	-	-
Notes and accounts receivable	255,473,798	-	-	-	-
Other receivables	1,112,506	-	-	-	-
Other financial assets	5,333,754	-	-	-	-
Bond investment	<u>590,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	\$ <u>373,839,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	September 30, 2024				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at amortized cost					
Bank loans	\$ 38,100,614	-	-	-	-
Non-interest bearing liabilities	315,060,793	-	-	-	-
Lease liabilities	1,980,155	-	-	-	-
Unsecured ordinary corporate bonds	<u>22,389,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>\$377,531,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

a) Financial assets and financial liabilities measured at amortized cost

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

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

a) Non-derivative financial instruments

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 nine months ended September 30, 2025 and 2024.

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PEGATRON CORPORATION AND SUBSIDIARIES
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5) Reconciliation of Level 3 fair values

	<u>Fair value through profit or loss</u>	<u>Fair value through other comprehensive income</u>	
	<u>Non-derivative financial assets mandatorily measured at fair value through profit or loss</u>	<u>Unquoted equity instruments</u>	<u>Total</u>
Balance as of January 1, 2025	\$ 3,656,975	2,327,709	5,984,684
Total gains and losses recognized			
In profit or loss	(373,497)	-	(373,497)
In other comprehensive income	-	(3,495)	(3,495)
Additions	1,220,560	306,542	1,527,102
Effect of movement in exchange rate	(33,608)	(113,202)	(146,810)
Balance as of September 30, 2025	<u>\$ 4,470,430</u>	<u>2,517,554</u>	<u>6,987,984</u>
Balance as of January 1, 2024	\$ 2,614,453	583,659	3,198,112
Total gains and losses recognized			
In profit or loss	83,594	-	83,594
Additions	576,100	1,542,954	2,119,054
Effect of movement in exchange rate	9,796	(17,984)	(8,188)
Balance as of September 30, 2024	<u>\$ 3,283,943</u>	<u>2,108,629</u>	<u>5,392,572</u>

For the nine months ended September 30, 2025 and 2024, total gains and losses that were accounted as “other gains and losses” and “unrealized gains from financial assets at fair value through other comprehensive income” were as follows:

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Total gains and losses recognized:				
In profit or loss and presented in “other gains and losses”	\$ <u>(79,300)</u>	<u>(34,276)</u>	<u>(373,497)</u>	<u>83,594</u>

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.

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

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through profit or loss-equity and debt investments without an active market	Market Approach	·The multiplier of price-to-book ratio (As of September 30, 2025, December 31, 2024 and September 30, 2024, were 1.8~10.7, 1.8~10.7 and 3.8, respectively). ·Price to sales ratio (As of September 30, 2025, December 31, 2024 and September 30, 2024, were 1.6~12.1, 1.6~12.1 and 10, respectively). ·Market illiquidity discount (As of September 30, 2025, December 31, 2024 and September 30, 2024, were 20~40%, 20~40% and 20%, respectively).	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 other comprehensive income-equity investments without an active market	Market Approach	·The multiplier of price-to-book ratio (As of September 30, 2025, December 31, 2024 and September 30, 2024, were 1.5~12.3, 1.5~12.3 and 1.5~5.7, respectively). ·Price to sales ratio (As of September 30, 2025 and December 31, 2024, was 0.7~9.6). ·Market illiquidity discount (As of September 30, 2025, December 31, 2024 and September 30, 2024 were 10~40%).	Same as above.
Financial assets at fair value through profit or loss - private fund	Net Asset Value Method	·Net Asset Value	Not applicable

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- 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:

		Fluctuation in inputs	Profit or loss		Other comprehensive income	
Inputs			Favorable	Unfavorable	Favorable	Unfavorable
September 30, 2025						
Financial assets at fair value through profit or loss						
	Multiplier of price-to- book ratio	1%	38,628	(38,628)	-	-
	Price to sales ratio	1%	6,076	(6,076)	-	-
	Market illiquidity discount	1%	44,704	(44,704)	-	-
Financial assets at fair value through other comprehensive income						
	Multiplier of price-to- book ratio	1%	-	-	7,772	(7,772)
	Price to sales ratio	1%	-	-	14,853	(14,853)
	Market illiquidity discount	1%	-	-	24,314	(24,314)
December 31, 2024						
Financial assets at fair value through profit or loss						
	Multiplier of price-to- book ratio	1%	5,914	(5,914)	-	-
	Price to sales ratio	1%	7,885	(7,885)	-	-
	Market illiquidity discount	1%	13,799	(13,799)	-	-
Financial assets at fair value through other comprehensive income						
	Multiplier of price-to- book ratio	1%	-	-	23,277	(23,277)
	Price to sales ratio	1%	-	-	23,277	(23,277)
	Market illiquidity discount	1%	-	-	23,277	(23,277)
September 30, 2024						
Financial assets at fair value through profit or loss						
	Multiplier of price-to- book ratio	1%	4,675	(4,675)	-	-
	Price to sales ratio	1%	8,949	(8,949)	-	-
	Market illiquidity discount	1%	13,624	(13,624)	-	-
Financial assets at fair value through other comprehensive income						
	Multiplier of price-to- book ratio	1%	-	-	21,086	(21,086)
	Market illiquidity discount	1%	-	-	21,086	(21,086)

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.

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(v) 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.

September 30, 2025						
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral instruments	
Accounts Receivable and Payable	\$ 17,991,888	15,521,870	2,470,018	-	-	2,470,018

September 30, 2025						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral instruments	
Accounts Receivable and Payable	\$ 15,521,870	15,521,870	-	-	-	-

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	-	-	-	-

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September 30, 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	\$ 18,038,822	13,731,542	4,307,280	-	-	4,307,280
Other financial asset and short-term loan	\$ 1,581,283	1,581,283	-	-	-	-

September 30, 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	\$ 13,731,542	13,731,542	-	-	-	-
Other financial asset and short-term loan	\$ 1,581,283	1,581,283	-	-	-	-

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

(ab) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(ab) of the consolidated financial statements for the year ended December 31, 2024.

(ac) Capital management

Management believes that there were no changes in the Group's approach to the targets, policies and procedures in capital management as disclosed in the consolidated financial statements for the year ended December 31, 2024. Also, they believe that for the year ended December 31, 2024, there were no changes in the Group's capital management information. For other related information, please refer to Note 6(ac) of the consolidated financial statements for the year ended December 31, 2024.

(ad) Financing activities not affecting current cash flow

For the nine months ended September 30, 2025 and 2024, reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Non-cash changes		September 30, 2025
			Foreign exchange movement	Other (Note)	
Long-term loans	\$ 18,301,334	(1,053,069)	-	27,908	17,276,173
Short-term loans	23,818,649	10,187,856	-	891,011	34,897,516
Bonds payable	22,391,310	(2,500,000)	-	3,834	19,895,144
Lease liabilities	2,525,289	(409,737)	58,934	(297,091)	1,877,395
Total liabilities from financing activities	\$ 67,036,582	6,225,050	58,934	625,662	73,946,228

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PEGATRON CORPORATION AND SUBSIDIARIES
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			Non-cash changes		
	January 1, 2024	Cash flows	Foreign exchange movement	Other	September 30, 2024
Long-term loans	\$ 20,537,892	(1,267,690)	-	30,437	19,300,639
Short-term loans	45,164,344	(3,121,024)	-	(23,243,345)	18,799,975
Bonds payable	30,384,389	(8,000,000)	-	5,357	22,389,746
Lease liabilities	2,218,541	(868,445)	82,353	547,706	1,980,155
Total liabilities from financing activities	<u>\$ 98,305,166</u>	<u>(13,257,159)</u>	<u>82,353</u>	<u>(22,659,845)</u>	<u>62,470,515</u>

Note: Other includes loss of control and reclassification of non-current liabilities held for sale.

(7) Related-party transactions

(a) Names and relationship with related parties

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

Name of related party	Relationship with the Group
Luxcase Precision Technology (Kunshan) Co., Ltd. (Luxcase (Kunshan))	An associate
RI SHAN COMPUTER ACCESSORY (JIASHAN) CO., LTD. (RI SHAN)	An associate
RI PEI COMPUTER ACCESSORY (SHANGHAI) CO., LTD. (RI PEI)	An associate
RI DA INTELLIGENT MANUFACTURING TECHNOLOGY CO., LTD. (RI DA)	An associate
CASETEK SINGAPORE PTE. LTD. (CSG)	An associate
Luxsan Precision Industry (Kunshan) Co., Ltd. (LUXSAN KUNSHAN)	An associate (Note 1)
Luxsan iTech Electronic (Shanghai) Co., Ltd. (LUXSAN SHANGHAI)	An associate (Note 1)
TATA ELECTRONICS PRODUCTS AND SOLUTIONS PRIVATE LIMITED	An associate (Note 2)
Luxsan (Hong Kong) Trading Co., Limited (Luxsan (Hong Kong))	An associate
ADVANTECH CO., LTD.	Other related party
ADVANTECH TECHNOLOGY (CHINA) CO., LTD.	Other related party
STARLINK ELECTRONICS CORPORATION	Other related party (Note 3)
FUYANG TECHNOLOGY CORPORATION	Other related party (Note 4)

Note 1: 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 28, June 2024. For more details, please refer to Note 6(h).

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

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Note 3: The company was initially a subsidiary of the Group. In 2024, the Board of Directors resolved to liquidate the subsidiary, resulting in the Group losing control. As of September 30, 2025, the liquidation process had not yet been completed.

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

(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 three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Associates (Note)	\$ 45,175	429,591	14,277,780	781,685
Other related parties	15,229	10,963	56,462	23,364
	<u>\$ 60,404</u>	<u>440,554</u>	<u>14,334,242</u>	<u>805,049</u>

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

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

(ii) Purchase of goods from related parties

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

	Purchases			
	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Associates (Note)	\$ 44,740,156	21,017,884	55,558,945	21,197,023
Other related parties	-	-	364	-
	<u>\$ 44,740,156</u>	<u>21,017,884</u>	<u>55,559,309</u>	<u>21,197,023</u>

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

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

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(iii) Accounts receivable from related parties

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

Account	Relationship	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable	Associates-Luxsan Hong Kong	\$ 50,518,342	-	-
"	Associates-TEPS (Note)	21,500,525	-	-
"	Associates-LUXSAN KUNSHAN	2,401	50,152,696	39,520,678
"	Associates-LUXSAN SHANGHAI	6,008	42,178,855	45,082,826
"	Other related parties	9,151	10,135	867
		<u>\$ 72,036,427</u>	<u>92,341,686</u>	<u>84,604,371</u>
Other receivables	Associates-LUXSAN KUNSHAN	-	241,222	225,192
"	Associates-LUXSAN SHANGHAI	268,768	315,660	311,438
"	Associates	15,523	19,120	22,228
"	Other related parties (Note)	503,119	505,236	-
		<u>\$ 787,410</u>	<u>1,081,238</u>	<u>558,858</u>

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

(iv) Payables to related parties

The payables to related parties were as follows:

Account	Relationship	September 30, 2025	December 31, 2024	September 30, 2024
Accounts payable	Associate-Luxsan Hong Kong	\$ 76,285,580	-	-
"	Associate-TEPS (Note)	9,429,300	-	-
"	Associates-LUXSAN KUNSHAN	22,645	65,585,928	56,257,760
"	Associates-LUXSAN SHANGHAI	1,467	38,724,152	36,572,647
"	Associates	856	452,666	139,963
	Other related parties	-	-	14
		<u>\$ 85,739,848</u>	<u>104,762,746</u>	<u>92,970,384</u>

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

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(c) Transactions with key management personnel

Compensation for key management personnel was as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 120,911	104,544	318,017	335,272
Post-employment benefits	1,038	1,123	3,149	3,361
Share-based payments	66,726	26,443	92,332	61,793
	<u>\$ 188,675</u>	<u>132,110</u>	<u>413,498</u>	<u>400,426</u>

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

(8) Assets pledged as security

The carrying amounts of assets pledged as security were as follows:

Assets pledged as security	Object	September 30, 2025	December 31, 2024	September 30, 2024
Other financial asset- restricted deposit	Post-release duty deposits, customs duty, lease deposits, travel agency guarantee, etc.	\$ 296,630	148,676	123,031
Property, plant and equipment	Bank loans	343,619	351,050	288,809
Other financial asset- guarantee deposits	Customs duty guarantee, litigation guarantee, rental deposits, and deposits for performance guarantee	52,412	51,167	50,584
		<u>\$ 692,661</u>	<u>550,893</u>	<u>462,424</u>

(9) Commitments and contingencies

(a) Significant commitments and contingencies

(i) Unused standby letters of credit:

	September 30, 2025	December 31, 2024	September 30, 2024
JPY	\$ 997,036	2,109,290	837,380
USD	2,246	11,231	3,970
EUR	522	533	3,731

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

	September 30, 2025	December 31, 2024	September 30, 2024
NTD	\$ <u>11,304</u>	<u>6,591</u>	<u>59,258</u>

- (iii) As of September 30, 2025, December 31, 2024 and September 30, 2024, the significant contracts for purchase of properties by the Group amounted to \$16,734,139 thousand, \$22,398,036 thousand and \$23,988,010 thousand, of which \$5,181,093 thousand, \$5,832,550 thousand and \$6,289,685 thousand, respectively, were unpaid.
- (iv) As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group issued a tariff guarantee of \$383,775 thousand, \$451,197 thousand and \$390,309 thousand, respectively, to the bank for the purpose of importing goods.

(10) Losses due to major disasters: None.

(11) Subsequent events:

- (i) On October 7, 2025, the Board of Directors of PEGATRON TECHNOLOGIES LLC, a subsidiary of the Group, approved the acquisition of plant and land with a total consideration of USD 30,719 thousand. Subsequently, on October 21, 2025, the Board approved the execution of a contract with a vendor for electromechanical and HVAC engineering services, with the contract amount not to exceed USD 51,000 thousand.
- (ii) On August 13, 2025, the Board of Directors of the Group resolved to approve the sale of ASLINK PRECISION CO., LTD.'s 18.5% equity interest in Luxsan Precision Industry (Kunshan) Co., Ltd. to Luxsan Precision iTech (Kunshan) Co., Ltd.. The transaction was completed on October 31, 2025.

(12) Others

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

By function	For the three months ended September 30					
	2025			2024		
By item	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefit						
Salary	\$ 3,972,635	4,085,823	8,058,458	4,826,586	4,042,425	8,869,011
Health and labor insurance	370,223	247,327	617,550	359,525	236,427	595,952
Pension	319,731	184,456	504,187	364,273	181,166	545,439
Others	408,628	186,483	595,111	323,961	233,563	557,524
Depreciation	3,002,210	596,716	3,598,926	2,669,116	1,038,366	3,707,482
Amortization	18,885	34,401	53,286	11,409	25,322	36,731

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By function	For the nine months ended September 30					
	2025			2024		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
By item						
Employee benefits						
Salary	\$ 12,704,099	11,577,953	24,282,052	19,320,076	12,603,337	31,923,413
Health and labor insurance	1,100,234	783,255	1,883,489	1,822,206	819,055	2,641,261
Pension	945,898	528,418	1,474,316	1,819,496	583,004	2,402,500
Others	1,079,924	628,632	1,708,556	1,072,876	689,892	1,762,768
Depreciation	8,848,560	1,905,300	10,753,860	8,892,928	2,874,636	11,767,564
Amortization	41,310	97,061	138,371	33,872	73,603	107,475

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

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
	\$			
Depreciation in investment property	<u>738</u>	<u>793</u>	<u>2,295</u>	<u>2,366</u>

(13) Other disclosures

(a) Information on significant transactions:

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

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

(b) Information on investees:

Please refer to Table 7 for the information on investees (excluding investees in Mainland China) for the nine months ended September 30, 2025.

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

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(14) Segment information

Please refer to Note 6(x) for the information on revenue for the three months and the nine months ended September 30, 2025 and 2024, The Group's operating segment information and reconciliation were as follows:

	DMS	Strategic Investment Group	Adjustment and Eliminations	Total
For the three months ended September 30, 2025				
Reportable segment profit or loss	\$ 6,200,850	2,439,613	(965,513)	7,674,950
For the three months ended September 30, 2024				
Reportable segment profit or loss	\$ 5,656,254	1,935,620	(1,014,172)	6,577,702
For the nine months ended September 30, 2025				
Reportable segment profit or loss	\$ 12,106,506	7,381,978	(3,413,083)	16,075,401
For the nine months ended September 30, 2024				
Reportable segment profit or loss	\$ 18,451,721	6,986,532	(4,168,193)	21,270,060
Reportable segment assets:				
September 30, 2025	\$ 553,588,243	196,117,016	(135,718,154)	613,987,105
December 31, 2024	\$ 624,574,571	186,452,729	(136,275,175)	674,752,125
September 30, 2024	\$ 587,156,582	178,021,482	(130,527,726)	634,650,338