Stock Code：4938

PEGATRON CORPORATION

Parent Company Only Financial Statements

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

Address： 5F., No.76, Ligong St., Beitou District, Taipei City 112, Taiwan
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The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors of Pegatron Corporation:

Opinion

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

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

   Please refer to Note 4(n) and Note 6(s) to the financial statements for the accounting policies and detailed descriptions.

   (a) Key audit matters:

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

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

(b) Auditing procedures performed:

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

2. Inventory valuation

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

(a) Key audit matters:

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

(b) Auditing procedures performed:

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

Other Matter

We did not audit the financial statements of certain investees, which represented investments in other entities accounted for using the equity method of the Company. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those investees, is based solely on the reports of other auditors. The investments in those investees accounted for using the equity method constituting 9.41% and 9.40% of total assets at December 31, 2025 and 2024, respectively, and the related share of profit of subsidiaries, associates and joint ventures accounted for using the equity method constituting 31.51% and 20.05% of total profit before tax for the years then ended, respectively.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing Pegatron Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pegatron Corporation's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Pegatron Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

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

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

PEGATRON CORPORATION

Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(a))	$ 45,383,780	6.9	48,680,485	6.7
1110	Current financial assets at fair value through profit or loss (Note 6(b))	453,018	0.1	1,067,030	0.2
1170	Notes and accounts receivable, net (Notes 6(d) and (s))	169,542,488	25.9	148,520,385	20.5
1180	Accounts receivable due from related parties, net (Notes 6(d) and 7)	158,686,676	24.2	249,982,216	34.5
1200	Other receivables, net	3,222,428	0.5	118,307	-
130X	Inventories (Note 6(f))	27,303,981	4.2	40,692,994	5.6
1476	Other current financial assets (Note 8)	2,426,901	0.4	114,178	-
1479	Other current assets	639,426	0.1	299,253	-
		407,658,698	62.3	489,474,848	67.5
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	1,140,369	0.2	1,656,479	0.2
1520	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	284,872	0.1	1,182,291	0.2
1535	Non-current financial assets at amortized cost, net	800,000	0.1	800,000	0.1
1550	Investments accounted for using equity method (Note 6(g))	231,269,322	35.3	222,259,454	30.7
1600	Property, plant and equipment (Note 6(h))	12,209,873	1.9	8,487,818	1.2
1755	Right-of-use assets (Note 6(i))	168,418	-	264,179	-
1780	Intangible assets	190,636	-	138,587	-
1840	Deferred tax assets (Note 6(o))	922,406	0.1	959,716	0.1
1980	Other non-current financial assets (Note 8)	52,936	-	48,232	-
		247,038,832	37.7	235,796,756	32.5
	Total assets	**$ 654,697,530**	**100.0**	**725,271,604**	**100.0**

See accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

PEGATRON CORPORATION

Balance Sheets (CONT'D)

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term loans (Note 6(j))	$ 34,300,000	5.2	20,350,000	2.8
2130	Current contract liabilities (Note 6(s))	100,387	-	98,183	-
2150	Notes and accounts payable	202,829,640	31.0	188,785,904	26.0
2180	Accounts payable to related parties (Note 7)	125,749,076	19.2	219,816,182	30.3
2219	Other payables (Notes 6(n), (t) and 7)	55,478,072	8.5	50,810,091	7.0
2230	Current tax liabilities	1,750,816	0.3	1,093,988	0.2
2281	Current lease liabilities (Note 6(m))	96,726	-	155,403	-
2321	Bonds payable, current portion (Note 6(l))	12,200,000	1.8	7,500,000	1.0
2322	Long-term loans payable, current portion (Note 6(k))	497,448	0.1	758,507	0.1
2399	Other current liabilities (Note 6(k))	3,062,018	0.5	7,766,432	1.1
		436,064,183	66.6	497,134,690	68.5
	Non-Current liabilities:				
2530	Bonds payable (Note 6(l))	2,696,221	0.4	14,891,310	2.1
2540	Long-term loans (Note 6(k))	249,640	-	747,089	0.1
2570	Deferred tax liabilities (Note 6(o))	5,265,207	0.8	3,614,169	0.5
2580	Non-current lease liabilities (Note 6(m))	74,711	-	113,118	-
2650	Credit balance of investments accounted for using equity method (Note 6(g))	1,734,596	0.3	1,572,841	0.2
2670	Other non-current liabilities (Notes 6(k) and (n))	1,269,681	0.2	105,254	-
		11,290,056	1.7	21,043,781	2.9
	Total liabilities	447,354,239	68.3	518,178,471	71.4
	Equity (Notes 6(p) and (q)):				
3100	Share capital	26,821,651	4.1	26,631,771	3.7
	Capital surplus:				
3210	Capital surplus, premium on capital stock	79,696,458	12.2	79,691,155	11.0
3280	Capital surplus, others	7,224,477	1.1	5,207,374	0.7
		86,920,935	13.3	84,898,529	11.7
	Retained earnings:				
3310	Legal reserve	22,569,086	3.4	20,808,569	2.9
3320	Special reserve	-	-	6,984,734	1.0
3350	Unappropriated retained earnings	73,171,376	11.2	64,237,214	8.8
		95,740,462	14.6	92,030,517	12.7
	Other equity interest:				
3410	Exchange differences on translation of foreign financial statements	(2,262,048)	(0.3)	2,771,268	0.4
3420	Unrealized gains on financial assets measured at fair value through other comprehensive income	652,941	0.1	766,703	0.1
3491	Unearned compensation	(530,650)	(0.1)	(5,655)	-
		(2,139,757)	(0.3)	3,532,316	0.5
	Total equity	207,343,291	31.7	207,093,133	28.6
	Total liabilities and equity	**$ 654,697,530**	**100.0**	**725,271,604**	**100.0**

See accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

PEGATRON CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

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

		For the years ended December 31			
		2025		2024	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6(s) and 7)**	$ 1,008,776,315	100.0	1,044,498,479	100.0
5000	**Cost of sales (Notes 6(f), (m), (n), (q), (t) and 7)**	986,759,273	97.8	1,019,228,049	97.5
5900	**Gross profit from operations**	22,017,042	2.2	25,270,430	2.5
5910	Less:Unrealized loss (profit) from sales	624,607	0.1	(123,665)	-
5950	**Gross profit from operations**	21,392,435	2.1	25,394,095	2.5
6000	**Operating expenses (Notes 6(d), (m), (n), (q), (t) and 7):**				
6100	Selling expenses	2,208,840	0.2	1,958,994	0.2
6200	General and administrative expenses	3,187,327	0.3	3,013,543	0.3
6300	Research and development expenses	9,717,683	1.0	9,359,362	0.9
6300	**Total operating expenses**	15,113,850	1.5	14,331,899	1.4
	Net operating income	6,278,585	0.6	11,062,196	1.1
	Non-operating income and expenses:				
7100	Interest income (Notes 6(d) and (u))	2,095,523	0.2	2,851,992	0.3
7010	Other income (Notes 6(u) and 7)	814,868	0.1	769,305	0.1
7020	Other gains and losses (Notes 6(u), (v) and 7)	(731,613)	(0.1)	973,359	0.1
7050	Finance costs (Notes 6(l), (m) and (u))	(690,529)	(0.1)	(456,913)	(0.1)
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method, net (Note 6(g))	11,197,978	1.1	7,750,885	0.7
	Total non-operating income and expenses	12,686,227	1.2	11,888,628	1.1
	Profit before tax	18,964,812	1.8	22,950,824	2.2
7950	**Less: Income tax expenses (Note 6(o))**	4,562,212	0.4	6,073,946	0.6
	Profit for the year	14,402,600	1.4	16,876,878	1.6
8300	**Other comprehensive income (Note 6(p)):**				
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**				
8311	Gains on remeasurements of defined benefit plans	978	-	3,504	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	353,213	-	1,304,199	0.1
8330	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	809,285	0.1	(157,295)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	1,163,476	0.1	1,150,408	0.1
8360	**Components of other comprehensive (loss) income that will be reclassified to profit or loss**				
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(5,033,316)	(0.5)	10,131,257	1.0
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive (loss) income that will be reclassified to profit or loss	(5,033,316)	(0.5)	10,131,257	1.0
8300	**Other comprehensive (loss) income for the year, net of tax**	(3,869,840)	(0.4)	11,281,665	1.1
8500	**Total comprehensive income for the year**	**$ 10,532,760**	**1.0**	**28,158,543**	**2.7**
	Earnings per share, net of tax (Note 6(r))				
9750	**Basic earnings per share**	**$**	**5.39**		**6.34**
9850	**Diluted earnings per share**	**$**	**5.34**		**6.28**

See accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

PEGATRON CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings				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
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
Profit for the year	-	-	-	-	16,876,878	16,876,878	-	-	-	-	16,876,878
Other comprehensive income for the year	-	-	-	-	14,356	14,356	10,131,257	1,136,052	-	11,267,309	11,281,665
Total comprehensive income for the year	-	-	-	-	16,891,234	16,891,234	10,131,257	1,136,052	-	11,267,309	28,158,543
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)
Changes in equity of associates and joint ventures accounted for using equity method	-	365,655	-	-	-	-	-	-	-	-	365,655
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	175,360	-	-	-	-	-	-	-	-	175,360
Changes in ownership interests in subsidiaries	-	(29,557)	-	-	-	-	-	-	-	-	(29,557)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	744,604	744,604	-	(744,604)	-	(744,604)	-
Expiration of restricted shares of stock issued to employees	(10,470)	10,470	-	-	(30,669)	(30,669)	-	-	-	-	(30,669)
Compensation cost arising from restricted shares of stock	-	180,955	-	-	-	-	-	-	119,616	119,616	300,571
Balance as of December 31, 2024	26,631,771	84,898,529	20,808,569	6,984,734	64,237,214	92,030,517	2,771,268	766,703	(5,655)	3,532,316	207,093,133
Profit for the year	-	-	-	-	14,402,600	14,402,600	-	-	-	-	14,402,600
Other comprehensive income (loss) for the year	-	-	-	-	(1,878)	(1,878)	(5,033,316)	1,165,354	-	(3,867,962)	(3,869,840)
Total comprehensive income (loss) for the year	-	-	-	-	14,400,722	14,400,722	(5,033,316)	1,165,354	-	(3,867,962)	10,532,760
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)
Changes in equity of associates and joint ventures accounted for using equity method	-	244,373	-	-	-	-	-	-	-	-	244,373
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	138,200	-	-	-	-	-	-	-	-	138,200
Changes in ownership interests in subsidiaries	-	818,970	-	-	-	-	-	-	-	-	818,970
Share-based payments	207,140	-	-	-	-	-	-	-	-	-	207,140
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	1,279,116	1,279,116	-	(1,279,116)	-	(1,279,116)	-
Expiration of restricted shares of stock issued to employees	(17,260)	17,260	-	-	14,370	14,370	-	-	-	-	14,370
Compensation cost arising from restricted shares of stock	-	803,603	-	-	-	-	-	-	(524,995)	(524,995)	278,608
Balance as of December 31, 2025	**$ 26,821,651**	**86,920,935**	**22,569,086**	**-**	**73,171,376**	**95,740,462**	**(2,262,048)**	**652,941**	**(530,650)**	**(2,139,757)**	**207,343,291**

See accompanying notes to financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

PEGATRON CORPORATION

Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2025	**2024**
Cash flows from operating activities:		
Profit before tax	$ 18,964,812	22,950,824
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	925,901	985,745
Amortization expense	78,921	63,401
Expected credit loss (reversal gain)	143,230	(17,779)
Loss (gain) on financial assets and liabilities at fair value through profit or loss	428,896	(610,471)
Interest expense	680,160	445,823
Interest income	(2,095,523)	(2,851,992)
Dividend income	(250,679)	(141,831)
Compensation cost arising from employee stock options	378,974	221,688
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(11,197,978)	(7,750,885)
Gain on disposal of property, plant and equipment	(706,789)	(18,833)
Property, plant and equipment charged to expenses	13,140	652
Gain on disposal of intangible assets	(92)	-
Loss on disposal of investments	84,709	-
Unrealized loss (profit) from sales	624,607	(123,665)
Amortization of issuance costs on bonds payable	4,911	6,921
Loss on lease remeasurement	-	1,540
Government grants income	(5,381)	(12,072)
Total adjustments to reconcile profit	(10,892,993)	(9,801,758)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in financial assets at fair value through profit or loss	701,226	(196,979)
Decrease (increase) in notes and accounts receivable	70,130,208	(52,697,745)
Increase in other receivables	(2,971,337)	(54,584)
Decrease in inventories	13,227,509	5,890,656
Increase in other current assets	(339,443)	(67,353)
(Increase) decrease in other financial assets	(2,312,723)	2,954
Total changes in operating assets	78,435,440	(47,123,051)
Changes in operating liabilities:		
Increase (decrease) in contract liabilities	2,204	(279,543)
(Decrease) increase in notes and accounts payable	(80,023,370)	50,463,520
(Decrease) increase in other payables	(256,991)	403,098
Decrease in other current liabilities	(4,696,202)	(3,108,023)
Decrease in other non-current liabilities	(210,390)	(7,979)
Total changes in operating liabilities	(85,184,749)	47,471,073
Total changes in operating assets and liabilities	(6,749,309)	348,022
Total adjustments	(17,642,302)	(9,453,736)
Cash flows generated from operations	1,322,510	13,497,088
Interest received	1,962,738	2,852,254
Dividends received	4,192,832	1,442,515
Interest paid	(707,653)	(484,599)
Income taxes paid	(1,245,156)	(4,259,606)
Net cash flows from operating activities	5,525,271	13,047,652

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

PEGATRON CORPORATION

Statements of Cash Flows (CONT'D)

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2025	**2024**
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,250,633	996,680
Acquisition of financial assets at amortized cost	-	(800,000)
Acquisition of investments accounted for using equity method	(3,932,837)	(4,328,165)
Acquisition of property, plant and equipment	(6,516,855)	(397,292)
Proceeds from disposal of property, plant and equipment	2,827,428	3,145,147
Acquisition of intangible assets	(133,069)	(86,287)
Proceeds from disposal of intangible assets	1,459	-
Increase in other financial assets	(4,705)	(8,008)
Net cash flows used in investing activities	(6,507,946)	(1,477,925)
Cash flows from financing activities:		
Increase (decrease) in short-term loans	13,950,000	(14,341,850)
Repayments of bonds	(7,500,000)	(8,000,000)
Repayments of long-term loans	(763,889)	(1,966,667)
Increase in other payables to related parties	3,965,120	28,039,856
Repayments of lease liabilities	(165,803)	(158,300)
Cash dividends paid	(11,984,263)	(10,656,662)
Issuance (redemption) of restricted stock	184,805	(10,040)
Net cash flows used in financing activities	(2,314,030)	(7,093,663)
Net (decrease) increase in cash and cash equivalents	(3,296,705)	4,476,064
Cash and cash equivalents, beginning of the year	48,680,485	44,204,421
Cash and cash equivalents, end of the year	$ **45,383,780**	**48,680,485**

See accompanying notes to financial statements.

PEGATRON CORPORATION

Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

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

(1) Company history

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

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

(2) Approval date and procedures of the financial statements

The parent company only financial statements were authorized for issue by the Board of Directors on March 11, 2026.

(3) New standards, amendments and interpretations adopted

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

The Company has initially adopted the following new amendments, which do not have a significant impact on its 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

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

The Company 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 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"

PEGATRON CORPORATION

Notes to the Financial Statements

(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 Company, 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. ● 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 Note:On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

(Continued)

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

The Company 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 financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies

The material accounting policies presented in the parent company only financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the parent company only financial statements.

(a) Statement of compliance

The parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(b) Basis of preparation

(i) Basis of measurement

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

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

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

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

(ii) Functional and presentation currency

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

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

(c) Foreign currency

(i) Foreign currency transaction

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

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

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

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

· qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) Cash and cash equivalents

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

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

(f) Financial instruments

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

PEGATRON CORPORATION
Notes to the Financial Statements

(i) Financial assets

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

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2) Fair value through other comprehensive income (FVOCI)

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

PEGATRON CORPORATION
Notes to the Financial Statements

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

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

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

3) Fair value through profit or loss (FVTPL)

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

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

4) Business model assessment

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

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

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

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

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

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

(Continued)

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

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

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

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

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

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

c) prepayment and extension features; and

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

6) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECLs) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets at amortized cost, notes and accounts receivables, accounts receivables-finance leases, accounts receivables-installment, other receivable and other financial assets).

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

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

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

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

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

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

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

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

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

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

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

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

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

a) significant financial difficulty of the borrower or issuer;

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

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

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

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

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

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

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

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

7) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

3) Treasury shares

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

(Continued)

4) Financial liabilities

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

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

5) Derecognition of financial liabilities

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

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

6) Offsetting of financial assets and liabilities

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

7) Interest rate benchmark reform

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

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

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

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

(Continued)

PEGATRON CORPORATION

Notes to the Financial Statements

(g) Inventories

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

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

(h) Subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the parent company only financial statements. Under equity method, the net income, other comprehensive income and equity in the parent company only financial statement are the same as those attributable to the owners of parent in the consolidated financial statements.

The changes in ownership of the subsidiaries not causing losing controls, are recognized as equity transaction.

(i) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent cost

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

(iii) Depreciation

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

Land is not depreciated.

(Continued)

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

Buildings	2-50 years
Machinery equipment	6- 7 years
Instrument equipment	3 years
Other facilities	1-15 years

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

(iv) Reclassification to investment property

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

(j) Leases

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

(i) As a leasee

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

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

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

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

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

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

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

PEGATRON CORPORATION
Notes to the Financial Statements

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

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

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

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

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

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

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

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

(ii) As a leasor

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

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

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

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

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

(k) Intangible assets

(i) Recognition and measurement

Other intangible assets that are acquired by the Company are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

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

(iii) Amortization

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

The estimated useful lives for current and comparative periods are as follows:

Computer software 3－20 years

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

(l) Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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

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

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

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

(m) Provisions

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

Carbon fees

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

(n) Revenue from contracts with customers

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

(i) Sale of good

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

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

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

(ii) Rendering of services

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

(iii) Financing components

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

(Continued)

(iv) Interest Income from Installment Sales

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

(o) Government grants

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

The Company is using market interest rate to calculate the fair value of the loan, and recognizes the difference between the amount received and the fair value as deferred revenues. The deferred revenues will then be amortized as other income on a systematic basis.

(p) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

(Continued)

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

(iii) Short-term employee benefits

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

(q) Share-based payment

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

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

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

Grant date of a share-based payment award is the date which the board of directors authorized the capital increase record date.

(r) Income taxes

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

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

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

(Continued)

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

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

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

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

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

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

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

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

1) the same taxable entity; or

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

(s) Earnings per share

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

(t) Operating segments

Please refer to the consolidated financial report of Pegatron Corporation for the years ended December 31, 2025 and 2024 for operating segments information.

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

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

The preparation of the financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers endorsed by the FSC requires management to make judgments, estimates, and assumptions 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 management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the parent company only financial statements is as follows:

- Please refer to the consolidated financial statement for the year ended December 31, 2025 for judgment regarding control of subsidiaries.

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

- Valuation of inventories

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

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	$ 150	150
Cash in banks	22,415,245	32,842,765
Time deposits	20,423,325	12,460,200
Cash equivalents	2,545,060	3,377,370
	$ 45,383,780	**48,680,485**

(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 8 for details.

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

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

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

	December 31, 2025	December 31, 2024
Current mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Shares of stock of listed companies	$ 453,018	1,067,030
Non-current mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Shares of stock of listed companies	215,950	211,750
Shares of stock of unlisted company	38,434	78,137
Beneficiary certificates	885,985	1,366,592
Total	$ 1,593,387	2,723,509

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

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

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

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

	December 31, 2025	December 31, 2024
Equity instruments at fair value through other comprehensive income:		
Shares of stock of listed companies	$ 284,872	1,182,291

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

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

For the years ended December 31, 2025 and 2024, the Company has recognized the dividend income of $1,964 thousand and $25,325 thousand, respectively. Dividends are recognized as other income－non-operating income and expenses. Please refer to Note 6(u).

In 2025 and 2024, the Company has sold its shares as a result of investment strategy with fair value of $1,250,633 thousand and $996,680 thousand and recognized a cumulative gain of $1,005,600 thousand and $744,604 thousand, which was transferred to retained earnings from other equity interest.

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

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

(d) Notes and accounts receivable, net (including related parties)

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

	December 31, 2025	December 31, 2024
Notes and accounts receivables-measured at amortized cost	$ 167,033,557	148,528,113
Accounts receivables-related parties	158,758,426	249,983,279
Accounts receivables-finance leases	2,315,049	-
Accounts receivables-installment	686,370	-
Less: Allowance for impairment	152,021	8,791
Unrealized interest income	412,217	-
	$ **328,229,164**	**398,502,601**

(ii) Credit loss

The Company 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 receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information.

The loss allowance provision was determined as follows:

	December 31, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 296,349,683	0%~0.001%	(2,000)
Overdue 0 to 30 days	22,954,042	0%~1%	(13,237)
Overdue 31 to 120 days	8,941,513	0%~50%	(2,158)
Overdue 121 to 365 days	135,935	0%~100%	(134,614)
Over 365 days past due	12	100%	(12)
	$ **328,381,185**		**(152,021)**

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 369,001,226	0%~0.001%	(2,424)
Overdue 0 to 30 days	26,352,969	0%~1%	(6,134)
Overdue 31 to 120 days	2,814,083	0%~50%	(232)
Overdue 121 to 365 days	288,396	0%~100%	(1)
Over 365 days past due	54,718	0%~100%	-
	$ **398,511,392**		**(8,791)**

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

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

	For the years ended December 31	
	2025	2024
Balance as of January 1	$ 8,791	26,570
Impairment losses (reversed) recognized	143,230	(17,779)
Balance as of December 31	**$ 152,021**	**8,791**

The aforesaid financial assets were not pledged as collateral.

(iii) For the year ended December 31, 2025, the Company has recognized the interest income of $24,204 thousand.

(iv) Please refer to Note 6(v) for credit risk and currency risk.

(e) Accounts receivables-finance leases

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

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

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

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

(f) Inventories

	December 31, 2025	December 31, 2024
Merchandise	$ 21,080,126	38,424,865
Finished goods	628,766	377,960
Work in process	1,312,071	322,263
Raw materials	4,283,018	1,567,906
	$ 27,303,981	**40,692,994**

PEGATRON CORPORATION
Notes to the Financial Statements

The components of cost of goods sold were as follows:

	For the years ended December 31	
	2025	**2024**
Cost of goods sold	$ 986,614,621	1,019,405,588
Reversal of evaluation of inventory	(11,092)	(287,686)
Loss on disposal of inventory	155,744	110,147
	$ 986,759,273	**1,019,228,049**

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

(g) Investments accounted for using equity method

A summary of the Company's financial information for investments accounted for using equity method at the reporting date is as follows:

	December 31, 2025	**December 31, 2024**
Subsidiary	**$ 231,269,322**	**222,259,454**
Credit balance of investments accounted for using equity method-subsidiary	**$ 1,734,596**	**1,572,841**

(i) Subsidiaries

Please refer to the consolidated financial statement for the year ended December 31, 2025.

(ii) As of December 31, 2025 and 2024, the investments in aforesaid equity-accounted investees were not pledged as collateral.

(iii) On December 28, 2023, Board of Director approved a resolution to increase the cash capital of PEGAGLOBE (KUNSHAN) CO., LTD., which is indirectly held 100% equity by the Company. The Company waived the preemptive right, and all of shares were subscribed by the strategic investor Luxsan Precision iTech (Kunshan) Co., Ltd. Subsequently, on October 31, 2025, the Company disposed of a portion of its investment in Luxsan Precision Industry (Kunshan) Co., Ltd. to Luxsan Precision iTech (Kunshan) Co., Ltd. Accordingly, the Company ceased to have significant influence over the investee.

Please refer to Note 6(h) of the consolidated financial statements for the year ended December 31, 2025.

(iv) On January 24, 2025, the Board of Directors of the Company’ s subsidiary, Pegatron Electronics India Private Limited, resolved to approve a cash capital increase. The Company waived its preemptive rights, and all of shares were subscribed by the strategic investor, Tata Electronics Systems Solutions Private Limited.

Please refer to Note 6(h) of the consolidated financial statements for the year ended December 31, 2025.

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

(h) Property, plant and equipment

The movements in the cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2025 and 2024 were as follows:

	Land	Buildings	Machinery equipment	Instrument equipment	Other facilities	Construction in progress and equipment under test	Total
Cost or deemed cost:							
Balance as of January 1, 2025	$ 5,409,590	3,017,178	274,692	415,389	1,540,806	113,833	10,771,488
Additions	4,314,339	1,384,847	12,156	196,469	388,467	177,761	6,474,039
Disposals and obsolescence	(2,019,211)	(303,426)	(108,679)	(143,877)	(665,386)	-	(3,240,579)
Reclassifications	-	45,610	-	-	167,089	(64,335)	148,364
Balance as of December 31, 2025	**$ 7,704,718**	**4,144,209**	**178,169**	**467,981**	**1,430,976**	**227,259**	**14,153,312**
Balance as of January 1, 2024	$ 5,871,797	4,233,525	382,643	418,884	2,005,944	76,241	12,989,034
Additions	-	32,751	1,546	131,862	254,771	85,947	506,877
Disposals and obsolescence	(462,207)	(1,289,831)	(109,497)	(135,357)	(794,370)	-	(2,791,262)
Reclassifications	-	40,733	-	-	74,461	(48,355)	66,839
Balance as of December 31, 2024	**$ 5,409,590**	**3,017,178**	**274,692**	**415,389**	**1,540,806**	**113,833**	**10,771,488**
Depreciation and impairment loss:							
Balance as of January 1, 2025	$ -	977,547	170,289	206,590	929,244	-	2,283,670
Depreciation for the year	-	210,849	37,085	144,757	368,730	-	761,421
Disposals and obsolescence	-	(211,806)	(99,045)	(143,718)	(647,083)	-	(1,101,652)
Balance as of December 31, 2025	**$ -**	**976,590**	**108,329**	**207,629**	**650,891**	**-**	**1,943,439**
Balance as of January 1, 2024	$ -	1,472,425	198,132	209,009	1,200,416	-	3,079,982
Depreciation for the year	-	201,991	50,773	131,508	444,764	-	829,036
Disposals and obsolescence	-	(693,401)	(78,616)	(133,927)	(719,404)	-	(1,625,348)
Reclassifications	-	(3,468)	-	-	3,468	-	-
Balance as of December 31, 2024	**$ -**	**977,547**	**170,289**	**206,590**	**929,244**	**-**	**2,283,670**
Carrying value:							
Balance as of December 31, 2025	**$ 7,704,718**	**3,167,619**	**69,840**	**260,352**	**780,085**	**227,259**	**12,209,873**
Balance as of January 1, 2024	**$ 5,871,797**	**2,761,100**	**184,511**	**209,875**	**805,528**	**76,241**	**9,909,052**
Balance as of December 31, 2024	**$ 5,409,590**	**2,039,631**	**104,403**	**208,799**	**611,562**	**113,833**	**8,487,818**

(i) Please refer to Note 6(u) for gain or loss on disposal of property, plant and equipment.

(ii) As of December 31, 2025 and 2024, the property, plant and equipment were not pledged as collateral.

PEGATRON CORPORATION
Notes to the Financial Statements

(i) Right-of-use assets

The movements in the cost and depreciation of the right-of-use assets of the Company were as follows:

	Land	Buildings	Total
Cost:			
Balance as of January 1, 2025	$ 63,700	596,099	659,799
Additions	13,154	55,565	68,719
Reductions	(25,241)	(248,244)	(273,485)
Balance as of December 31, 2025	**$ 51,613**	**403,420**	**455,033**
Balance as of January 1, 2024	$ 64,672	559,627	624,299
Additions	3,655	102,701	106,356
Reductions	(4,627)	(66,229)	(70,856)
Balance as of December 31, 2024	**$ 63,700**	**596,099**	**659,799**
Accumulated depreciation:			
Balance as of January 1, 2025	$ 41,385	354,235	395,620
Depreciation for the year	15,525	148,955	164,480
Reductions	(25,241)	(248,244)	(273,485)
Balance as of December 31, 2025	**$ 31,669**	**254,946**	**286,615**
Balance as of January 1, 2024	$ 29,924	238,298	268,222
Depreciation for the year	16,088	140,621	156,709
Reductions	(4,627)	(24,684)	(29,311)
Balance as of December 31, 2024	**$ 41,385**	**354,235**	**395,620**
Carrying value:			
Balance as of December 31, 2025	**$ 19,944**	**148,474**	**168,418**
Balance as of January 1, 2024	**$ 34,748**	**321,329**	**356,077**
Balance as of December 31, 2024	**$ 22,315**	**241,864**	**264,179**

(j) Short-term loans

	December 31, 2025	December 31, 2024
Unsecured bank loans	**$ 34,300,000**	**20,350,000**
Range of interest rate	**1.71%~4.68%**	**1.53%~5.9%**

The Company's assets were not pledged as collateral for the Company's bank loans.

PEGATRON CORPORATION
Notes to the Financial Statements

(k) Long-term loans

(i) The details were as follows:

	December 31, 2025			
	Currency	**Interest rate**	**Expiration**	**Amount**
Unsecured bank loans	NTD	1.225%	2026~2027	$ 747,088
Less: Current portion				(497,448)
Total				**$ 249,640**

	December 31, 2024			
	Currency	**Interest rate**	**Expiration**	**Amount**
Unsecured bank loans	NTD	1.10%~1.425%	2025~2027	$ 1,505,596
Less: Current portion				(758,507)
Total				**$ 747,089**

(ii) Government low-interest loans

The Company obtained government low-interest loans in 2020. The loans were measured at its 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.

(iii) The Company's assets were not pledged as collateral for the Company's bank loans.

(l) Bonds payable

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

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

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

PEGATRON CORPORATION
Notes to the Financial Statements

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

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

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

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

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

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

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

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

Item	2nd unsecured ordinary corporate bonds issued in 2020
1.Issuing amount	The Bonds are issued at $3,500,000 thousand, which comprise Tranche A, and Tranche B. The issuing amounts of Tranche A, and Tranche B are $2,200,000 thousand and $1,300,000 thousand, respectively.
2.Par value	Each unit is valued at $1,000 thousand.
3.Offering price	The Bonds are issued by par value at the issuance date.
4.Issuance period	Each of Tranche A and Tranche B has 5-year term and 7-year term, respectively. The issuance period of Tranche A commences from January 8, 2021 and matures on January 8, 2026. The issuance period of Tranche B commences from January 8, 2021 and matures on January 8, 2028.
5.Coupon rate	Tranche A, and B bear annual coupon rates of 0.43% and 0.58%, respectively.
6.Repayment	Tranche A, and Tranche B are repayable on maturity.

(Continued)

Item	2nd unsecured ordinary corporate bonds issued in 2020
7.Interest payment	Interests are payable annually at coupon rate from the issuance date. The payment of each bond is rounded to the nearest dollar. If the repayment date and interest payment date are bank closing days, principal and interest shall be paid without extra interest on the next business day. If bondholders receive principal and interest past due the repayment date and interest payment date, there will be no calculation of extra interest.
8.Guarantee	The Bonds are unsecured ordinary corporate bonds.

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

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

(m) Lease liabilities

The Company's lease liabilities were as follows:

	December 31, 2025	December 31, 2024
Current	$ 96,726	155,403
Non-current	$ 74,711	113,118

Please refer to Note 6(v) for the maturity analysis.

The amounts recognized in profit or loss were as follows:

	For the years ended December 31	
	2025	**2024**
Interest on lease liabilities	$ **3,434**	**4,899**
Expenses relating to short-term leases	$ **898**	**1,533**

The amounts recognized in the statement of cash flows for the Company was as follows:

	For the years ended December 31	
	2025	**2024**
Total cash outflow for leases	$ **170,135**	**164,732**

The Company leases land and buildings. 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 rent, sub-leased or by any other means totally or partially transferred to third parties, unless obtain 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 Company leases partial offices and parking lots that are short-term leases. The Company has chosen to apply the exemption and not to recognize right-of-use assets and lease liabilities for these leases.

(n) Employee benefits

(i) Defined benefit plans

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

	December 31, 2025	**December 31, 2024**
Present value of defined benefit obligations	$ 53,128	46,795
Fair value of plan assets	(20,957)	(18,467)
Net defined benefit liabilities	$ **32,171**	**28,328**

The Company's employee benefit liabilities were as follows:

	December 31, 2025	**December 31, 2024**
Short-term employee benefits liabilities	$ 325,318	305,649
Cash-settled share-based payment liabilities	76,287	7,475
Total employee benefit liabilities	$ **401,605**	**313,124**

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

(Continued)

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1) Composition of plan assets

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

As of December 31, 2025, the Company' s contributions to the pension funds which amounted to $20,957 thousand were deposited with Bank of Taiwan. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

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

	For the years ended December 31	
	2025	**2024**
Defined benefit obligation, January 1	$ 46,795	44,587
Current service costs and interest	6,074	4,366
Re-measurement of the net defined benefit liability		
－Actuarial gain arising from changes in demographic assumptions	-	(505)
－Actuarial gain arising from changes in financial assumptions	1,181	(1,464)
－Experience adjustments	(922)	(189)
Defined benefit obligation, December 31	**$ 53,128**	**46,795**

3) Movements in the fair value of plan assets

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

	For the years ended December 31	
	2025	**2024**
Fair value of plan assets, January 1	$ 18,467	16,133
Interests revenue	299	237
Re-measurement of the net defined benefit liability		
－Experience adjustments	1,237	1,346
Contributions made	954	751
Fair value of plan assets, December 31	**$ 20,957**	**18,467**

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Notes to the Financial Statements

4) Expenses recognized in profit or loss

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

	For the years ended December 31	
	2025	2024
Current service cost	$ 5,316	3,711
Net interest on net defined benefit liability	459	418
	$ 5,775	**4,129**
Operating expense	**$ 5,775**	**4,129**

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

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

	For the years ended December 31	
	2025	2024
Cumulative amount, January 1	$ 20,443	16,939
Recognized during the year	978	3,504
Cumulative amount, December 31	**$ 21,421**	**20,443**

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2025	December 31, 2024
Discount rate	1.51 %	1.62 %
Future salary increase rate	3.00 %	3.00 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $953 thousand.

The weighted-average lifetime of the defined benefit plans is 21 years.

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Notes to the Financial Statements

7) Sensitivity Analysis

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

	Impact on the present value of defined benefit obligation	
	Increase by 0.50%	**Decrease by 0.50%**
December 31, 2025		
Discount rate	(5,107)	5,822
Future salary increase rate	5,703	(5,061)
December 31, 2024		
Discount rate	(4,442)	5,039
Future salary increase rate	4,941	(4,406)

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

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

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The cost of the pension contributions to the Labor Insurance Bureau for the years ended December 31, 2025 and 2024 amounted to $397,754 thousand and $388,280 thousand, respectively.

(o) Income tax

(i) The components of income tax expense for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	**2024**
Current income tax expense		
Current period incurred	$ 2,534,102	3,183,619
Prior years income tax adjustment	(204,028)	81,801
Tax on undistributed surplus earnings	543,790	200,144
Deferred tax expense		
The origination and reversal of temporary differences	1,688,348	2,608,382
Income tax expense	**$ 4,562,212**	**6,073,946**

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Notes to the Financial Statements

(ii) Reconciliation of income tax and profit before tax for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	**2024**
Profit before tax	$ 18,964,812	22,950,824
Income tax expense at the statutory rate	3,792,962	4,590,165
Permanent differences	(1,522,987)	3,696,060
Changes in unrecognized temporary differences	1,931,842	(2,494,224)
Prior years income tax adjustment	(204,028)	81,801
Tax on undistributed surplus earnings	543,790	200,144
Others	20,633	-
	$ 4,562,212	**6,073,946**

(iii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

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

	December 31, 2025	**December 31, 2024**
The aggregate temporary differences associated with investments in subsidiaries	**$ 79,401,041**	**89,060,251**
Unrecognized deferred tax liabilities	**$ 15,880,208**	**17,812,050**

2) Recognized deferred tax assets and liabilities

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

	Unrealized exchange gain or loss	**Gain on foreign investments**	**Total**
Deferred tax liabilities:			
Balance as of January 1, 2025	$ -	3,614,169	3,614,169
Recognized in loss	-	1,651,038	1,651,038
Balance as of December 31, 2025	**$ -**	**5,265,207**	**5,265,207**
Balance as of January 1, 2024	$ 100,312	606,088	706,400
Recognized in (profit) loss	(100,312)	3,008,081	2,907,769
Balance as of December 31, 2024	**$ -**	**3,614,169**	**3,614,169**

(Continued)

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Notes to the Financial Statements

	Gain or loss on valuation of inventory	Others	Total
Deferred tax assets:			
Balance as of January 1, 2025	$ 162,167	797,549	959,716
Recognized in loss	(2,218)	(35,092)	(37,310)
Balance as of December 31, 2025	**$ 159,949**	**762,457**	**922,406**
Balance as of January 1, 2024	$ 219,704	440,625	660,329
Recognized in (loss) profit	(57,537)	356,924	299,387
Balance as of December 31, 2024	**$ 162,167**	**797,549**	**959,716**

(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.

(p) Capital and other equity

(i) Issuance of ordinary shares

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

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

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

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

(ii) Global depositary receipts

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

(Continued)

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

1) Voting rights

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

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

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

(iii) Capital surplus

The components of the capital surplus were as follows:

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

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

(Continued)

(iv) Retained earnings

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

According to the R.O.C. Company Act, the Company should distribute dividends and bonus, 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 dividends policy. Therefore, dividend distributions should not be less than 10% of distributable earnings. The distribution of cash dividend is not lower than 10% of total distribution of dividend.

1) Legal reserve

The Company may distribute legal reserve by paying cash by the resolution of the Board of Directors, and present for approval in the shareholder's 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, respectively. 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

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(v) Other equity interest (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 subsidiaries, associates and joint ventures accounted for using equity method	(5,033,316)	-	-	(5,033,316)
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	353,213	-	353,213
Unrealized gains from financial assets measured at fair value through other comprehensive income of subsidiaries accounted for using equity method	-	812,141	-	812,141
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(1,279,116)	-	(1,279,116)
Unearned compensation	-	-	(524,995)	(524,995)
Balance as of December 31, 2025	**$ (2,262,048)**	**652,941**	**(530,650)**	**(2,139,757)**
Balance as of January 1, 2024	$ (7,359,989)	375,255	(125,271)	(7,110,005)
Exchange differences on subsidiaries, associates and joint ventures accounted for using equity method	10,131,257	-	-	10,131,257
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	1,304,199	-	1,304,199
Unrealized losses from financial assets measured at fair value through other comprehensive income of subsidiaries accounted for using equity method	-	(168,147)	-	(168,147)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(744,604)	-	(744,604)
Unearned compensation	-	-	119,616	119,616
Balance as of December 31, 2024	**$ 2,771,268**	**766,703**	**(5,655)**	**3,532,316**

(q) Share-based payment

Information on share-based payment transactions for the years ended December 31, 2025 and 2024 were as follows:

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

(Continued)

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

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

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

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

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

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

(Continued)

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

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

(i) Determining the fair value of equity instruments granted

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

	Equity-settled share-based payment
	Restricted stock to employee
	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 C

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

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

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

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

(ii) Restricted stock to employee

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

(iii) Expenses recognized in profit or loss

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

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

(r) Earnings per share

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

	For the years ended December 31	
	2025	**2024**
Basic earnings per share		
Profit attributable to ordinary shareholders	$ **14,402,600**	**16,876,878**
Weighted-average number of ordinary shares	2,672,416	2,663,585
	$ **5.39**	**6.34**

(Continued)

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

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the years ended December 31	
	2025	**2024**
Primary geographical markets		
Europe	$ 422,654,103	450,799,874
U.S.A.	417,212,732	425,274,706
Taiwan	94,589,317	86,602,261
China	18,516,300	20,747,892
Japan	15,477,265	11,073,036
Other countries	40,326,598	50,000,710
	$ **1,008,776,315**	**1,044,498,479**

(ii) Contract balances

	December 31, 2025	**December 31, 2024**	**January 1, 2024**
Accounts receivable	$ 328,381,185	398,511,392	345,813,647
Less: Allowance for impairment	152,021	8,791	26,570
Total	$ **328,229,164**	**398,502,601**	**345,787,077**
Contract liabilities	$ **100,387**	**98,183**	**377,726**

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

The amount of revenue recognized for the years ended December 31, 2025 and 2024 that was included in the contract liability balance at the beginning of the period were 98,183 thousand and 365,938 thousand, respectively.

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

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Notes to the Financial Statements

(t) Remunerations to employees and directors

On June 6, 2025, the Company’ s shareholders approved an amendment to the Articles of Incorporation. Under the amended Articles, when the Company generates profit for the year, no less than 7% shall be allocated as employees’ compensation and no more than 0.7% shall be allocated as directors’ remuneration. Of the aforementioned employees’ compensation, no less than 35% shall be allocated to rank-and-file employees. If the Company has accumulated deficits, the profit shall first be reserved to offset such deficits before any allocation. The employees eligible to receive compensation in cash or shares may include employees of controlled or subordinate companies who meet specified criteria. Prior to the amendment, In accordance with the Articles of Incorporation the Company should contribute no less than 7% of the profit as employee compensation and less than 0.7% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

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

(u) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the years ended December 31	
	2025	**2024**
Interest income	**$ 2,095,523**	**2,851,992**

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(ii) Other income

The details of other income were as follows:

	For the years ended December 31	
	2025	2024
Rental income	$ 53,380	34,901
Technical service income	218,708	391,513
Government grants income	139,985	72,516
Dividend income	250,679	141,831
Other income	152,116	128,544
	$ 814,868	**769,305**

(iii) Other gains and losses

The details of other gains and losses were as follows:

	For the years ended December 31	
	2025	2024
Gains on disposal of property, plant and equipment	$ 706,789	18,833
Foreign exchange (losses) gains	(920,682)	348,965
Net (losses) gains profits on financial assets measured at fair value through profit or loss	(428,896)	610,471
Loss from disposal of long-term investment	(84,709)	-
Provisions and others	(4,115)	(4,910)
	$ (731,613)	**973,359**

(iv) Finance costs

The details of finance costs were as follows:

	For the years ended December 31	
	2025	2024
Interest expenses	$ 680,160	445,823
Finance expense–bank fees, etc.	10,369	11,090
	$ 690,529	**456,913**

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

(v) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the Company's maximum credit exposure.

2) Concentration of credit risk

As of December 31, 2025 and 2024, the accounts receivable from the Company's top three customers were amounted to $106,434,762 thousand and $128,497,448 thousand, representing 78% and 87% of accounts receivable, respectively, which exposes the Company to credit risk.

For credit risk exposure of notes and accounts receivables, please refer to Note 6(d).

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	More than 2 years
December 31, 2025					
Non-derivative financial liabilities					
Unsecured bank loans	$ 35,047,088	35,050,000	34,800,000	250,000	-
Unsecured ordinary corporate bonds	14,896,221	14,900,000	12,200,000	2,700,000	-
Non-interest bearing liabilities	383,777,629	383,777,629	383,731,469	46,160	-
Lease liabilities	171,437	170,865	96,726	55,182	18,957
	$ 433,892,375	433,898,494	430,828,195	3,051,342	18,957
December 31, 2024					
Non-derivative financial liabilities					
Unsecured bank loans	$ 21,855,596	21,863,889	21,113,889	500,000	250,000
Unsecured ordinary corporate bonds	22,391,310	22,400,000	7,500,000	12,200,000	2,700,000
Non-interest bearing liabilities	459,147,509	459,147,509	459,106,527	40,982	-
Lease liabilities	268,521	268,521	155,403	70,522	42,596
	$ 503,662,936	503,679,919	487,875,819	12,811,504	2,992,596

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

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Notes to the Financial Statements

(iii) Currency risk

1) Exposure to currency risk

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

(Unit: Foreign currency / NTD in Thousands)

	December 31, 2025			December 31, 2024		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets						
Monetary items						
USD	$11,835,052	31.4205	371,863,251	13,597,782	32.7900	445,871,272
Financial liabilities						
Monetary items						
USD	11,883,316	31.4205	373,379,730	13,675,010	32.7900	448,403,578

2) Sensitivity analysis

The Company'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% of appreciation or depreciation of TWD against foreign currency for the years ended December 31, 2025 and 2024 would have increased or decreased the net profit before tax by $15,165 thousand and $25,323 thousand, respectively. The analysis is performed on the same basis for both periods.

3) Foreign exchange gains or losses on monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2025 and 2024, the foreign exchange (loss) gain, including both realized and unrealized, amounted to ($920,682) thousand and $348,965 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 the variable rate liabilities are outstanding for the whole year on the reporting date.

If the interest rate increases/decreases by 1%, the Company's net profit after tax will decrease/increase by $5,977 thousand and $12,045 thousand for the years ended December 31, 2025 and 2024, respectively, assuming all other variable factors remain constantly. This is mainly due to the Company's borrowings in floating variable rate.

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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:

	For the years ended December 31			
	2025		2024	
Equity price on reporting date	**Other comprehensive income (loss) (before tax)**	**Profit (loss) (before tax)**	**Other comprehensive income (loss) (before tax)**	**Profit (loss) (before tax)**
Increase by 3%	**$ 8,546**	**21,222**	**35,469**	**40,707**
Decrease by 3%	**$ (8,546)**	**(21,222)**	**(35,469)**	**(40,707)**

(iv) Fair value of financial instruments

1) Fair value hierarchy

The Company 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 Company’s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2025				
		Fair Value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	$ 1,593,387	668,968	-	924,419	1,593,387
Financial assets at fair value through other comprehensive income					
Stock of listed companies	$ 284,872	284,872	-	-	284,872
Financial assets at amortized cost					
Cash and cash equivalents	$ 45,383,780	-	-	-	-
Notes and accounts receivable	328,229,164	-	-	-	-
Other receivables	3,222,428	-	-	-	-
Other financial assets	2,479,837	-	-	-	-
Bond investments	800,000	-	-	-	-
Subtotal	380,115,209	-	-	-	-

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	December 31, 2025				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost					
Bank loans	$ 35,047,088	-	-	-	-
Non-interest bearing liabilities	383,777,629	-	-	-	-
Lease liabilities	171,437	-	-	-	-
Unsecured ordinary corporate bonds	14,896,221	-	-	-	-
Subtotal	433,892,375	-	-	-	-

	December 31, 2024				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	$ 2,723,509	1,278,780	-	1,444,729	2,723,509
Financial assets at fair value through other comprehensive income					
Stock of listed companies	$ 1,182,291	1,182,291	-	-	1,182,291
Financial assets at amortized cost					
Cash and cash equivalents	$ 48,680,485	-	-	-	-
Notes and accounts receivable	398,502,601	-	-	-	-
Other receivables	118,307	-	-	-	-
Other financial assets	162,610	-	-	-	-
Bond investments	800,000	-	-	-	-
Subtotal	448,264,003	-	-	-	-
Financial liabilities at amortized cost					
Bank loans	$ 21,855,596	-	-	-	-
Non-interest bearing liabilities	459,147,509	-	-	-	-
Lease liabilities	268,521	-	-	-	-
Unsecured ordinary corporate bonds	22,391,310	-	-	-	-
Subtotal	503,662,936	-	-	-	-

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

The Company’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 quoted price generated by transactions, the recent transaction price and quoted price data is 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.

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

a) Non-derivative financial instruments

Financial instruments trade in active markets are based on quoted market prices.

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

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of foreign exchange forward contract is usually determined by the current forward exchange rate.

4) Transfers between levels of the fair value hierarchy

There have been no transfers from each Level for the year ended December 31, 2025.

5) Reconciliation of Level 3 fair values

	Non-derivative mandatorily measured at fair value through profit or loss
Balance as of January 1, 2025	$ 1,444,729
Total gains or losses recognized:	
In profit or loss	(520,310)
Balance as of December 31, 2025	**$ 924,419**
Balance as of January 1, 2024	$ 995,414
Total gains or losses recognized:	
In profit or loss	252,336
Acquired during the year	196,979
Balance as of December 31, 2024	**$ 1,444,729**

For the years ended December 31, 2025 and 2024, total gains or losses that were accounted as "other gains and losses" were as follows:

	For the years ended December 31	
	2025	**2024**
Total gains or losses recognized:		
In profit or loss accounted as "other gains and losses"	**$ (520,310)**	**252,336**

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Notes to the Financial Statements

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

The Company’ s financial instruments that use Level 3 inputs to measure fair value include “financial assets measured at fair value through profit or loss – private fund”.

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 input. The significant unobservable inputs of the equity investments are independent from each other, as a result, there is no relevance between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss-private fund	Net Asset Value Method	·Net Asset Value	Not applicable
Financial assets at fair value through other comprehensive income–equity investments without an active market	Market Approach	·Price to sales ratio (As of December 31, 2025 was 10.2.)	The estimated fair value would increase (decrease) if: ·the multiplier were higher (lower). ·the market illiquidity discount were lower (higher).

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

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

	Inputs	Fluctuation in inputs	Profit or loss		Other comprehensive income	
			Favour-able	Unfavour-able	Favour-able	Unfavour-able
December 31, 2025						
Financial assets at fair value through profit or loss						
Equity investments without an active market	Price to sales ratio	1%	38	(38)	-	-
Equity investments without an active market	Market illiquidity discount	1%	38	(38)	-	-

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The favourable and unfavourable 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.

(v) Offsetting of financial assets and financial liabilities

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

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

December 31, 2025						
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial Instruments (Note)	Cash collateral instruments	
Accounts Receivable and Payable	$ 18,303,788	14,938,302	3,365,486	-	-	3,365,486

December 31, 2025						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial Instruments (Note)	Cash collateral instruments	
Accounts Receivable and Payable	$ 14,938,302	14,938,302	-	-	-	-

December 31, 2024						
Financial assets that are offset which have an exercisable master netting arrangement or simiar 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

December 31, 2024						
Financial liabilities that are offset which have an exercisable master netting arrangement or simiar 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	-	-	-	-

(Continued)

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Notes to the Financial Statements

(w) Financial risk management

(i) Overview

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

1) Credit risk

2) Liquidity risk

3) Market risk

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

(ii) Structure of risk management

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

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

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

(iii) Credit risk

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

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

1) Accounts receivables and other receivables

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

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

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

2) Investment

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

3) Guarantee

The Company's policies were prepared in accordance with Guidelines for Lending of Capital, Endorsements and Guarantees by Public Companies. As of December 31, 2025, please refer to Note 13(a) and table 2 for the Company 's endorsement and guarantees.

(iv) Liquidity risk

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

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

The Company's investments in funds and listed equity securities are quoted in active markets. Accordingly, these financial assets are expected to be readily saleable at prices close to their fair values.

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(v) Market risk

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

1) Currency risk

The functional currency of the Company is the New Taiwan Dollars (NTD). The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in foreign currency such as NTD, EUR, and USD.

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

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

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

2) Interest rate risk

The Company’s interest rate risk arises from short-term loans, long-term loans and accounts receivable factoring bearing floating interest rates. Future cash flow will be affected by a change in market interest rate. The Company decreases the interest rate risk through negotiating with banks aperiodically.

3) Price floating risk on equity instruments

The equity securities held by the Company are classified as financial assets measured at fair value through profit or loss and fair value through other comprehensive income. As these assets are measured at fair value, the Company is exposed to the market price fluctuation risk in the equity securities market.

The Company’s investment portfolios of equity instruments are reviewed regularly by management, and significant investment decision is approved by the Board of Directors.

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

(x) Capital management

The Board's policy is to maintain a strong capital base as well as to control the level of common stock dividends in order to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, paid in capital, retained earnings and other interests of the Company.

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

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

	December 31, 2025	December 31, 2024
Total liabilities	$ 447,354,239	518,178,471
Less: cash and cash equivalents	(45,383,780)	(48,680,485)
Net debt	401,970,459	469,497,986
Total equity	207,343,291	207,093,133
Total capital (Note)	**$ 609,313,750**	**676,591,119**
Debt to equity ratio	**65.97%**	**69.39%**

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

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

(y) Financing activities not affecting current cash flow

The Company's financing activities which did not affect the current cash flow in the years ended December 31, 2025 and 2024, were as follows:

Reconciliation of liabilities arising from financing activities was as follows:

			Non-cash changes		
	January 1, 2025	Cash flows	Foreign exchange movement	Other	December 31, 2025
Short-term loans	$ 20,350,000	13,950,000	-	-	34,300,000
Other payables-related parties	38,799,751	3,965,120	-	-	42,764,871
Other payables-restricted employee stock	7,475	(17,185)	-	85,997	76,287
Bonds payable	22,391,310	(7,500,000)	-	4,911	14,896,221
Long-term loans	1,505,596	(763,889)	-	5,381	747,088
Lease liabilities	268,521	(165,803)	-	68,719	171,437
Total liabilities from financing activities	**$ 83,322,653**	**9,468,243**	**-**	**165,008**	**92,955,904**

PEGATRON CORPORATION
Notes to the Financial Statements

	January 1, 2024	Cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Other	December 31, 2024
Short-term loans	$ 34,691,850	(14,341,850)	-	-	20,350,000
Other payables-related parties	10,759,895	28,039,856	-	-	38,799,751
Other payables-restricted employee stock	65,730	(10,040)	-	(48,215)	7,475
Bonds payable	30,384,389	(8,000,000)	-	6,921	22,391,310
Long-term loans	3,460,170	(1,966,667)	-	12,093	1,505,596
Lease liabilities	360,470	(158,300)	-	66,351	268,521
Total liabilities from financing activities	$ 79,722,504	3,562,999	-	37,150	83,322,653

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities including subsidiaries and other related parties that have had transaction with the Company during the period covered in the parent company only financial statements.

Name of related party	Relationship with the Company	Notes
CASETEK COMPUTER (SUZHOU) CO., LTD.	The Company’s subsidiary	
KAEDAR ELECTRONICS (KUNSHAN) CO., LTD.	The Company’s subsidiary	
AZUREWAVE TECHNOLOGIES, INC.	The Company’s subsidiary	
AMA PRECISION INC.	The Company’s subsidiary	
DIGITEK (CHONGQING) LTD	The Company’s subsidiary	
MAINTEK COMPUTER (SUZHOU) CO., LTD.	The Company’s subsidiary	
PROTEK (SHANGHAI) LIMITED	The Company’s subsidiary	
COTEK ELECTRONICS (SUZHOU) CO., LTD.	The Company’s subsidiary	
PEGATRON VENTURE CAPITAL CO., LTD.	The Company’s subsidiary	
ASROCK INCORPORATION	The Company’s subsidiary	
ASROCK RACK INCORPORATION	The Company’s subsidiary	
ASROCK INDUSTRIAL COMPUTER CORPORATION	The Company’s subsidiary	
KINSUS INTERCONNECT TECHNOLOGY CORP.	The Company’s subsidiary	
PEGAVISION CORPORATION	The Company’s subsidiary	
BEAUTYTECH PLATFORM CORPORATION	The Company’s subsidiary	
RI-KUAN METAL CORPORATION	The Company’s subsidiary	
AS FLY TRAVEL SERVICE LIMITED	The Company’s subsidiary	
PEGA INTERNATIONAL LIMITED	The Company’s subsidiary	
LUMENS DIGITAL OPTICS INC.	The Company’s subsidiary	
AZUREMOTO TECHNOLOGY, INC.	The Company’s subsidiary	
PEGABELLA CO., LTD.	The Company’s subsidiary	
FACIALBEAU INTERNATIONAL CORPORATION	The Company’s subsidiary	

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

Name of related party	Relationship with the Company	Notes
ASUSPOWER CORPORATION	The Company’s subsidiary	
CASETEK HOLDINGS LIMITED	The Company’s subsidiary	
CASETEK HOLDINGS LIMITED (CAYMAN)	The Company’s subsidiary	
UNIHAN HOLDING LTD.	The Company’s subsidiary	
PEGATRON CZECH S.R.O.	The Company’s subsidiary	
KAEDAR HOLDINGS LIMITED	The Company’s subsidiary	
PEGATRON JAPAN INC.	The Company’s subsidiary	
PEGATRON SERVICE KOREA LLC	The Company’s subsidiary	
Pegatron Service Singapore Pte. Ltd.	The Company’s subsidiary	
PEGATRON TECHNOLOGY HAI PHONG COMPANY LIMITED	The Company’s subsidiary	
PEGATRON TECHNOLOGY SERVICE INC.	The Company’s subsidiary	
PEGATRON USA, INC.	The Company’s subsidiary	
PEGATRON VIETNAM COMPANY LIMITED	The Company’s subsidiary	
PEGATRON TECHNOLOGY TEXAS INC.	The Company’s subsidiary	
PEGATRON ELECTRONICS INC.	The Company’s subsidiary	
PT. PEGAUNIHAN TECHNOLOGY INDONESIA	The Company’s subsidiary	
PEGATRON SERVICE AUSTRALIA PTY. LTD.	The Company’s subsidiary	
PEGATRON MEXICO, S.A. DE C.V.	The Company’s subsidiary	
PEGATRON ELECTRONICS INDIA PRIVATE LIMITED	The Company’s subsidiary	
PEGAUNIHAN TECHNOLOGY MALAYSIA SDN, BHD.	The Company’s subsidiary	
ASLINK PRECISION CO., LTD.	The Company’s subsidiary	
ADVANTECH CO., LTD.	Other related party	
ADVANTECH TECHNOLOGY (CHINA) CO., LTD.	Other related party	
CASETEK SINGAPORE PTE. LTD.	The Company's associate	
Luxsan Precision Industry (Kunshan) Co., Ltd.	The Company's associate	(Note)
Luxsan iTech Electronic (Shanghai) Co., Ltd.	The Company's associate	(Note)
Luxsan (Hong Kong) Trading Co., Limited	The Company's associate	
TATA ELECTRONICS PRODUCTS AND SOLUTIONS PRIVATE LIMITED	The Company's associate	(Note 1)
	The Company's associate	
LUXCASE PRECISION TECHNOLOGY (KUNSHAN) CO., LTD.	The Company's associate	
RI SHAN COMPUTER ACCESSORY (JIASHAN) CO., LTD.	The Company’s associate	
RI DA INTELLIGENT MANUFACTURING TECHNOLOGY CO., LTD.	The Company’s associate	
STARLINK ELECTRONICS CORPORATION	Other related party	(Note 2)

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

Note : These companies were previously subsidiaries of the Company; however, the Company lost control over them on June 28, 2024, and they were subsequently accounted for as the Company's associates. Thereafter, on October 31, 2025, the Company disposed of a portion of its equity interest in Luxsan Precision Industry (Kunshan) Co., Ltd. to Luxsan Precision iTech (Kunshan) Co., Ltd., resulting in the Company's loss of significant influence over the investee. For further details, please refer to Note 6(g).

Note 1: The company was originally subsidiary of the Company. From January 24, 2025, the Company lost control over them and they became associates. Please refer to Note 6(g) for further information.

Note 2: The company was originally subsidiary of the Company. Liquidation was approved by the Board of Directors in 2024, resulting in the Company lost control over it. As of December 31, 2025, the liquidation process had not been completed.

(b) Significant transactions with related parties

(i) Operating revenue

The amounts of significant sales transactions and outstanding balances between the Company and related parties were as follows:

	Sales	
	For the years ended December 31	
	2025	2024
Subsidiaries	$ 34,646,484	63,273,030
Associates	97,489,468	1,088,359
Other related parties	43,716	7,944
	$ 132,179,668	**64,369,333**

	Receivables from related parties	
	December 31, 2025	**December 31, 2024**
Subsidiaries, PEGATRON VIETNAM COMPANY LIMITED	$ 40,963,171	13,386,950
Subsidiaries, DIGITEK (CHONGQING) LTD.	39,880,722	31,530,610
Subsidiaries, PT PEGAUNIHAN TECHNOLOGY	21,652,732	16,245,390
Subsidiaries, MAINTEK COMPUTER (SUZHOU) CO., LTD.	17,127,984	30,139,398
Associates, Luxsan Precision Industry (Kunshan) Co., Ltd.	-	50,147,354
Associates, Luxsan iTech Electronic (Shanghai) Co., Ltd.	-	42,173,748
Associates, TATA ELECTRONICS PRODOCTS AND SOLUTIONS PRIVATE LIMITED	27,209,827	57,921,301
Subsidiaries, Other and Other related parties	11,852,240	8,437,465
	$ 158,686,676	**249,982,216**

PEGATRON CORPORATION
Notes to the Financial Statements

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

(ii) Purchases from related parties

The amounts of significant purchase transactions and outstanding balances between the Company and related parties were as follows:

	Purchases	
	For the years ended December 31	
	2025	2024
Subsidiaries	$ 19,663,332	21,593,037
Associates	84,317,741	59,101,848
Other related parties	408	29
	$ 103,981,481	80,694,914

	Payables to Related Parties	
	December 31, 2025	December 31, 2024
Subsidiaries, DIGITEK (CHONGQING) LTD.	$ 38,166,656	29,978,993
Subsidiaries, PEGATRON VIETNAM COMPANY LIMITED	22,019,757	8,965,022
Subsidiaries, MAINTEK COMPUTER (SUZHOU) CO., LTD.	19,412,960	24,927,660
Subsidiaries, PT PEGAUNIHAN TECHNOLOGY	18,030,799	12,798,628
Associates, TATA ELECTRONICS PRODOCTS AND SOLUTIONS PRIVATE LIMITED	26,887,416	38,314,369
Associates, Luxsan Precision Industry (Kunshan) Co., Ltd.	-	65,540,878
Associates, Luxsan iTech Electronic (Shanghai) Co., Ltd.	-	38,725,730
Subsidiaries, Other and Other related parties	1,231,488	564,902
	$ 125,749,076	219,816,182

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

(iii) Other income and losses from related parties

	For the years ended December 31	
	2025	2024
Subsidiaries	$ 27,379	22,714

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Notes to the Financial Statements

(iv) Rental revenue

For the years ended December 31, 2025 and 2024, the Company incurred subsidiaries transactions of $1,185 thousand and $25,868 thousand, respectively, which were accounted for as rental revenue. Lease terms with related parties were not significantly different from those with non-related parties.

(v) Other related party transactions recorded as expenses

For the years ended December 31, 2025 and 2024, the Company incurred subsidiaries transactions recorded as expenses such as processing fee, storage expense, after-sales service fee and professional service fee, etc., aggregating to $480,640 thousand and $366,876 thousand, respectively.

(vi) Transaction of property, plant and equipment and other assets

For the years ended December 31, 2025 and 2024, molds and equipment purchased from subsidiaries are amounted to $13,517 thousand and $63,031 thousand, respectively.

The Board of Directors approved a resolution to dispose lands and buildings to the subsidiary in September 2023, and the total transaction price was $3,040,000 thousand. All the payments were fully received, and the transfer procedures were completed in 2024.

(vii) Borrowings from related parties

The borrowings from related parties was as follows:

	December 31, 2025	December 31, 2024
Subsidiaries	$ 42,764,871	38,799,751
Interest rate	0%	0%

(viii) As of December 31, 2025, please refer to Note 13 for endorsements and guarantees for related party.

(c) Key management personnel compensation

	For the years ended December 31	
	2025	2024
Short-term employee benefits	$ 226,335	234,323
Post-employment benefits	2,439	2,556
Share-based payments	99,975	52,177
	$ 328,749	289,056

Please refer to Note 6(q) for further information related to share-based payment transactions.

PEGATRON CORPORATION
Notes to the Financial Statements

(8) Pledged assets

The carrying amounts of pledged assets were as follows:

Asset	Purpose of pledge	December 31, 2025	December 31, 2024
Other financial asset-restricted deposits	Deposits for customs duties	$ 264,232	114,178
Other financial asset-refundable deposits	Deposits for performance guarantee	52,936	48,432
		$ 317,168	162,610

(9) Commitments and contingencies

(a) Significant commitments and contingencies

(i) Promissory notes and certificates of deposit obtained for business purpose were as follows:

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

(10) Losses due to major disasters: None

(11) Subsequent events:

On February 5, 2026, the Company acquired privately placed common shares of SYSGRATION LTD. amounting to approximately $1,210,000 thousand.

(12) Other

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

By function / By item	For the years ended December 31					
	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit						
Salary	$ 1,722,983	9,586,667	11,309,650	1,782,505	9,430,800	11,213,305
Labor and health insurance	163,080	604,005	767,085	167,028	573,280	740,308
Pension	58,242	345,287	403,529	61,421	330,988	392,409
Remuneration of directors	-	143,000	143,000	-	174,000	174,000
Others	225,759	570,604	796,363	245,734	576,527	822,261
Depreciation	441,701	484,200	925,901	544,364	441,381	985,745
Amortization	44,994	33,927	78,921	39,842	23,559	63,401

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PEGATRON CORPORATION
Notes to the Financial Statements

For the years ended December 31, 2025 and 2024, the information on the number of employees and employee benefit expense of the Company is as follows:

	2025	2024
Number of employees	7,506	7,492
Number of directors (non-employee)	8	8
Average employee benefit expense	$ 1,771	1,760
Average employee salary expense	$ 1,508	1,498
Average employee salary increase rate	0.67 %	
Remuneration for supervisors	$ -	-

The remuneration policy (including directors, managers and employees) of the Company is as follows:

In accordance with the Company's Articles of Incorporation, the remuneration to directors should not exceed 0.7% of the profit before tax, while taking the operating performance of the Company and the participation of each director into consideration. There will be regular evaluations concerning the reasonability of compensation policies. Furthermore, the remunerations to managers and employees will be appropriated at the rate stated in the Company's Articles of Incorporation, while taking into consideration the operating performance of the Company, economic indicators and industry level.

(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 Company:

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

(b) Information on investees

Please refer to Table 6 for the information on investees for the year ended December 31, 2025.

(c) Information on investment in Mainland China: Please refer to Table 7.

(14) Segment information

Please refer to the consolidated financial statements for the year ended December 31, 2025.

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PEGATRON CORPORATION
Notes to the Financial Statements

Table 1: Loans to other parties
(December 31, 2025)

Expressed in thousands of NTD

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

Note 1: Reference for the nature of loan column

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

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

Note 2: Calculation for the ceiling on total loans granted

Ceiling on total loans granted

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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PEGATRON CORPORATION
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According to CASETEK CAYMAN's policy for loans granted, except for the Company(PEGATRON) or foreign subsidiaries whose voting shares are directly or indirectly wholly-owned by the Company,
when there is a short-term financing need, the ceiling on total loans granted to which is 100% of net worth of CASETEK CAYMAN, the ceiling on total loans granted to all other parties is 60% of net worth of CASETEK CAYMAN.
According to ASIAROCK's Financing Operational Procedures, the total amount lent to a counterparty shall not exceed 40% of ASIAROCK's net worth. The limitation does not apply to financing activities between foreign companies that are wholly owned, either directly or indirectly,
by the Company, or foreign companies in which the Company directly or indirectly holds 100% of the voting shares may extend loans to the Company, provided that the aggregate amount of such loans shall not exceed the net equity as reported in the most recent financial statement audited by a CPA.
According to ASLINK's policy for loans granted, the ceiling on total loans granted to all parties is 30% of net worth of ASLINK.
While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of ASLINK.

Ceiling on total loans granted to single party

According to ASUSPOWER's policy for loans granted, the ceiling on total loans granted to a single party is 30% of net worth of ASUSPOWER.
While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of ASUSPOWER.
According to PEGA HOLDING's policy for loans granted, the ceiling on total loans granted to a single party is 15% of net worth of PEGA HOLDING.
While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of PEGA HOLDING.
According to UNIHAN's policy for loans granted, the ceiling on total loans granted to a single party is 15% of net worth of UNIHAN.
While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of UNIHAN.
According to CASETEK's policy for loans granted, the ceiling on total loans granted to a single party is 15% of net worth of CASETEK.
While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of CASETEK.
According to KTL's policy for loans granted, the ceiling on total loans granted to a single party is 15% of net worth of KTL.
While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of KTL.
According to DIGITEK CHONGQING's policy for loans granted, the ceiling on total loans granted to a single party is 15% of net worth of DIGITEK CHONGQING.
While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of DIGITEK CHONGQING.
According to CASETEK SUZHOU's policy for loans granted, the ceiling on total loans granted to single party is 15% of net worth of CASETEK SUZHOU.
While granting loans to the Company and foreign subsidiaries which are not wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of CASETEK SUZHOU.
According to RI-TENG's policy for loans granted, except for the Company (PEGATRON) or foreign subsidiaries whose voting shares are directly or indirectly wholly-owned by the Company, when there is a short-term financing need,
the ceiling on total loans granted to which is 100% of net worth of RI-TENG, the ceiling on total loans granted to other single party is 15% of net worth of RI-TENG.
According to CASETEK CAYMAN's policy for loans granted, except for the Company (PEGATRON) or foreign subsidiaries whose voting shares are directly or indirectly wholly-owned by the Company, when there is a short-term financing need,
the ceiling on total loans granted to which is 100% of net worth of CASETEK CAYMAN, the ceiling on total loans granted to other single party is 30% of net worth of CASETEK CAYMAN.
According to ASIAROCK's Financing Operational Procedures, the amount lent to an individual counterparty shall not exceed 15% of ASIAROCK's net worth. The limitation does not apply to financing activities between foreign companies that are wholly owned, either directly or indirectly,
by the Company, or foreign companies in which the Company directly or indirectly holds 100% of the voting shares may extend loans to the Company, provided that the amount lent to an individual party shall not exceed the net equity as reported in the most recent financial statement audited by a CPA.
According to ASLINK's policy for loans granted, the ceiling on total loans granted to a single party is 15% of net worth of ASLINK.
While granting loans to the Company and foreign subsidiaries which are directly or indirectly wholly-owned by the Company are as follows: ceiling on total loans granted to which is 100% of net worth of ASLINK.

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

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Notes to the Financial Statements

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

Expressed in thousands of NTD

No.	Endorser/ Guarantor	Party being endorsed / guaranteed	Relationship (Note 1)	Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum outstanding balance for the year	Outstanding balance for thr year (Note 3 and Note 4)	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 2)	Endorsements/ guarantees by parent company to subsidiary	Endorsements/ guarantees by subsidiary to parent company	Endorsements/ guarantees to the party in Mainland China
1	PEL	PMX	(4)	328,221	35,917	33,994	33,994	-	2.07 %	820,553	N	N	N
2	ASROCK	ASIAROCK	(2)	8,392,515	2,655,800	2,513,640	1,979,492	-	20.97 %	8,392,515	Y	N	N
2	ASROCK	ASRock Rack	(2)	3,596,792	2,796,425	2,796,425	2,796,425	-	23.32 %	3,596,792	Y	N	N

Note 1: Relationship with the endorser/guarantor:

(1) Having business relationship.

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

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

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

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

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

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

Note 2: Ceiling on total endorsements/guarantees

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

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

Ceiling on endorsements/ guarantees to single party

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

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

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

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

Note 4: The amount is approved by the Board of Directors.

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PEGATRON CORPORATION
Notes to the Financial Statements

Table 3:Significant securities held at the reporting date (excluding investment in subsidiaries, associates and joint ventures)
(December 31, 2025)

Expressed in thousands of NTD

Securities held by	Marketable securities: Category	Marketable securities: Item	Relationship	General ledger account	As of December 31, 2025: Number of shares	As of December 31, 2025: Book value	As of December 31, 2025: Percentage of ownership	As of December 31, 2025: Fair value	NOTE
PEGATRON	Bond	Fubon Life Insurance Co., Ltd. Subordinated Corporate Bonds	-	Non-current financial assets at amortised cost	800	800,000	N/A	800,000	
	Fund	China Renewable Energy Fund, LP (CREF)	-	Non-current financial assets at fair value through profit or loss	-	885,986	N/A	885,986	
ASUS INVESTMENT	Stock	Speed Tech Corporation	-	Current financial assets at fair value through profit or loss	8,000,000	326,400	4.58%	326,400	
	Stock	Lightel Corporation	-	Non-current financial assets at fair value through other comprehensive income	1,080,000	389,340	4.36%	389,340	
	Stock	PT Sat Nusapersada Tbk	-	Non-current financial assets at fair value through other comprehensive income	531,434,100	366,637	10.01%	366,637	
Pegatron Investment	Stock	Lambda, Inc.	-	Non-current financial assets at fair value through profit or loss	1,110,525	746,840	0.82%	746,840	
ASUSPOWER	Stock	TXOne Networks Inc.	-	Non-current financial assets at fair value through profit or loss	2,181,817	426,628	3.18%	426,628	
	Stock	CarUX Holding Limited	-	Non-current financial assets at fair value through other comprehensive income	7,218,101	1,689,560	5.02%	1,689,560	
ASLINK	Stock	Luxsan Precision Industry (Kunshan) Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	-	7,305,718	19.00%	7,305,718	
PROTEK SHANGHAI	Stock	Luxshare-ICT Co., Ltd.	-	Current financial assets at fair value through profit or loss	7,154,005	1,752,083	0.10%	1,752,083	
Lumens	Fund	Fuh Hwa Money Market Fund	-	Current financial assets at fair value through profit or loss	76,408,331	1,160,566	N/A	1,160,566	
KINSUS	Fund	Fubon Chi-Hsiang Money Market Fund	-	Current financial assets at fair value through profit or loss	18,222,017	302,108	N/A	302,108	
PEGAVISION	Fund	Fubon Money Market Fund	-	Current financial assets at fair value through profit or loss	51,608,086	810,696	N/A	810,696	

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PEGATRON CORPORATION
Notes to the Financial Statements

Table 4: Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock
(For the year ended December 31, 2025)

Expressed in thousands of NTD

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship	Purchases (sales)	Amount	Percentage of total	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note
PEGATRON	PTB	Subsidiary	Purchase	4,061,232	0.57 %	60 DAYS END OF MONTH	-	-	(18,030,799)	(5.49)%	
	PTSI	Subsidiary	Sale	(372,999)	(0.04)%	O/A 90 DAYS	-	-	82,024	0.02 %	
	PTT	Subsidiary	Sale	(18,174,161)	(1.80)%	90 DAYS END OF MONTH	-	-	10,155,120	3.09 %	
	PVN	Subsidiary	Purchase	601,800	0.08 %	60 DAYS END OF MONTH	-	-	(22,019,757)	(6.70)%	
	MAINTEK	Subsidiary	Sale	(15,876,283)	(1.57)%	90 DAYS END OF MONTH	-	-	17,127,984	5.22 %	
	MAINTEK	Subsidiary	Purchase	10,543,271	1.47 %	60 DAYS END OF MONTH	-	-	(19,412,960)	(5.91)%	
	DIGITEK CHONGQING	Subsidiary	Purchase	2,087,600	0.29 %	60 DAYS END OF MONTH	-	-	(38,166,656)	(11.62)%	
	CASETEK SUZHOU	Subsidiary	Purchase	717,232	0.10 %	60 DAYS END OF MONTH	-	-	(181,090)	(0.06)%	
	ASRock Rack	Subsidiary	Purchase	1,613,521	0.23 %	O/A 60 DAYS	-	-	(289,785)	(0.09)%	
	AZUREWAVE	Subsidiary	Purchase	273,568	0.04 %	60 DAYS END OF MONTH	-	-	(86,344)	(0.03)%	
	CSG	Associate	Sale	(129,943)	(0.01)%	30 DAYS END OF MONTH	-	-	-	- %	
	TEPS	Associate	Sale	(14,510,872)	(1.44)%	O/A 45 DAYS	-	-	27,281,577	8.31 %	
	LUXSAN KUNSHAN	Associate	Purchase	5,619,163	0.78 %	O/A 45 DAYS	-	-	-	- %	
	LUXSAN SHANGHAI	Associate	Purchase	3,133,714	0.44 %	O/A 45 DAYS	-	-	-	- %	
	LUXSAN HK	Associate	Purchase	88,730,626	12.39 %	O/A 45 DAYS	-	-	-	- %	
PTB	PEGATRON	Parent company	Sale	(4,061,232)	(99.22)%	60 DAYS END OF MONTH	-	-	18,030,799	100.00 %	
PTSI	PEGATRON	Parent company	Purchase	372,999	58.94 %	O/A 90 DAYS	-	-	(82,024)	(66.66)%	
PTT	PEGATRON	Parent company	Purchase	18,174,161	99.75 %	90 DAYS END OF MONTH	-	-	(10,155,120)	(99.80)%	
PVN	PEGATRON	Parent company	Sale	(601,800)	(98.54)%	60 DAYS END OF MONTH	-	-	22,019,757	99.97 %	
CSG	PEGATRON	Associate	Purchase	129,943	- %	30 DAYS END OF MONTH	-	-	-	- %	
TEPS	PEGATRON	Associate	Purchase	14,510,872	- %	O/A 45 DAYS	-	-	(27,281,577)	- %	
LUXSAN KUNSHAN	PEGATRON	Associate	Sale	(5,619,163)	- %	O/A 45 DAYS	-	-	-	- %	
LUXSAN SHANGHAI	PEGATRON	Associate	Sale	(3,133,714)	- %	O/A 45 DAYS	-	-	-	- %	
LUXSAN HK	PEGATRON	Associate	Sale	(88,730,626)	- %	O/A 45 DAYS	-	-	-	- %	
MAINTEK	PEGATRON	Parent company	Sale	(10,543,271)	(78.39)%	60 DAYS END OF MONTH	-	-	19,412,960	79.00 %	
	PEGATRON	Parent company	Purchase	15,876,283	99.21 %	90 DAYS END OF MONTH	-	-	(17,127,984)	(98.59)%	
	COTEK SUZHOU	Associate	Sale	(18,759,969)	(21.83)%	90 DAYS END OF MONTH	-	-	5,241,423	21.33 %	
	CASETEK SUZHOU	Associate	Purchase and processing fee	399,271	0.53 %	60 DAYS END OF MONTH	-	-	(83,259)	(0.48)%	
COTEK SUZHOU	MAINTEK	Associate	Purchase	18,759,969	99.57 %	90 DAYS END OF MONTH	-	-	(5,241,423)	(99.81)%	
	POWTEK SHANGHAI	Associate	Sale	(18,077,203)	(93.90)%	90 DAYS END OF MONTH	-	-	6,773,137	94.34 %	

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PEGATRON CORPORATION
Notes to the Financial Statements

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship	Purchases (sales)	Amount	Percentage of total	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note
POWTEK SHANGHAI	COTEK SUZHOU	Associate	Purchase	18,077,203	100.00 %	90 DAYS END OF MONTH	-	-	(6,773,137)	(100.00)%	
DIGITEK CHONGQING	PEGATRON	Parent company	Sale	(2,087,600)	(99.36)%	60 DAYS END OF MONTH	-	-	38,166,656	100.00 %	
	CASETEK SUZHOU	Associate	Purchase	193,304	0.25 %	60 DAYS END OF MONTH	-	-	(55,618)	(0.14)%	
CASETEK SUZHOU	PEGATRON	Parent company	Sale	(717,232)	(44.27)%	60 DAYS END OF MONTH	-	-	181,090	47.98 %	
	MAINTEK	Associate	Sale	(399,271)	(24.68)%	60 DAYS END OF MONTH	-	-	83,259	22.06 %	
	DIGITEK CHONGQING	Associate	Sale	(193,304)	(11.93)%	60 DAYS END OF MONTH	-	-	55,618	14.74 %	
KINSUS	KINSUS SUZHOU	Subsidiary	Purchase	4,031,228	25.88 %	60 DAYS END OF MONTH	Incomparable due to different product specification	30~90 DAYS END OF MONTH for other vendors	(868,953)	(22.44)%	
KINSUS SUZHOU	KINSUS	Parent company	Sale	(4,031,228)	(99.94)%	60 DAYS END OF MONTH	Incomparable due to different product specification	No other comparable non-related party	868,953	100.00 %	
PEGAVISION	PEGAVISION JAPAN	Subsidiary	Sale	(4,036,216)	(66.74)%	90 DAYS END OF MONTH	Same as other clients	TT to 90 DAYS END OF MONTH	752,556	64.86 %	
	BeautyTech	Subsidiary	Sale	(380,357)	(6.26)%	Within 120 DAYS END OF MONTH	Same as other clients	TT to 90 DAYS END OF MONTH	149,543	12.89 %	
	Gemvision Zhejiang	Subsidiary	Sale	(104,265)	(1.72)%	Within 180 DAYS END OF MONTH	Same as other clients	TT to 90 DAYS END OF MONTH	13,502	1.16 %	
PEGAVISION JAPAN	PEGAVISION	Parent company	Purchase	4,036,216	100.00 %	90 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(752,556)	(100.00)%	
BeautyTech	PEGAVISION	Parent company	Purchase	380,357	90.68 %	Within 120 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(149,543)	(86.44)%	
Gemvision Zhejiang	PEGAVISION	Parent company	Purchase	104,265	54.46 %	Within 180 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(13,502)	(100.00)%	
ASROCK	ASIAROCK	Subsidiary	Purchase	17,626,976	97.08 %	90 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(3,153,094)	(80.39)%	
	ASRock Europe	Subsidiary	Sale	(3,973,334)	(18.91)%	45 DAYS END OF MONTH	Same as other clients	Same as other clients	248,922	6.34 %	
	ASRock America	Subsidiary	Sale	(7,515,546)	(35.78)%	90 DAYS END OF MONTH	Same as other clients	Same as other clients	2,594,624	66.10 %	
ASRock Rack	ASIAROCK	Associate	Purchase	1,849,346	7.13 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(768,478)	(14.84)%	
	ASRock America	Associate	Sale	(608,029)	(2.44)%	90 DAYS END OF MONTH	Same as other clients	Same as other clients	144,298	15.96 %	
	ASRock Europe	Associate	Sale	(258,585)	(1.04)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	26,579	2.94 %	
	PEGATRON	Parent company	Sale	(1,613,521)	(6.47)%	O/A 60 DAYS	Same as other clients	Same as other clients	289,785	32.05 %	
ASRock Industrial	ASIAROCK	Associate	Purchase	451,524	45.32 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(134,521)	(29.27)%	
	ASRock Europe	Associate	Sale	(230,860)	(12.65)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	-	- %	
	ASRock America	Associate	Sale	(289,830)	(15.88)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	17,239	7.72 %	
ASIAROCK	ASROCK	Parent company	Sale	(17,626,976)	(86.95)%	90 DAYS END OF MONTH	Same as other clients	Same as other clients	3,153,094	77.72 %	
	ASRock Rack	Associate	Sale	(1,849,346)	(9.12)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	768,478	18.94 %	
	ASRock Industrial	Associate	Sale	(451,524)	(2.23)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	134,521	3.32 %	
ASRock America	ASROCK	Parent company	Purchase	7,515,546	89.33 %	90 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(2,594,624)	(94.14)%	

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PEGATRON CORPORATION
Notes to the Financial Statements

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship	Purchases (sales)	Amount	Percentage of total	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note
ASRock America	ASRock Rack	Associate	Purchase	608,029	7.23 %	90 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(144,298)	(5.24)%	
	ASRock Industrial	Associate	Purchase	289,830	3.44 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(17,239)	(0.63)%	
ASRock Europe	ASROCK	Parent company	Purchase	3,973,334	89.03 %	45 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(248,922)	(90.35)%	
	ASRock Rack	Associate	Purchase	258,585	5.79 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(26,579)	(9.65)%	
	ASRock Industrial	Associate	Purchase	230,860	5.17 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	-	- %	
Lumens	Lumens Integration	Subsidiary	Sale	(128,538)	(20.00)%	90 DAYS END OF MONTH	-	-	89,302	66.00 %	
Lumens Integration	Lumens	Parent company	Purchase	128,538	92.00 %	90 DAYS END OF MONTH	-	-	(89,302)	(100.00)%	
AZUREWAVE	PEGATRON	Parent company	Sale	(273,568)	(3.00)%	60~90 DAYS	Same as non-related party	Same as non-related party	86,344	5.00 %	
	Azurewave Shanghai	Subsidiary	Purchase and processing fee	4,497,655	50.00 %	30~365 DAYS	Same as non-related party	Longer than non-related party	(1,892,813)	(49.00)%	
Azurewave Shanghai	AZUREWAVE	Parent company	Sale	(4,497,655)	(44.00)%	30~365 DAYS	Same as non-related party	Longer than non-related party	1,892,813	61.00 %	
AZUREWAVE	Azurewave(VN)	Subsidiary	Purchase	797,049	9.00 %	30~365 DAYS	Same as non-related party	Longer than non-related party	126,602	- %	Prepayments
Azurewave(VN)	AZUREWAVE	Parent company	Sale	(797,049)	(99.00)%	30~365 DAYS	Same as non-related party	Longer than non-related party	(126,602)	- %	Unearned sales revenue

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Notes to the Financial Statements

Table 5: Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock
(December 31, 2025)

Expressed in thousands of NTD

Creditor	Counterparty	Relationship	Balance of receivables	Turnover rate	Overdue Receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
PEGATRON	PTB	Subsidiary	21,652,732	2.81 Times	-	-	-	-
	PTM	Subsidiary	1,491,820	2.40 Times	-	-	-	-
	PTT	Subsidiary	10,155,120	1.97 Times	-	-	-	-
	PVN	Subsidiary	40,963,171	3.17 Times	-	-	9,339,475	-
	MAINTEK	Subsidiary	17,127,984	3.08 Times	-	-	-	-
	DIGITEK CHONGQING	Subsidiary	39,880,722	2.17 Times	-	-	1,916,621	-
	TEPS	Associate	27,281,577	4.23 Times	-	-	3,489,661	71,750
TEPS	PEGATRON	Associate	26,887,416	4.68 Times	-	-	7,027,813	-
PTB	PEGATRON	Parent company	18,030,799	3.72 Times	-	-	-	-
PTM	PEGATRON	Parent company	652,679	4.97 Times	-	-	-	-
PVN	PEGATRON	Parent company	22,019,757	5.59 Times	-	-	4,112,585	-
MAINTEK	PEGATRON	Parent company	19,412,960	3.04 Times	-	-	-	-
	COTEK SUZHOU	Associate	5,241,423	3.16 Times	-	-	-	-
COTEK SUZHOU	POWTEK SHANGHAI	Associate	6,773,137	2.52 Times	-	-	-	-
DIGITEK CHONGQING	PEGATRON	Parent company	38,166,656	2.34 Times	-	-	1,288,246	-
CASETEK SUZHOU	PEGATRON	Parent company	181,090	7.46 Times	-	-	-	-
KINSUS SUZHOU	KINSUS	Parent company	868,953	5.07 Times	-	-	-	-
PEGAVISION	PEGAVISION JAPAN	Subsidiary	752,556	5.64 Times	-	-	317,467	-
	BeautyTech	Subsidiary	149,543	2.68 Times	-	-	28,977	-
ASROCK	ASRock Europe	Subsidiary	248,922	14.70 Times	-	-	157,732	-
	ASRock America	Subsidiary	2,594,624	3.48 Times	-	-	239,870	-
ASIAROCK	ASROCK	Parent company	3,153,094	5.45 Times	-	-	19,965	-
	ASRock Rack	Associate	768,478	3.02 Times	-	-	3,688	-
	ASRock Industrial	Associate	134,521	3.20 Times	-	-	1,896	-
ASRock Rack	ASRock America	Associate	144,298	4.35 Times	-	-	-	-
	PEGATRON	Parent company	289,785	10.9 Times	2,354	Subsequent Collection	2,183	2,898
Azurewave Shanghai	AZUREWAVE	Parent company	1,892,813	2.18 Times	-	-	-	-
ASUSPOWER	PEGATRON	Parent company	3,880,432	N/A (Note 1)	-	-	-	-
	ASUSPOWER INVESTMENT	Parent company	487,018	N/A (Note 1)	-	-	-	-
PEGA HOLDING	PEGATRON	Parent company	26,855,101	N/A (Note 1)	-	-	-	-
UNIHAN	PEGATRON	Parent company	1,856,952	N/A (Note 1)	-	-	-	-
CASETEK	PEGATRON	Parent company	934,760	N/A (Note 1)	-	-	-	-

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

Expressed in thousands of NTD

Creditor	Counterparty	Relationship	Balance of receivables	Turnover rate	Overdue Receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
KTL	PEGATRON	Parent company	487,018	N/A (Note 1)	-	-	-	-
CASETEK SUZHOU	PROTEK SHANGHAI	Associate	1,341,075	N/A (Note 1)	-	-	-	-
CASETEK CAYMAN	PEGATRON	Parent company	2,513,640	N/A (Note 1)	-	-	-	-
ASLINK	PEGATRON	Parent company	6,236,969	N/A (Note 1)	-	-	-	-
ASIAROCK	Calrock	Associate	251,364	N/A (Note 1)	-	-	-	-
					-	-	-	-

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

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PEGATRON CORPORATION
Notes to the Financial Statements

Table 6: Information on investees (excluding investees in Mainland China)
(December 31, 2025)

Expressed in thousands of NTD

				Initial investment amount		Ending balance					
Investor	**Investee**	**Location**	**Main business activities**	**Ending balance**	**Beginning balance**	**Number of shares**	**Percentage of ownership**	**Book value**	**Net profit (loss) of the investee**	**Investment income (loss)**	**Note**
PEGATRON	ASUSPOWER INVESTMENT	Taiwan	Investing activities	15,133,429	13,033,429	1,142,844,700	100.00 %	13,449,283	411,541	411,541	
	ASUS INVESTMENT	Taiwan	Investing activities	16,184,982	16,184,982	979,254,600	100.00 %	15,966,133	932,363	932,363	
	ASUSTEK INVESTMENT	Taiwan	Investing activities	14,593,543	14,593,543	951,278,300	100.00 %	9,385,308	413,604	413,604	
	HUA-YUAN	Taiwan	Investing activities	547,473	-	50,000,000	100.00 %	552,395	10,612	9,950	
	Pegapower Investment	Taiwan	Investing activities	2,500,000	2,500,000	250,000,000	100.00 %	2,482,264	17,023	17,023	
	Pegatron Investment	Taiwan	Investing activities	2,500,000	2,500,000	250,000,000	100.00 %	2,464,710	(29,549)	(29,549)	
	UNIHAN	Cayman Islands	Investing activities	5,823,962	5,823,962	170,110,010	100.00 %	5,980,582	(463,831)	(464,091)	
	AMA	Taiwan	Designing and developing computer parts	408,394	408,394	33,500,000	100.00 %	451,049	6,188	6,188	
	AZUREWAVE	Taiwan	Wireless network development and computer and business equipment, wholesale and retail sales of telecommunications equipment and information software, provision of computer peripheral hardware and mobile e-commerce services	525,750	525,750	35,750,000	23.07 %	843,744	615,192	142,522	
	PEGA HOLDING	Cayman Islands	Investing activities	34,318,691	34,318,691	991,906,463	100.00 %	104,025,045	4,213,376	4,226,443	
	PUSA	USA	Sales and repair service center in North America	97,810	16,085	300,000	100.00 %	96,383	(4,503)	(4,503)	
	PHH	Netherlands	Investing activities	1,278,287	1,278,287	-	100.00 %	3,974,644	137,264	137,264	
	PAU	Australia	Sales and repair service center in Australia	139,088	139,088	6,000,000	100.00 %	397,601	34,111	34,111	
	PTB	Indonesia	Data storage and processing equipment, manufacturing wired and wireless communication equipment, installing and selling of computer equipment and electronic components	1,249,369	1,249,369	39,999	99.99 %	3,587,474	576,349	620,043	
	PHP	Vietnam	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	429,459	429,459	-	100.00 %	318,142	16,841	16,841	
	PVN	Vietnam	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	4,314,741	4,314,741	-	60.00 %	4,668,841	5,568	(47,757)	
	CASETEK CAYMAN	Cayman Islands	Investing activities	14,717,122	14,717,122	1	100.00 %	54,896,001	2,637,314	2,637,314	
	PELI	India	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	574,594	195,015	149,985,000	99.99 %	398,875	(140,173)	(140,159)	
	PTT	USA	Sales service center in North America	144,033	144,033	500	100.00 %	(1,734,596)	(226,246)	(226,246)	
	PEL	USA	Sales service center in North America	1,498,950	1,498,950	5,000	100.00 %	1,641,105	35,477	35,477	
	TEPS	India	Manufacturing and selling consumer electronics	4,287,623	4,287,623	1,099,890,000	39.99 %	3,927,404	154,291	2,677,377	
	PMX	Mexico	Manufacture of consumer electronics and electronic parts	1,683,664	947,505	93,769,880	24.40 %	1,646,066	(465,214)	(87,868)	
	PTM	Malaysia	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	277,401	189,501	41,052,000	100.00 %	116,273	(119,910)	(119,910)	
ASUSPOWER INVESTMENT	KINSUS	Taiwan	Manufacturing electronic parts, whole selling and retailing of electronic components, as well as providing business management consultant service	727,473	727,473	55,556,221	12.16 %	3,977,479	1,595,936	Not required to disclose	

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount: Ending balance	Initial investment amount: Beginning balance	Ending balance: Number of shares	Ending balance: Percentage of ownership	Ending balance: Book value	Net profit (loss) of the investee	Investment income (loss)	Note
ASUSPOWER INVESTMENT	ASROCK	Taiwan	Selling motherboards, related product development and design	82,626	82,626	2,791,000	2.26 %	269,240	1,887,688	Not required to disclose	
	AZUREWAVE	Taiwan	Wireless network development and computer and business equipment, wholesale and retail sales of telecommunications equipment and information software, provision of computer peripheral hardware and mobile e-commerce services	154,000	154,000	7,000,000	4.52 %	166,336	615,192	Not required to disclose	
	Lumens	Taiwan	Researching, developing, manufacturing and selling computer data projectors and related peripherals	508,932	508,932	10,043,490	48.49 %	1,102,659	108,268	Not required to disclose	
	PEGAVISION	Taiwan	Manufacturing medical appliances	347,450	347,450	6,372,796	8.17 %	949,501	1,628,044	Not required to disclose	
	ASUSPOWER	BVI	Investing and trading activities	3,752,682	3,752,682	109,000,000	31.23 %	2,157,957	(16,845)	Not required to disclose	
	PTSI	USA	Sales and repair service center in North America	2,188,802	94,475	7,350	100.00 %	3,646,003	83,311	Not required to disclose	
	WISE INVESTMENT	Taiwan	Investing activities	48,780	48,780	-	48.78 %	307,007	(176,393)	Not required to disclose	
	PEGA INTERNATIONAL	Taiwan	Design service and sales	31,885	31,885	-	100.00 %	22,149	(655)	Not required to disclose	
	PJ	Japan	Sales and repair service center in Japan	27,287	27,287	1,632	100.00 %	483,961	79,264	Not required to disclose	
	PMX	Mexico	Manufacture of consumer electronics and electronic parts	738,554	738,554	41,823,858	10.89 %	734,190	(465,214)	Not required to disclose	
	PSG	Singapore	Sales and repair service center in Singapore	23,990	23,990	1,000,000	100.00 %	245,245	2,611	Not required to disclose	
	PTB	Indonesia	Data storage and processing equipment, manufacturing wired and wireless communication equipment, installing and selling of computer equipment and electronic components	31	31	1	0.01 %	90	576,349	Not required to disclose	
	TEPS	India	Manufacturing and selling consumer electronics	429	429	110,000	0.01 %	392	154,291	Not required to disclose	
	PELI	India	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	57	20	15,000	0.01 %	40	(140,173)	Not required to disclose	
ASUS INVESTMENT	KINSUS	Taiwan	Manufacturing electronic parts, whole selling and retailing of electronic components, as well as providing business management consultant service	938,098	938,098	60,128,417	13.16 %	4,304,806	1,595,936	Not required to disclose	
	ASROCK	Taiwan	Selling motherboards, related product development and design	155,718	155,718	57,217,754	46.31 %	5,519,625	1,887,688	Not required to disclose	
	Lumens	Taiwan	Researching, developing, manufacturing and selling computer data projectors and related peripherals	7,338	7,338	587,079	2.83 %	64,454	108,268	Not required to disclose	
	ASUSPOWER	BVI	Investing and trading activities	3,488,741	3,488,741	103,000,000	29.51 %	2,039,107	(16,845)	Not required to disclose	
	AS FLY	Taiwan	Travel agency	6,000	6,000	-	100.00 %	17,394	2,850	Not required to disclose	
	HUA-YUAN	Taiwan	Investing activities	-	500,000	-	- %	-	10,612	Not required to disclose	

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount: Ending balance	Initial investment amount: Beginning balance	Ending balance: Number of shares	Ending balance: Percentage of ownership	Ending balance: Book value	Net profit (loss) of the investee	Investment income (loss)	Note
ASUS INVESTMENT	PMX	Mexico	Manufacture of consumer electronics and electronic parts	1,114,671	1,114,671	61,495,967	16.00 %	1,079,518	(465,214)	Not required to disclose	
ASUSTEK INVESTMENT	KINSUS	Taiwan	Manufacturing electronic parts, whole selling and retailing of electronic components, as well as providing business management consultant service	794,252	794,252	58,233,091	12.75 %	4,169,120	1,595,936	Not required to disclose	
	ASROCK	Taiwan	Selling motherboards, related product development and design	223,939	223,939	7,453,405	6.03 %	719,002	1,887,688	Not required to disclose	
	AZUREWAVE	Taiwan	Wireless network development and computer and business equipment, wholesale and retail sales of telecommunications equipment and information software, provision of computer peripheral hardware and mobile e-commerce services	98,487	98,487	6,696,930	4.32 %	159,135	615,192	Not required to disclose	
	Lumens	Taiwan	Researching, developing, manufacturing and selling computer data projectors and related peripherals	5,117	5,117	409,427	1.98 %	44,950	108,268	Not required to disclose	
	PEGAVISION	Taiwan	Manufacturing medical appliances	64,292	64,292	4,934,434	6.33 %	735,191	1,628,044	Not required to disclose	
	ASUSPOWER	BVI	Investing and trading activities	4,652,885	4,652,885	137,000,000	39.26 %	2,712,821	(16,845)	Not required to disclose	
	Dynaflex	Cayman Islands	Investing activities	284,574	254,574	5,074,182	18.03 %	289,380	(3,350)	Not required to disclose	
Pegapower Investment	Pegatron Venture	Taiwan	Investing activities	750,000	500,000	75,000,000	50.00 %	752,398	(10,164)	Not required to disclose	
	Zhuhe	Taiwan	Investing activities	90,000	90,000	9,000,000	45.00 %	87,338	(3,068)	Not required to disclose	
Pegatron Investment	Pegatron Venture	Taiwan	Investing activities	750,000	500,000	75,000,000	50.00 %	752,398	(10,164)	Not required to disclose	
	AzureMoto	Taiwan	Research, design, and sale of power semiconductor devices and modules	216,000	216,000	21,600,000	90.00 %	78,350	(141,524)	Not required to disclose	
Pegatron Venture	PEGABella	Taiwan	Electrical appliance wholesale and retail	30,000	-	3,000,000	100.00 %	29,925	(75)	Not required to disclose	
ASUSPOWER	Dynaflex	Cayman Islands	Investing activities	282,803	282,803	2,333,727	8.29 %	288,345	(3,350)	Not required to disclose	
UNIHAN	CASETEK	BVI	Investing and trading activities	5,159,550	5,159,550	115,375,668	100.00 %	4,123,290	(466,030)	Not required to disclose	
CASETEK	SLITEK	Samoa	Investing and trading activities	38,019	38,019	1,210,000	100.00 %	18,797	29,598	Not required to disclose	

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PEGATRON CORPORATION
Notes to the Financial Statements

Expressed in thousands of NTD

				Initial investment amount		Ending balance					
Investor	Investee	Location	Main business activities	Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book value	Net profit (loss) of the investee	Investment income (loss)	Note
CASETEK	KHL	Hong Kong	Investing and trading activities	3,142	819,750	25,000,000	100.00 %	14,261	(110,462)	Not required to disclose	Note 1
	KTL	Samoa	Investing and trading activities	157,103	157,103	5,000,000	100.00 %	534,634	1,431	Not required to disclose	
PEGA HOLDING	MAGNIFICENT	BVI	Investing and trading activities	8,181,296	8,181,296	177,961,090	100.00 %	28,399,843	480,339	Not required to disclose	
	PROTEK	BVI	Investing and trading activities	9,407,251	9,407,251	308,100,000	100.00 %	21,442,303	1,676,336	Not required to disclose	
	ASLINK	Cayman Islands	Investing and trading activities	7,076,108	7,076,108	229,711,968	100.00 %	13,627,002	1,667,769	Not required to disclose	
	DIGITEK	BVI	Investing and trading activities	1,541,129	1,541,129	49,050,000	100.00 %	6,507,443	316,102	Not required to disclose	
	COTEK	BVI	Investing and trading activities	2,168,486	2,168,486	81,275,000	100.00 %	2,728,300	62,160	Not required to disclose	
	POWTEK	BVI	Investing and trading activities	413,038	413,038	8,050,000	100.00 %	1,163,183	41,354	Not required to disclose	
	PIOTEK CAYMAN	Cayman Islands	Investing activities	2,899,279	2,899,279	92,000,000	49.00 %	290,995	(81,044)	Not required to disclose	
	GUT	Samoa	Investing and trading activities	41,671	41,671	5,000,000	100.00 %	5,241	31	Not required to disclose	
PHH	PCZ	Czech Republic	Installing, repairing and selling electronic products	1,082,066	1,082,066	-	100.00 %	3,480,037	132,096	Not required to disclose	
PSG	PKR	South Korea	Sales and repair service center in Korea	47,131	47,131	360,000	100.00 %	118,409	(6,135)	Not required to disclose	
PTSI	PCBR	Brasil	Maintenance service	20,423	20,423	-	100.00 %	1,925	(1,435)	Not required to disclose	
	PTX	USA	Researching, designing, manufacturing, and maintenance of information, communication, and consumer electronics products	2,670,743	-	-	100.00 %	2,674,611	3,848	Not required to disclose	
CASETEK CAYMAN	RIH LI	Samoa	Investing activities	24,084,946	24,084,946	581,331,000	100.00 %	44,229,695	2,850,954	Not required to disclose	
	RI-KUAN	Taiwan	Selling iron and aluminum products	316,770	316,770	30,000,000	100.00 %	615,181	(2,477)	Not required to disclose	
	MEGA	Samoa	Trading activities	31,421	31,421	1,000,000	100.00 %	71,084	4,040	Not required to disclose	
	PMX	Mexico	Manufacture of consumer electronics and electronic parts	3,142,050	3,142,050	187,165,760	48.71 %	3,285,568	(465,214)	Not required to disclose	
	PVN	Vietnam	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	3,142,050	3,142,050	-	40.00 %	3,119,642	5,568	Not required to disclose	
RI-KUAN	RITENG	USA	Market survey	7,227	7,227	230,000	100.00 %	7,598	45	Not required to disclose	
Lumens	Lumens Integration	USA	Selling computer communication products and peripherals	38,050	38,050	1,222,000	100.00 %	5,775	1,451	Not required to disclose	

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount: Ending balance	Initial investment amount: Beginning balance	Ending balance: Number of shares	Ending balance: Percentage of ownership	Ending balance: Book value	Net profit (loss) of the investee	Investment income (loss)	Note
Lumens	Lumens SAMOA	Samoa	Investing activities	7,855	7,855	250,000	100.00 %	41,356	1,316	Not required to disclose	
KINSUS	KINSUS USA	USA	Designing substracts, formulating marketing strategy analysis, developing new customers, researching and development new product technology	15,710	15,710	500,000	100.00 %	98,421	7,800	Not required to disclose	
	KINSUS SAMOA	Samoa	Investing activities	3,432,374	3,432,374	109,239,940	100.00 %	2,347,084	22,082	Not required to disclose	
	KINSUS INVESTMENT	Taiwan	Investing activities	1,600,000	1,600,000	172,000,000	100.00 %	3,433,815	446,428	Not required to disclose	
	PEGAVISION	Taiwan	Manufacturing medical appliances	564,210	564,210	1,820,034	2.33 %	271,399	1,628,044	Not required to disclose	
KINSUS INVESTMENT	PEGAVISION	Taiwan	Manufacturing medical appliances	252,455	252,455	21,233,736	27.22 %	3,166,318	1,628,044	Not required to disclose	
	Zhuhe	Taiwan	Investing activities	30,000	30,000	3,000,000	15.00 %	29,113	(3,068)	Not required to disclose	
KINSUS SAMOA	KINSUS CAYMAN	Cayman Islands	Investing activities	2,199,435	2,199,435	70,000,000	100.00 %	2,047,077	63,416	Not required to disclose	
	PIOTEK CAYMAN	Cayman Islands	Investing activities	1,278,374	1,278,374	40,686,220	51.00 %	302,862	(81,044)	Not required to disclose	
PIOTEK CAYMAN	PIOTEK	BVI	Investing activities	1,001,145	1,001,145	31,862,790	100.00 %	593,879	(81,044)	Not required to disclose	
PEGAVISION	PEGAVISION JAPAN	Japan	Selling medical appliances	1,994	1,994	198	100.00 %	211,924	54,857	Not required to disclose	
	Mayin	Taiwan	Investing activities	246,003	246,003	32,277,000	100.00 %	732,271	134,520	Not required to disclose	
	PEGAVISION VIETNAM	Vietnam	Manufacturing and selling medical appliances	941,333	631,333	-	100.00 %	876,584	(18,875)	Not required to disclose	
	Zhuhe	Taiwan	Investing activities	20,000	20,000	2,000,000	10.00 %	19,408	(3,068)	Not required to disclose	
	PEGAVISION NL	Netherlands	Selling medical appliances	42,531	-	-	100.00 %	35,519	(6,676)	Not required to disclose	
Mayin	BeautyTech	Taiwan	Selling medical appliances and cosmetics	107,500	107,500	8,500,000	85.00 %	484,715	160,096	Not required to disclose	
	FacialBeau	Taiwan	Selling medical appliances and cosmetics	27,500	27,500	2,750,000	55.00 %	22,563	(3,931)	Not required to disclose	
BeautyTech	BEAUTYTECH SG	Singapore	Selling medical appliances and cosmetics	-	6,558	-	- %	-	(181)	Not required to disclose	
	FORIMART	Taiwan	Selling medical appliances and cosmetics	15,000	15,000	1,500,000	100.00 %	65,152	101	Not required to disclose	
	BTP VN	Vietnam	Selling medical appliances and cosmetics	6,923	6,923	-	70.00 %	3,786	(3,714)	Not required to disclose	
FacialBeau	Aquamax	USA	Selling medical appliances and cosmetics	34,563	34,563	11,000,000	100.00 %	6,436	(639)	Not required to disclose	

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PEGATRON CORPORATION
Notes to the Financial Statements

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount: Ending balance	Initial investment amount: Beginning balance	Ending balance: Number of shares	Ending balance: Percentage of ownership	Ending balance: Book value	Net profit (loss) of the investee	Investment income (loss)	Note
FacialBeau	RODNA	South Korea	Selling medical appliances and cosmetics	2,173	2,173	100,000	100.00 %	1,797	(88)	Not required to disclose	
	IKIDO	Japan	Selling medical appliances and cosmetics	1,994	1,994	198	100.00 %	1,848	(45)	Not required to disclose	
ASROCK	ASRock Rack	Taiwan	Manufacturing and selling computer and related peripherals	393,618	375,230	33,163,596	46.22 %	2,242,719	800,852	Not required to disclose	
	ASIAROCK	BVI	Investing and holding activities	1,516,246	2,470,006	46,020,016	100.00 %	4,205,805	42,860	Not required to disclose	
	Leader	BVI	Investing and holding activities	-	71,559	-	- %	-	(31,570)	Not required to disclose	
	Firstplace	BVI	Investing and holding activities	-	-	-	- %	-	107,837	Not required to disclose	
	ASRock America	USA	Data storage and electronic material sales, international trade, etc.	-	-	-	- %	-	183,097	Not required to disclose	
	ASRock Industrial	Taiwan	Manufacturing and selling computer and related peripherals	224,673	239,683	35,780,196	55.99 %	591,364	227,962	Not required to disclose	
	ASJade	Taiwan	Information software service	384,134	216,563	30,730,714	83.06 %	173,417	(76,024)	Not required to disclose	
	Soaring	Hong Kong	International trading activities	592	592	150,000	100.00 %	616	1	Not required to disclose	
	ASRock VG	USA	Investing and holding activities	1,375,641	-	4,345	100.00 %	1,437,884	77,905	Not required to disclose	
	Zhuhe	Taiwan	Investing activities	20,000	20,000	2,000,000	10.00 %	20,000	(3,068)	Not required to disclose	
ASRock Industrial	ASEA	Malaysia	Sales service center in Asia Pacific	6,838	6,838	1,000,000	100.00 %	3,580	502	Not required to disclose	
	ASRock Gmbh	Germany	Sales service center in Europe	3,512	3,512	100,000	100.00 %	1,137	(479)	Not required to disclose	
ASRock Rack	ASRock USA	USA	Sales service center in America	97	97	-	100.00 %	81	(13)	Not required to disclose	
ASIAROCK	ASRock Europe	Netherlands	Data storage and electronic material sales, international trade, etc.	5,820	5,820	200,000	100.00 %	835,455	42,550	Not required to disclose	
	ASRock VG	USA	Investing and holding activities	-	-	-	- %	-	77,905	Not required to disclose	
	Calrock	USA	Office building leasing	-	953,760	-	- %	-	(23,315)	Not required to disclose	
	Orbweb	BVI	Computer equipment installation and peripheral equipment wholesale and service	29,900	29,900	4,000,000	18.76 %	-	14,892	Not required to disclose	
Leader	Firstplace	BVI	Investing and holding activities	-	61,500	-	- %	-	107,837	Not required to disclose	
Firstplace	ASRock America	USA	Data storage and electronic material sales, international trade, etc.	-	60,000	-	- %	-	183,097	Not required to disclose	

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PEGATRON CORPORATION
Notes to the Financial Statements

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount: Ending balance	Initial investment amount: Beginning balance	Ending balance: Number of shares	Ending balance: Percentage of ownership	Ending balance: Book value	Net profit (loss) of the investee	Investment income (loss)	Note
ASRock VG	Calrock	USA	Office building leasing	953,760	-	30,000,000	100.00 %	920,015	(23,315)	Not required to disclose	
	ASRock America	USA	Data storage and electronic material sales, international trade, etc.	421,881	-	2,000,000	100.00 %	517,869	183,097	Not required to disclose	
ASJade	ASJade Japan	Japan	Information software service	1,087	1,087	500	100.00 %	680	(321)	Not required to disclose	
AZUREWAVE	EZWAVE	Taiwan	Manufacturing office machinery, electronic parts and computer peripherals	5,015	5,015	500,000	100.00 %	(24,487)	-	Not required to disclose	
	Azwave	Samoa	Investing activities	2,173,438	2,173,438	70,177,161	100.00 %	3,188,750	339,347	Not required to disclose	
	AZURE	Taiwan	Selling electronic parts	25,000	25,000	2,000,000	100.00 %	38,349	6,387	Not required to disclose	
	Azurenet USA	USA	Market development activities	-	19,820	-	- %	-	(415)	Not required to disclose	
	Azurewave(VN)	Vietnam	Development, design and sale of communication equipment	288,183	288,183	-	100.00 %	162,487	(17,212)	Not required to disclose	
	AzureNet	Taiwan	Sale of 5G modules and system products	150,000	-	15,000,000	100.00 %	149,047	(967)	Not required to disclose	
	Zhuhe	Taiwan	Investing activities	10,000	10,000	1,000,000	5.00 %	9,704	(3,068)	Not required to disclose	
AzureNet	Azurenet USA	USA	Market development activities	19,820	-	650,000	100.00 %	345	(415)	Not required to disclose	

Note : For those involved in foreign currency, income and loss are translated at average exchange rates of the financial reporting period, and the others are translated at the spot exchange rate at the financial reporting date.

Note 1: KHL remitted investment amount USD24,900,000 to CASETEK during 2025.

PEGATRON CORPORATION
Notes to the Financial Statements

Table 7: Information on investment in Mainland China
(December 31, 2025)

Expressed in thousands of NTD /in dollars of foreign currency

(i)The names of investees in Mainland China, the main businesses and products, and other information:

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan at the beginning of the period	Amount remitted from Taiwan to Mainland China /Amount remitted back to Taiwan		Accumulated amount of remittance from Taiwan at the end of the period	Net income of investee	Ownership held by the Company (direct or indirect)	Investment income (loss) 〔Note 2, (2) 〕	Ending book value of investments	Accumulated amount of investment income remitted back to Taiwan
					Remitted to Mainland China	Remitted back to Taiwan						
MAINTEK (Note 5)	Manufacture, develop and research and sale of power supplier, new electronic component, computer case, and computer system. Repair of laptop, motherboard and related product	7,182,412 USD 228,590,000	(2)	5,555,144 USD 176,800,000	-	-	5,555,144 USD 176,800,000	471,301 USD 15,079,300	100%	471,301 USD 15,079,300	28,509,133 USD 907,341,808	392,495 USD 12,557,906
PROTEK SHANGHAI (Note 15)	Develop and research, manufacture, assemble, repair, sale and design of satellite communication equipment, satellite navigation receive equipment and essential component, cellphone, medium and large sized computer, portable computer, printing machine and electrical component.	8,106,489 USD 258,000,000	(2)	9,677,514 USD 308,000,000	-	-	9,677,514 USD 308,000,000	1,665,428 USD 53,285,439	100%	1,665,428 USD 53,285,439	19,986,031 USD 636,082,540	3,923,738 USD 126,039,829
PIOTEK SUZHOU (Note 7)	Researching, developing, producing and selling electronic components, PCBs and related products and providing after-sale services	2,221,429 USD 70,700,000	(2), (3)	1,427,945 USD 45,446,280	-	-	1,427,945 USD 45,446,280	(98,419) (USD 3,148,905)	68.42%	(67,334) (USD 2,154,346)	431,016 USD 13,717,680	-
COTEK SUZHOU	Developing, manufacturing and selling new electronic components, circuit boards and relevant products, and providing technical services and after-sales service	2,545,061 USD 81,000,000	(2)	2,168,015 USD 69,000,001	-	-	2,168,015 USD 69,000,001	58,075 USD 1,858,121	100%	58,075 USD 1,858,121	2,641,434 USD 84,067,231	-
RUNTOP (Note 8)	Manufacturing and selling computer parts and peripherals of digital automatic data processors, multimedia computer system accessories, power supply units, network switches, and modems.	219,944 USD 7,000,000	(2)	331,313 USD 10,544,482	-	-	331,313 USD 10,544,482	-	-	-	-	-
POWTEK SHANGHAI	Selling main boards, computer peripherals, notebooks, servers and software, and providing after-sales service	251,364 USD 8,000,000	(2)	413,038 USD 13,145,510	-	-	413,038 USD 13,145,510	41,465 USD 1,326,675	100%	41,465 USD 1,326,675	1,162,695 USD 37,004,343	-
DIGITEK CHONGQING	Research and development, manufacture, sale of satellite communication equipment, satellite navigation receive equipment, cellphone, internet related equipment, computer, video decoding equipment, car-used electrical equipment and component. The company also provides export, proxy, after-sales repair services, and providing related technical consulting services	1,539,605 USD 49,000,000	(2)	1,539,605 USD 49,000,000	-	-	1,539,605 USD 49,000,000	315,366 USD 10,090,154	100%	315,366 USD 10,090,154	6,482,338 USD 206,309,182	1,709,630 USD 54,699,658
ZUANSHUO (Note 14)	Computer software and hardware, computer parts, electronic products (excluding electronic publications), electric appliance, industrial communication device (excluding wireless receiving facilities and transmitter), communication equipment (excluding wireless transmitter and satellite ground receiving facilities), and providing related technical consulting services. Import and export of goods and technology. Packaging service, product design, marketing planning, business consulting	134,108 CNY 30,000,000	(3)	-	-	-	-	1,799 USD 57,575	100%	1,799 USD 57,575	152,485 USD 4,853,051	-

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan at the beginning of the period	Amount remitted from Taiwan to Mainland China /Amount remitted back to Taiwan		Accumulated amount of remittance from Taiwan at the end of the period	Net income of investee	Ownership held by the Company (direct or indirect)	Investment income (loss) 〔Note 2, (2) 〕	Ending book value of investments	Accumulated amount of investment income remitted back to Taiwan
					Remitted to Mainland China	Remitted back to Taiwan						
LUXSAN KUNSHAN (Note 16)	Manufacturing satellite navigation and positioning receiving equipment and key components, mobile phones, third generation and subsequent mobile communication mobile phones, base stations, core equipment and network testing equipment, large and medium-sized electronic computers, portable microcomputers, high-ends servers, large-capacity optical, disk drives and their components	15,956,769 CNY 3,569,547,400	(2)	6,095,577 USD 194,000,000	-	-	6,095,577 USD 194,000,000	(664,116) (USD 21,248,428)	19%	(137,939) (USD 4,413,353)	-	24,059 USD 769,753
PEGAGLOBE JIANGSU	Investing activities with own funds; equity investment	942,615 USD 30,000,000	(2)	942,615 USD 30,000,000	-	-	942,615 USD 30,000,000	10,211 USD 326,691	100%	10,211 USD 326,691	547,711 USD 17,431,630	-
CASETEK SUZHOU	Manufacturing, developing and selling computers, computer parts, application systems, and providing after-sales service	1,759,548 USD 56,000,000	(2)	1,759,548 USD 56,000,000	-	-	1,759,548 USD 56,000,000	(385,081) (USD 12,320,676)	100%	(385,081) (USD 12,320,676)	2,388,951 USD 76,031,593	236,291 USD 7,560,145
KAEDAR (Note 6)	Tooling molds of stainless-steel computer cases	549,859 USD 17,500,000	(2)	770,025 USD 24,507,092	-	-	770,025 USD 24,507,092	(261) (USD 8,339)	-	(261) (USD 8,339)	-	216,219 USD 6,917,923
CORE-TEK	Researching and producing spare parts for notebook computers, designing nonmetal tooling, electronic specific equipment and related products, repairing and producing precision equipment and providing after-sales service	377,046 USD 12,000,000	(2)	377,046 USD 12,000,000	-	-	377,046 USD 12,000,000	2,264 USD 72,451	100%	2,264 USD 72,451	225,205 USD 7,167,456	-
KAI-CHUAN	Manufacturing, developing and inspecting computers and application systems, designing and producing precision stamping dies and standard molds, designing and manufacturing nonmetal and metal tooling, developing and producing plastic and electronic component, selling self-manufactured products	314,205 USD 10,000,000	(2)	314,205 USD 10,000,000	-	-	314,205 USD 10,000,000	(7,668) (USD 245,353)	100%	(7,668) (USD 245,353)	4,309 USD 137,128	-
Zhangjiagang East High-tech (Note 8)	Process, sale and transportation of steel.	188,523 USD 6,000,000	(2)	37,705 USD 1,200,000	-	-	37,705 USD 1,200,000	(9,210) (USD 294,675)	-	(1,842) (USD 58,935)	-	-
FUYANG SUZHOU (Note 9)	Researching, producing, inspecting, repairing and selling flexible multilayer model, computer digital signal process system and card; selling own produced products and providing related technical consulting service	1,382,502 USD 44,000,000	(2)	1,199,520 USD 38,176,344	-	-	1,199,520 USD 38,176,344	-	-	-	-	-
HONGJIE SHANGHAI (Note 8)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	157,103 USD 5,000,000	(2)	29,308 USD 932,769	-	-	29,308 USD 932,769	-	-	-	-	-
HONGJIE SUZHOU (Note 8)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	418,206 USD 13,309,984	(2)	189,332 USD 6,025,762	-	-	189,332 USD 6,025,762	-	-	-	-	-
Suzhou Eslite (Note 8)	Production and processing of plant fiber products such as mold processing, paper pulp production and processing, paper trays, and cushion packaging materials.	160,245 USD 5,100,000	(2)	36,352 USD 1,156,954	-	-	36,352 USD 1,156,954	-	-	-	-	-
HONGJIE CHONGQING (Note 8)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	15,710 USD 500,000	(2)	2,404 USD 76,500	-	-	2,404 USD 76,500	-	-	-	-	-
Hongruisheng (Note 6)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	82,008 USD 2,610,000	(2)	19,889 USD 633,000	-	-	19,889 USD 633,000	-	-	-	-	-

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan at the beginning of the period	Amount remitted from Taiwan to Mainland China /Amount remitted back to Taiwan		Accumulated amount of remittance from Taiwan at the end of the period	Net income of investee	Ownership held by the Company (direct or indirect)	Investment income (loss) 〔Note 2, (2) 〕	Ending book value of investments	Accumulated amount of investment income remitted back to Taiwan
					Remitted to Mainland China	Remitted back to Taiwan						
Heilongjiang Hongjie (Note 8)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	77,294 USD 2,460,000	(2)	13,913 USD 442,800	-	-	13,913 USD 442,800	-	-	-	-	-
Suzhou Lianshuo (Note 6)	Manufacture of plugs.	219,455 USD 6,984,441	(2)	240,562 USD 7,656,224	-	-	240,562 USD 7,656,224	-	-	-	-	-
Shanghai Yiding (Note 8)	Research and develop, manufacture and sale of portable micro computer, laptop and related products.	974,036 USD 31,000,000	(2)	615,842 USD 19,600,000	-	-	615,842 USD 19,600,000	-	-	-	-	-
Jinhong (Note 8)	Design, process, sale and manufacture of nonmetal molds. Manufacture and sale of precision molds, standard molds, plastic and hardware.	28,278 USD 900,000	(2)	53,886 USD 1,715,000	-	-	53,886 USD 1,715,000	-	-	-	-	-
Honghua (Note 6)	Manufacture, research and develop, process nonmetal molds, precision molds, standard molds, hardware components, new version of photoelectric trigger, disk driver and their components. Manufacture of number camera, essential components and providing after-sale service.	201,091 USD 6,400,000	(2)	98,535 USD 3,136,000	-	-	98,535 USD 3,136,000	-	-	-	-	-
KAI HE (Note 6)	Designing, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling and surface processing for the aforementioned product	1,696,707 USD 54,000,000	(2)	531,806 USD 16,925,453	-	-	531,806 USD 16,925,453	-	-	-	-	-
RI-TENG (Note 12, 17)	Designing, researching, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling	4,870,146 USD 154,999,000	(2)	9,698,661 USD 308,673,038	-	-	9,698,661 USD 308,673,038	430,926 USD 13,787,496	-	430,926 USD 13,787,496	-	1,798,722 USD 57,458,123
RI-PRO (Note 12)	Designing, researching, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling	94,262 USD 3,000,000	(2)	19,817 USD 630,695	-	-	19,817 USD 630,695	762 USD 24,394	100%	762 USD 24,394	(10) (USD 330)	-
Luxcase (Yangcheng) (Note 12)	Designing, researching, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling	29,370,927 USD 934,769,575	(2)	20,180,482 USD 642,271,181	-	-	20,180,482 USD 642,271,181	8,117,749 USD 259,727,675	48.17%	3,904,863 USD 124,936,209	39,914,673 USD 1,270,338,570	-

(Continued)

PEGATRON CORPORATION
Notes to the Financial Statements

(ii)Limitation on investment in Mainland China:

Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025 (Note 11 and 12)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 10, 12 and13)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 4)
57,936,360 USD 1,843,903,171.46	60,896,838 USD 1,938,124,424.89	-

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

(1) The Company directly invests in the investee in Mainland China.

(2) Indirect investment in Mainland China through an investee company in a third region.

(3) Other methods.

Note 2: Recognition of investment gain or loss during current period is pursuant to the following:

(1) If the corporation is in set-up phase with no income or loss recognized, notes are required.

(2) Recognition of investment gain or loss can be classified to three categories:

1. Financial statements of the investee company were audited and certified by an international firm in cooperation with an R.O.C. accounting firm.

2. Financial statements of the investee company were audited and certified by the external accounting firm of parent company.

3.Others: Financial statements of the significant subsidiaries were audited and certifiled by the accounting firm or those of non-significant subsidiaries were not.

Note 3: For those involved in foreign currency, income and loss are translated at average exchange rates of the financial reporting period, and ending book value of investments are translated at the spot exchange rate at the financial reporting date.

Note 4: In accordance with the newly amended "Review Principles of Investment and Engagement of Technological Cooperation in Mainland China" dated August 29, 2008, since the Company has obtained the certificate of qualified operating headquarters issued by the Industrial Development Bureau, MOEA, there is no limitation on the accumulated amount on investments in Mainland China.

Note 5: MAINTEK's paid-in capital includes capital increased by retained earnings of USD51,790,000.

Note 6: The liquidation process has been completed. However, since the funds have not been remitted back to Taiwan, the approved investment quota cannot be deducted.

Note 7: PIOTEK SUZHOU's paid-in capital includes capital increased by retained earning of USD27,000,000 and reducing its capital of USD130,000,000 to cover accumulated deficits in 2024. The ownership percentage includes shares held by other subsidiaries of Taiwan.

Note 8: The investment has been disposed. However, since the funds have not been remitted back to Taiwan, the approved investment quota cannot be deducted.

Note 9: The accumulated investment amount includes USD26,000,000 transferred out by FUYANG. The liquidation process of FUYANG SUZHOU has been completed. However, since the funds have not been remitted back to Taiwan, the approved investment quota cannot be deducted.

Note10: Due to the reinvestment of the Group's investee, China Renewable Energy Fund, LP (CREF), in Mainland China, the line of credit for the Group has been increased with the approval from the Investment Commission of MOEA.

Note 11: The differences from accumulated amount of remittance from Taiwan at the end of the period were the accumulated actual investment in Mainland China from the China Renewable Energy Fund, LP(CREF) held by the Group and the investment on Ark Semiconductor Corp. Ltd. held by the Subsidiary.

Note 12: The merger of CASETEK CAYMAN has been approved and completed by the Investment Commission of MOEA, and is included in the investment amount and quota in Mainland China after its accounting and distribution.

Note 13: The Group has increased investment amount authorized by Investment Commission MOEA due to China Renewable Energy Fund, LP(CREF) and Ark Semiconductor Corp. Ltd., the investees of the Group.

Note 14: The investee company was wholly-owned through the investment from own funds.

Note 15: PROTEK SHANGHAI resolved to remit investment amount during 2025. However, since the funds have not been remitted back to Taiwan, the approved investment quota cannot be deducted.

Note 16: The Group sold part of its investment of LUXSAN KUNSHAN on October 31, 2025, resulting in losing significant influence over LUXSAN KUNSHAN and ceasing to use equity method. However, since the funds have not been remitted back to Taiwan, the approved investment quota cannot be deducted.

Note 17: Since the significant uncertainty regarding the completion of the liquidation of RI-TENG has been eliminated on December 31, 2025, the Group cease to use the equity method for RI-TENG and recognize liquidation gains or losses. However, since the funds have not been remitted back to Taiwan, the approved investment quota cannot be deducted.

(iii)Significant transactions: Direct or indirect significant transactions between the Group and the investee company in Mainland China (already offset when preparing the consolidated financial report), please refer to "Information on significant transactions".

PEGATRON CORPORATION

Statement of Cash and Cash Equivalents

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand		$ 150
Cash in banks		
Foreign currency deposits	USD648,804 thousand (rate 31.4205)	20,385,741
	EUR112 thousand (rate 36.9835)	4,128
	CNY1,402 thousand (rate 4.4703)	6,265
	GBP7 thousand (rate 42.4365)	290
	JPY1,567 thousand (rate 0.2014)	316
	HKD1 thousand (rate 4.03868)	5
	SGD24 thousand (rate 24.4679)	595
	AUD48 thousand (rate 21.072)	1,010
Demand deposits		2,016,895
		22,415,245
Time deposits	USD650,000 thousand (rate 31.4205, maturity date: 2026.1.2~2026.2.5, interest rate: 4.12%~4.23%)	20,423,325
Repurchase bonds	USD81,000 thousand (rate 31.4205)	2,545,060
		$ 45,383,780

PEGATRON CORPORATION

Statement of Accounts Receivable

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Name of client	Description	Amount
Related party		
PEGATRON VIETNAM COMPANY LIMITED	Payment	$ 40,963,171
DIGITEK (CHONGQING) LTD.	〃	39,880,722
TATA ELECTRONICS PRODUCTS AND SOLUTIONS PRIVATE LIMITED	〃	27,209,827
PT. PEGATRON TECHNOLOGY INDONESIA	〃	21,652,732
MAINTEK COMPUTER (SUZHOU) CO., LTD.	〃	17,127,984
Others (Note)	〃	11,852,240
Subtotal		158,686,676
Non-related party		
A	〃	70,806,530
B	〃	33,483,040
C	〃	22,720,028
Others (Note)	〃	42,532,890
Subtotal		169,542,488
Total		**$ 328,229,164**

Note: The year-end balance of each client doesn’t exceed 5% of the account balance.

PEGATRON CORPORATION

Statement of Inventory

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net realizable value
Merchandise	$ 21,243,865	21,062,066
Finished goods	686,284	746,111
Work in process	1,523,076	1,677,017
Raw materials (Note)	4,650,499	4,553,034
Total	28,103,724	**28,038,228**
Less: Allowance for inventory market decline and obsolescence	799,743	
Net total	**$ 27,303,981**	

Note: Replacement cost has been used as the market price of usual inventory, and net realizable value has been used as the market price of obsolete inventory.

PEGATRON CORPORATION

Statement of Changes in Investments Accounted for Using the Equity Method

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

	Beginning Balance		Addition		Reduction				Ending Balance			Market Value or Net Assets Value		
Name of investee	Shares (in thousand)	Amount	Shares (in thousand)	Amount	Shares (in thousand)	Amount	Investment income or loss	Other adjustment (Note)	Shares (in thousand)	Percentage of ownership	Amount	Unit price	Total amount	Collateral
ASUSPOWER INVESTMENT CO., LTD.	932,845	$ 11,355,792	210,000	2,100,000	-	-	411,541	(418,050)	1,142,845	100.00%	13,449,283	11.77	13,449,283	None
ASUS INVESTMENT CO., LTD.	979,255	14,310,254	-	-	-	-	932,363	723,516	979,255	100.00%	15,966,133	16.30	15,966,133	〃
ASUSTEK INVESTMENT CO., LTD.	951,278	8,946,387	-	-	-	-	413,604	25,317	951,278	100.00%	9,385,308	9.87	9,385,308	〃
HUA-YUAN INVESTMENT CO., LTD.	-	-	50,000	547,473	-	-	9,950	(5,028)	50,000	100.00%	552,395	11.05	552,395	〃
PEGAPOWER INVESTMENT CO., LTD.	250,000	2,488,340	-	-	-	-	17,023	(23,099)	250,000	100.00%	2,482,264	9.93	2,482,264	〃
PEGATRON INVESTMENT CO., LTD.	250,000	2,478,982	-	-	-	-	(29,549)	15,277	250,000	100.00%	2,464,710	9.86	2,464,710	〃
UNIHAN HOLDING LTD.	170,110	7,214,997	-	-	-	-	(464,091)	(770,324)	170,110	100.00%	5,980,582	35.16	5,980,582	〃
AMA PRECISION INC.	33,500	444,861	-	-	-	-	6,188	-	33,500	100.00%	451,049	13.46	451,049	〃
AZUREWAVE TECHNOLOGIES, INC.	35,750	791,026	-	-	-	-	142,522	(89,804)	35,750	23.07%	843,744	60.30	2,155,725	〃
PEGATRON HOLDING LTD.	991,906	106,484,658	-	-	-	-	4,226,443	(6,686,056)	991,906	100.00%	104,025,045	104.87	104,025,045	〃
PEGATRON USA, INC.	50	23,333	250	81,725	-	-	(4,503)	(4,172)	300	100.00%	96,383	321.28	96,383	〃
PEGATRON HOLLAND HOLDING B.V.	-	3,418,644	-	-	-	-	137,264	418,736	-	100.00%	3,974,644	-	3,974,644	〃
CASETEK HOLDINGS LIMITED (CAYMAN)	-	51,466,058	-	-	-	-	2,637,314	792,629	-	100.00%	54,896,001	-	54,896,001	〃
PEGATRON SERVICE AUSTRALIA PTY. LTD.	6,000	350,423	-	-	-	-	34,111	13,067	6,000	100.00%	397,601	66.27	397,601	〃
PT. PEGAUNIHAN TECHNOLOGY INDONESIA	40	3,095,388	-	-	-	-	620,043	(127,957)	40	99.99%	3,587,474	89,686.85	3,587,474	〃
PEGATRON TECHNOLOGY HAI PHONG COMPANY LIMITED	-	314,341	-	-	-	-	16,841	(13,040)	-	100.00%	318,142	-	318,142	〃
PEGATRON VIETNAM COMPANY LIMITED	-	4,920,394	-	-	-	-	(47,757)	(203,796)	-	60.00%	4,668,841	-	4,668,841	〃
TATA ELECTRONICS PRODUCTS AND SOLUTIONS PRIVATE LIMITED	1,099,890	1,223,310	-	-	-	-	2,677,377	26,717	1,099,890	39.99%	3,927,404	3.57	3,927,404	〃
PEGATRON- ELECTRONICS INDIA PRIVATE LIMITED	49,995	180,122	99,990	379,580	-	-	(140,159)	(20,668)	149,985	99.99%	398,875	2.66	398,875	〃
PEGATRON TECHNOLOGY TEXAS INC.	-	(1,572,841)	-	-	-	-	(226,246)	64,491	-	100.00%	(1,734,596)	-	(1,734,596)	〃
PEGATRON ELECTRONICS INC.	5	1,675,415	-	-	-	-	35,477	(69,787)	5	100.00%	1,641,105	328,221.00	1,641,105	〃
PEGATRON Mexico. S.A. DE C.V	49,597	923,784	44,173	736,159	-	-	(87,868)	73,991	93,770	24.40%	1,646,066	17.55	1,646,066	〃
PEGAUNIHAN TECHNOLOGY MALAYSIA SDN.BHD	28,320	152,945	12,732	87,900	-	-	(119,910)	(4,662)	41,052	100.00%	116,273	2.83	116,273	〃
Subtotal		220,686,613		3,932,837		-	11,197,978	(6,282,702)			229,534,726			
Add: Credit balance of investments accounted for using equity method		1,572,841		-		-	-	-			1,734,596			
Total		$ 222,259,454		3,932,837		-	11,197,978	(6,282,702)			231,269,322			

Note: Including capital surplus, cumulative translation adjustments, unrealized gross profit, etc.

PEGATRON CORPORATION

Statement of Short-term Loan

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Type	Ending Balance	Contract Period	Interest Rate	Collateral
Unsecured bank loans	$ 34,300,000	2024.11.07~2026.03.27	1.71%~4.68%	None

Statement of Accounts Payable

Name of vendor	Description	Amount
Related party		
DIGITEK (CHONGQING) LTD.	Payment	$ 38,166,656
TATA ELECTRONICS PRODUCTS AND SOLUTIONS PRIVATE LIMITED	〃	26,887,416
PEGATRON VIETNAM COMPANY LIMITED	〃	22,019,757
MAINTEK COMPUTER (SUZHOU) CO., LTD.	〃	19,412,960
PT. PEGATRON TECHNOLOGY INDONESIA	〃	18,030,799
Others (Note)	〃	1,231,488
Subtotal		125,749,076
Non-related party		
A	〃	61,748,790
B	〃	44,868,313
Others (Note)	〃	96,212,537
Subtotal		202,829,640
Total		$ 328,578,716

Note: The year-end balance of each vendor doesn’t exceed 5% of the account balance.

PEGATRON CORPORATION

Statement of Operating Revenue

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Quantity	Amount	Note
Sales revenue:			
3C electronic products	96,138 thousand units	$ 913,961,118	Note 1
Others		94,815,197	Note 2
		$ 1,008,776,315	

Note 1: 3C electronic products contain information technology products, consumer electronic products, and communication products. Due to the complexity and diversity of the product categories, it is difficult to classify and compile statistics.

Note 2: Others contain repair revenue, service revenue, and others.

PEGATRON CORPORATION

Statement of Operating Costs

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item		Amount
Cost of sales from manufacturing		
Raw materials, January 1		$ 1,941,369
Add: Purchase (Note1)		33,257,814
Transferred-in		1,051,090
Less: Transferred-out (including amount transferred to each expense and loss) (Note1)		(1,639,062)
Raw materials, December 31		(4,650,499)
Direct labor		623,630
Manufacturing expenses		2,535,012
Cost of manufacturing		33,119,354
Add: Work in process, January 1		346,636
Less: Transferred-out (including amount transferred to each expense and loss) (Note1)		(248,047)
Work in process, December 31		(1,523,076)
Cost of finished goods		31,694,867
Add: Finished goods, January 1		408,422
Less: Transferred-out (including amount transferred to each expense and loss) (Note1)		(606,336)
Finished goods, December 31		(686,284)
Cost of self-manufactured products		30,810,669
Merchandise, January 1	38,807,402	
Add: Purchase (Note1)	1,703,362,395	
Less: Transferred-out (including amount transferred to each expense and loss)(Note1)	(765,552,158)	
Merchandise, December 31	(21,243,865)	955,373,774
Cost of goods sold		986,184,443
Other business costs		430,178
Allowance for inventory obsolescence		(11,092)
Loss on disposal of inventory		155,744
Operating costs		**$ 986,759,273**

Note1: The product is processed by subsidiary and sold back to the Company. The number includes the sold back price of the product.

PEGATRON CORPORATION

Statement of Operating Expenses

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Sales	Administration	Research and Development	Total
Salary and wages expense	$ 1,066,856	1,689,096	6,830,714	9,586,666
Expected credit loss	143,179	-	51	143,230
Depreciation expense	23,796	167,377	293,027	484,200
Amortization expense	2,607	13,038	18,282	33,927
Pension expense	38,269	54,557	252,461	345,287
Other personnel expense	65,399	84,774	420,431	570,604
Directors' remuneration	-	143,000	-	143,000
Others (Note)	868,734	1,035,485	1,902,717	3,806,936
	$ 2,208,840	**3,187,327**	**9,717,683**	**15,113,850**

Note: The year-end balance of each item doesn't exceed 5% of the account balance.