Stock Code：4938

PEGATRON CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Six Months Ended June 30, 2026 and 2025

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

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

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8～10
(4) Summary of material accounting policies	10～21
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	21
(6) Explanation of significant accounts	22～66
(7) Related-party transactions	66～70
(8) Assets pledged as security	70
(9) Commitments and contingencies	70～71
(10) Losses due to major disasters	71
(11) Subsequent events	71
(12) Others	72
(13) Other disclosures	
(a) Information on significant transactions	73
(b) Information on investees	73
(c) Information on investment in Mainland China	73
(14) Segment information	73～74

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

Independent Auditors' Review Report

To the Board of Directors of Pegatron Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Pegatron Corporation and its subsidiaries as of June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, and changes in equity and cash flows for the six months ended June 30, 2026 and 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to $102,422,918 thousand and $100,403,382 thousand, constituting 15.25% and 17.92% of consolidated total assets as of June 30, 2026 and 2025, respectively, total liabilities amounting to $10,524,233 thousand and $10,333,943 thousand, constituting 2.52% and 2.98% of consolidated total liabilities as of June 30, 2026 and 2025, respectively, and total comprehensive income (loss) amounting to $2,333,318 thousand, $(7,860,792) thousand, $2,610,422 thousand and $(6,312,506) thousand, constituting 39.76%, 34.78% , 20.13% and 41.87% of consolidated total comprehensive income for the three months and the six months ended June 30, 2026 and 2025, respectively.

Furthermore, as stated in Note 6(h), the other equity accounted investments of Pegatron Corporation and its subsidiaries in its investee companies of $46,375,443 thousand and $50,019,921 thousand as of June 30, 2026 and 2025, respectively, and its equity in net earnings on these investee companies of $186,823 thousand, $790,059 thousand, $(62,002) thousand and $1,799,484 thousand for the three months and the six months ended June 30, 2026 and 2025, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

KPMG, a Taiwan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Pegatron Corporation and its subsidiaries as of June 30, 2026 and 2025, and of its consolidated financial performance for the three months and six months ended June 30, 2026 and 2025, and its consolidated cash flows for the six months ended June 30, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of certain consolidated subsidiaries, with total assets of $122,748,162 thousand and $108,335,737 thousand, representing 18.28% and 19.34% of the related consolidated total assets as of June 30, 2026 and 2025, and net sales of $23,461,065 thousand, $24,365,512 thousand, $50,040,249 thousand and $45,759,466 thousand, representing 8.55%, 9.11%, 9.65% and 8.48% of the related consolidated total net sales for the three months and the six months ended June 30, 2026 and 2025, respectively. Those financial statements were reviewed by other auditors whose reports have been furnished to us, and our review, insofar as it relates to the amounts included for certain consolidated subsidiaries, are based solely on the reports of the other auditors.

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

KPMG

Taipei, Taiwan (Republic of China)
August 12, 2026

Notes to Readers

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

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

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

PEGATRON CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

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

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2026		December 31, 2025		June 30, 2025	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (Notes 6(a) and (i))	$ 108,848,258	16.2	119,380,486	19.2	113,363,490	20.3
1110	Current financial assets at fair value through profit or loss (Note 6(b))	7,296,511	1.1	5,266,045	0.8	8,071,822	1.4
1170	Accounts receivable, net (Notes 6(d), (e), (i) and (y))	186,976,529	27.8	193,805,743	31.1	124,036,723	22.1
1180	Accounts receivable due from related parties, net (Notes 6(d), (y) and 7)	11,404,458	1.7	27,219,641	4.4	54,647,944	9.8
1200	Other receivables, net (Notes 6(i) and 7)	3,058,934	0.5	10,279,271	1.7	1,506,563	0.3
130X	Inventories (Notes 6(f) and (i))	152,240,826	22.7	81,234,870	13.0	80,020,457	14.3
1460	Non-current assets classified as held for sale (disposal groups) (Note 6(g))	-	-	-	-	2,110,831	0.4
1476	Other current financial assets (Notes 6(m) and 8)	17,573,553	2.6	15,262,833	2.4	13,143,355	2.3
1479	Other current assets (Notes 6(i) and (m))	8,920,099	1.3	6,840,599	1.1	6,913,798	1.2
		496,319,168	73.9	459,289,488	73.7	403,814,983	72.1
	Non-current assets:						
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	16,057,286	2.4	12,290,268	2.0	4,729,720	0.8
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	4,197,468	0.6	3,535,109	0.5	3,462,640	0.6
1540	Non-current financial assets at amortized cost, net	800,000	0.1	800,000	0.1	800,000	0.1
1550	Investments accounted for using equity method (Note 6(h))	46,494,063	6.9	44,727,201	7.2	50,136,697	9.0
1600	Property, plant and equipment (Notes 6(i), (k) and 8)	90,260,722	13.4	84,677,257	13.7	77,803,624	13.9
1755	Right-of-use assets (Notes 6(i) and (l))	5,079,029	0.8	5,103,394	0.8	4,963,969	0.9
1760	Investment property, net	24,649	-	25,835	-	25,424	-
1780	Intangible assets (Note 6(i))	498,677	0.1	457,893	0.1	408,911	0.1
1840	Deferred tax assets (Note 6(i))	4,417,420	0.7	2,740,726	0.4	2,464,528	0.4
1915	Prepayments on purchase of equipment (Note 9)	6,764,819	1.0	8,408,777	1.3	10,531,365	1.9
1980	Other non-current financial assets (Notes 6(m) and 8)	446,374	0.1	507,973	0.1	977,105	0.2
1990	Other non-current assets (Notes 6(i), (m) and (s))	100,851	-	551,258	0.1	54,882	-
		175,141,358	26.1	163,825,691	26.3	156,358,865	27.9
	Total assets	**$ 671,460,526**	**100.0**	**623,115,179**	**100.0**	**560,173,848**	**100.0**

See accompanying notes to financial statements.

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

PEGATRON CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets (CONT'D)

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

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2026		December 31, 2025		June 30, 2025	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term loans (Note 6(n))	$ 76,140,974	11.3	42,212,236	6.8	33,866,724	6.0
2130	Current contract liabilities (Note 6(y))	3,246,173	0.5	2,164,451	0.3	1,969,229	0.4
2170	Accounts payable (Note 6(i))	242,054,667	36.0	222,352,571	35.7	131,371,780	23.5
2180	Accounts payable to related parties (Note 7)	8,120,934	1.2	26,888,429	4.3	74,075,016	13.2
2209	Accrued expenses (Notes 6(i) and (z))	23,908,871	3.6	22,251,521	3.6	20,471,649	3.7
2216	Dividends payable (Note 6(u))	13,005,117	1.9	-	-	13,454,097	2.4
2219	Other payables (Notes 6(i) and 9)	4,594,483	0.7	3,217,298	0.5	6,816,984	1.2
2230	Current tax liabilities	4,155,187	0.6	4,003,441	0.6	2,492,222	0.4
2281	Current lease liabilities (Notes 6(i) and (r))	516,271	0.1	481,307	0.1	490,796	0.1
2321	Bonds payable, current portion (Note 6(q))	7,500,000	1.1	12,200,000	2.0	9,700,000	1.7
2322	Long-term loans, current portion (Note 6(p))	2,938,248	0.4	4,695,203	0.8	4,590,302	0.8
2399	Other current liabilities (Notes 6(i), (o) and (p))	5,355,617	0.8	4,765,880	0.8	7,259,262	1.3
		391,536,542	58.2	345,232,337	55.5	306,558,061	54.7
	Non-Current liabilities:						
2527	Non-current contract liabilities (Note 6(y))	1,769,283	0.3	2,293,153	0.4	2,583,766	0.5
2530	Bonds payable (Note 6(q))	2,697,744	0.4	2,696,221	0.4	10,193,866	1.8
2540	Long-term loans (Notes 6(p) and 8)	6,218,582	0.9	11,446,767	1.8	13,863,248	2.5
2570	Deferred tax liabilities	8,760,309	1.3	8,299,034	1.3	6,913,417	1.2
2581	Non-current lease liabilities (Notes 6(i) and (r))	1,286,074	0.2	1,364,014	0.2	1,291,599	0.2
2650	Credit balance of investments accounted for using equity method (Note 6(h))	-	-	-	-	7,646	-
2670	Other non-current liabilities (Notes 6(i), (o) and (p))	5,194,302	0.8	5,325,773	0.9	5,177,059	0.9
		25,926,294	3.9	31,424,962	5.0	40,030,601	7.1
	Total liabilities	417,462,836	62.1	376,657,299	60.5	346,588,662	61.8
	Equity Attributable to Owners of the Parent Company (Notes 6(u) and (v)):						
3110	Share capital	26,758,522	4.0	26,821,651	4.3	26,614,986	4.8
	Capital surplus:						
3210	Capital surplus, additional paid-in capital	79,696,458	11.9	79,696,458	12.8	79,696,286	14.2
3280	Capital surplus, others	7,373,358	1.1	7,224,477	1.2	6,304,838	1.1
		87,069,816	13.0	86,920,935	14.0	86,001,124	15.3
	Retained earnings:						
3310	Legal reserve	24,138,507	3.6	22,569,086	3.6	22,569,086	4.0
3320	Special reserve	1,609,107	0.2	-	-	-	-
3350	Unappropriated retained earnings	65,311,775	9.8	73,171,376	11.7	62,076,140	11.1
		91,059,389	13.6	95,740,462	15.3	84,645,226	15.1
	Other equity interest:						
3410	Exchange differences on translation of foreign financial statements	1,365,303	0.2	(2,262,048)	(0.4)	(17,626,230)	(3.1)
3420	Unrealized gains on financial assets measured at fair value through other comprehensive income	670,542	0.1	652,941	0.1	535,241	0.1
3491	Other equity, unearned compensation	(1,792)	-	(530,650)	(0.1)	(796,609)	(0.1)
		2,034,053	0.3	(2,139,757)	(0.4)	(17,887,598)	(3.1)
	Equity attributable to owners of the parent company	206,921,780	30.9	207,343,291	33.2	179,373,738	32.1
36xx	**Non-controlling interests (Notes 6(j) and (u))**	47,075,910	7.0	39,114,589	6.3	34,211,448	6.1
	Total equity	253,997,690	37.9	246,457,880	39.5	213,585,186	38.2
	Total liabilities and equity	**$ 671,460,526**	**100.0**	**623,115,179**	**100.0**	**560,173,848**	**100.0**

See accompanying notes to financial statements.

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

PEGATRON CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2026 and 2025

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

		For the three months ended June 30				For the six months ended June 30			
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue (Notes 6(y) and 7)**	$ 274,447,863	100.0	267,335,783	100.0	518,553,263	100.0	539,769,266	100.0
5000	**Cost of sales (Notes 6(f), (k), (l), (r), (s), (v), (w), (z) and 7)**	262,291,823	95.6	258,958,411	96.9	495,595,744	95.6	521,226,688	96.6
	Gross profit from operations	12,156,040	4.4	8,377,372	3.1	22,957,519	4.4	18,542,578	3.4
6000	**Operating expenses (Notes 6(d), (k), (l), (r), (s), (v), (w), (z) and 7):**								
6100	Selling expenses	1,144,224	0.4	1,250,312	0.5	2,298,769	0.3	2,437,397	0.5
6200	General and administrative expenses	2,515,202	0.9	1,946,463	0.7	5,451,767	1.1	4,392,888	0.8
6300	Research and development expenses	4,298,899	1.6	3,709,589	1.4	8,179,980	1.6	7,758,496	1.4
	Total operating expenses	7,958,325	2.9	6,906,364	2.6	15,930,516	3.0	14,588,781	2.7
	Net operating income	4,197,715	1.5	1,471,008	0.5	7,027,003	1.4	3,953,797	0.7
	Non-operating income and expenses:								
7100	Interest income (Note 6(aa))	1,051,458	0.4	1,085,310	0.4	2,125,325	0.4	1,995,364	0.4
7010	Other income (Note 6(aa))	530,739	0.2	418,208	0.1	886,694	0.2	3,482,480	0.6
7020	Other gains and losses (Notes 6(h), (i), (k) and (aa))	2,194,409	0.8	(1,695,774)	(0.6)	2,011,572	0.4	(2,169,431)	(0.4)
7050	Finance costs (Notes 6(q), (r) and (aa))	(416,855)	(0.1)	(337,788)	(0.1)	(779,445)	(0.2)	(661,243)	(0.1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note 6(h))	186,823	0.1	790,059	0.3	(62,002)	-	1,799,484	0.3
	Total non-operating income and expenses	3,546,574	1.4	260,015	0.1	4,182,144	0.8	4,446,654	0.8
	Profit before tax	7,744,289	2.9	1,731,023	0.6	11,209,147	2.2	8,400,451	1.5
7950	**Less: Tax expenses (Note 6(t))**	1,430,981	0.5	649,451	0.2	2,036,184	0.4	2,161,462	0.4
	Profit for the period	**6,313,308**	**2.4**	**1,081,572**	**0.4**	**9,172,963**	**1.8**	**6,238,989**	**1.1**
8300	**Other comprehensive income (loss):**								
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**								
8311	Losses on remeasurements of defined benefit plans	-	-	-	-	-	-	(5,615)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(197,464)	(0.1)	53,844	-	17,601	-	(231,462)	-
8320	Share of other comprehensive loss of associates and joint ventures accounted for using equity method (Note 6(h))	(1,497)	-	(527)	-	(1,497)	-	(527)	-
8349	Income tax related to components of other comprehensive income (loss) that will not be reclassified to profit or loss (Note 6(t))	-	-	-	-	-	-	-	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	(198,961)	(0.1)	53,317	-	16,104	-	(237,604)	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**								
8361	Exchange differences on translation of foreign financial statements	(623,321)	(0.2)	(17,407,397)	(6.5)	2,163,293	0.4	(15,494,046)	(2.9)
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method (Note 6(h))	380,209	0.1	(6,335,860)	(2.4)	1,616,114	0.3	(5,587,896)	(1.0)
8399	Income tax related to components of other comprehensive income (loss) that will be reclassified to profit or loss (Note 6(t))	2,612	-	(7,454)	-	3,511	-	(2,757)	-
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	(245,724)	(0.1)	(23,735,803)	(8.9)	3,775,896	0.7	(21,079,185)	(3.9)
8300	**Other comprehensive income (loss) for the period, net of tax**	(444,685)	(0.2)	(23,682,486)	(8.9)	3,792,000	0.7	(21,316,789)	(3.9)
8500	**Total comprehensive income (loss) for the period**	**$ 5,868,623**	**2.2**	**(22,600,914)**	**(8.5)**	**12,964,963**	**2.5**	**(15,077,800)**	**(2.8)**
	Profit attributable to:								
8610	Owners of the parent company	$ 4,487,630	1.7	287,394	0.1	6,049,084	1.2	4,590,744	0.8
8620	Non-controlling interests	1,825,678	0.7	794,178	0.3	3,123,879	0.6	1,648,245	0.3
		$ 6,313,308	**2.4**	**1,081,572**	**0.4**	**9,172,963**	**1.8**	**6,238,989**	**1.1**
	Comprehensive income (loss) attributable to:								
8710	Owners of the parent company	$ 4,056,152	1.5	(22,570,817)	(8.5)	9,692,539	1.9	(16,044,358)	(3.0)
8720	Non-controlling interests	1,812,471	0.7	(30,097)	-	3,272,424	0.6	966,558	0.2
		$ 5,868,623	**2.2**	**(22,600,914)**	**(8.5)**	**12,964,963**	**2.5**	**(15,077,800)**	**(2.8)**
	Earnings per share, net of tax (Note 6(x))								
9750	**Basic earnings per share**	**$ 1.68**		**0.11**		**2.26**		**1.72**	
9850	**Diluted earnings per share**	**$ 1.67**		**0.11**		**2.24**		**1.72**	

See accompanying notes to financial statements.

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

PEGATRON CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the six months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of the parent company												
	Share capital		Retained earnings				Total other equity interest						
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unearned compensation	Total other equity interest	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
Balance as of January 1, 2025	$ 26,631,771	84,898,529	20,808,569	6,984,734	64,237,214	92,030,517	2,771,268	766,703	(5,655)	3,532,316	207,093,133	34,606,351	241,699,484
Profit for the year	-	-	-	-	4,590,744	4,590,744	-	-	-	-	4,590,744	1,648,245	6,238,989
Other comprehensive income (loss) for the period	-	-	-	-	(6,142)	(6,142)	(20,397,498)	(231,462)	-	(20,628,960)	(20,635,102)	(681,687)	(21,316,789)
Total comprehensive income (loss) for the period	-	-	-	-	4,584,602	4,584,602	(20,397,498)	(231,462)	-	(20,628,960)	(16,044,358)	966,558	(15,077,800)
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	1,760,517	-	(1,760,517)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(6,984,734)	6,984,734	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(11,984,263)	(11,984,263)	-	-	-	-	(11,984,263)	-	(11,984,263)
Changes in equity of associates and joint ventures accounted for using equity method	-	135,338	-	-	-	-	-	-	-	-	135,338	-	135,338
Changes in ownership interests in subsidiaries	-	6,048	-	-	-	-	-	-	-	-	6,048	(6,048)	-
Expiration of restricted shares of stock issued to employees	(16,785)	16,785	-	-	14,370	14,370	-	-	-	-	14,370	-	14,370
Compensation cost arising from restricted shares of stock	-	944,424	-	-	-	-	-	-	(790,954)	(790,954)	153,470	-	153,470
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,355,413)	(1,355,413)
Balance as of June 30, 2025	**$ 26,614,986**	**86,001,124**	**22,569,086**	**-**	**62,076,140**	**84,645,226**	**(17,626,230)**	**535,241**	**(796,609)**	**(17,887,598)**	**179,373,738**	**34,211,448**	**213,585,186**
Balance as of January 1, 2026	$ 26,821,651	86,920,935	22,569,086	-	73,171,376	95,740,462	(2,262,048)	652,941	(530,650)	(2,139,757)	207,343,291	39,114,589	246,457,880
Profit for the year	-	-	-	-	6,049,084	6,049,084	-	-	-	-	6,049,084	3,123,879	9,172,963
Other comprehensive income (loss) for the period	-	-	-	-	(1,497)	(1,497)	3,627,351	17,601	-	3,644,952	3,643,455	148,545	3,792,000
Total comprehensive income (loss) for the period	-	-	-	-	6,047,587	6,047,587	3,627,351	17,601	-	3,644,952	9,692,539	3,272,424	12,964,963
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	1,569,421	-	(1,569,421)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	1,609,107	(1,609,107)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(10,728,660)	(10,728,660)	-	-	-	-	(10,728,660)	-	(10,728,660)
Changes in equity of associates and joint ventures accounted for using equity method	-	212,655	-	-	-	-	-	-	-	-	212,655	-	212,655
Changes in ownership interests in subsidiaries	-	539,343	-	-	-	-	-	-	-	-	539,343	(539,343)	-
Expiration of restricted shares of stock issued to employees	(63,129)	63,129	-	-	-	-	-	-	-	-	-	-	-
Compensation cost arising from restricted shares of stock	-	(666,246)	-	-	-	-	-	-	528,858	528,858	(137,388)	-	(137,388)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	5,228,240	5,228,240
Balance as of June 30, 2026	**$ 26,758,522**	**87,069,816**	**24,138,507**	**1,609,107**	**65,311,775**	**91,059,389**	**1,365,303**	**670,542**	**(1,792)**	**2,034,053**	**206,921,780**	**47,075,910**	**253,997,690**

See accompanying notes to financial statements.

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

PEGATRON CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the six months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2026	2025
Cash flows from operating activities:		
Profit before tax	$ 11,209,147	8,400,451
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	7,830,845	7,156,490
Amortization expense	123,016	85,085
Expected credit impairment (reversal gains) losses	(118,340)	5,001
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(2,049,208)	1,248,655
Interest expense	767,630	649,241
Interest income	(2,125,325)	(1,995,364)
Dividend income	(28,111)	(23,676)
Compensation cost arising from employee stock options	513,661	173,960
Amortization of issuance costs on bonds payable	1,523	2,556
Share of loss (profit) of associates and joint ventures accounted for using equity method	62,002	(1,799,484)
Gain on lease remeasurement	(16)	(12,038)
Gain on disposal of property, plant and equipment	(540)	(307,051)
Property, plant and equipment charged to expenses	57,267	(526,181)
Gain on disposal of intangible assets	-	(99)
Loss on disposal of investments	44,527	121,135
Other income	-	(2,704,477)
Impairment loss on non-financial assets	25,066	-
Government grants income	(19,743)	(35,339)
Intangible assets charged to expenses	-	(5,032)
Total adjustments to reconcile profit	5,084,254	2,033,382
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in financial assets at fair value through profit or loss	(3,523,214)	(472,629)
Decrease in notes and accounts receivable	22,763,262	83,155,675
(Increase) decrease in other receivables	(1,761,058)	84,568
(Increase) decrease in inventories	(71,002,889)	6,410,152
Increase in other current assets	(1,935,323)	(520,793)
Increase in other financial assets	(123,060)	(9,211,830)
Decrease in other non-current assets	457,887	221,628
Total changes in operating assets	(55,124,395)	79,666,771
Changes in operating liabilities:		
Increase (decrease) in contract liabilities	557,852	(364,271)
Increase (decrease) in accounts payable	934,601	(84,540,016)
Increase (decrease) in accrued expenses	975,817	(108,191)
Decrease in other payables	(454,780)	(54,789)
Increase (decrease) in other current liabilities	594,730	(891,087)
Decrease in other non-current liabilities	(121,498)	(675,906)
Total changes in operating liabilities	2,486,722	(86,634,260)
Total changes in operating assets and liabilities	(52,637,673)	(6,967,489)
Total adjustments	(47,553,419)	(4,934,107)
Cash flows (used in) generated from operations	(36,344,272)	3,466,344
Interest received	2,189,490	1,896,015
Dividends received	28,111	23,676
Interest paid	(662,236)	(583,387)
Income taxes paid	(3,031,285)	(1,532,488)
Net cash flows (used in) generated from operating activities	(37,820,192)	3,270,160

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

PEGATRON CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the six months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2026	**2025**
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(619,986)	(140,601)
Increase in prepayments for investments	(14,728)	-
Acquisition of property, plant and equipment	(9,680,539)	(7,445,903)
Proceeds from disposal of property, plant and equipment	2,763,245	1,159,628
Acquisition of intangible assets	(163,504)	(252,636)
Proceeds from disposal of intangible assets	-	389
Disposal of right-of-use assets	-	232,694
Disposal of subsidiaries	6,274,092	(501,578)
Increase in other financial assets	(2,125,099)	(558,848)
Increase in prepayments on purchase of equipment	(294,127)	(330,963)
Net cash flows used in investing activities	(3,860,646)	(7,837,818)
Cash flows from financing activities:		
Increase in short-term loans	33,928,738	9,157,065
Repayments of bonds	(4,700,000)	(2,500,000)
Proceeds from long-term loans	4,275	1,755,000
Repayments of long-term loans	(7,006,977)	(1,593,284)
Payments of lease liabilities	(282,141)	(265,772)
Redemption of restricted stock	(63,129)	-
Changes in non-controlling interests	7,418,933	-
Net cash flows generated from financing activities	29,299,699	6,553,009
Effect of exchange rate changes on cash and cash equivalents	1,848,911	(11,708,079)
Net decrease in cash and cash equivalents	(10,532,228)	(9,722,728)
Cash and cash equivalents, beginning of the period	119,380,486	123,086,218
Cash and cash equivalents, end of the period	**$ 108,848,258**	**113,363,490**

See accompanying notes to financial statements.

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

PEGATRON CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 2026 and 2025

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

(1) Company history

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

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

The consolidated financial statements of the Company as of and for the six months ended June 30, 2026 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates entities.

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

The accompanying consolidated financial statements were authorized for issuance by the Board of Directors on August 12, 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.(FSC) which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2026:

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17
- 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"

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2027, would not have a significant impact on its consolidated financial statements:

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

The Group expects to adopt the following new and amended standards, which are effective for annual period beginning on January 1, 2028:

(i) 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 the 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.

The new standard introduces consequential amendments to IAS 7 "Statement of Cash Flows", which require to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows.

The Group is evaluating the impact on its consolidated financial statements upon the initial adoption of the new standard.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Amendments to IAS 28 " The Fair Value Option for Investments in Associates and Joint Ventures"

The Group does not expect the amendments to have a significant impact on its consolidated financial statements.

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

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 20 "Regulatory Assets and Regulatory Liabilities"

(4) Summary of material accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to "the Regulations") and the International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by Financial Supervisory Commission, and do not include all of the information required by the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to " IFRS endorsed by the FSC") for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2025. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2025.

(b) Basis of consolidation

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

			Shareholding ratio			
Investor	Subsidiary	Nature of business	June 30, 2026	December 31, 2025	June 30, 2025	Notes
THE COMPANY	UNIHAN HOLDING LTD. (UNIHAN)	Investing activities	100.00 %	100.00 %	100.00 %	Note 23
UNIHAN	CASETEK HOLDINGS LIMITED (CASETEK)	Investing activities	100.00 %	100.00 %	100.00 %	Note 23
CASETEK	SLITEK HOLDINGS LIMITED (SLITEK)	Investing activities	- %	100.00 %	100.00 %	Note 22 and Note 23
CASETEK	CASETEK COMPUTER (SUZHOU) CO., LTD. (CASETEK SUZHOU)	Manufacturing, developing and selling computers, computer parts, application systems, and providing after-sales service	100.00 %	100.00 %	100.00 %	Note 23

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio			Notes
			June 30, 2026	December 31, 2025	June 30, 2025	
CASETEK	KAEDAR HOLDINGS LIMITED (KHL)	Investing activities	100.00 %	100.00 %	100.00 %	Note 23
CASETEK	KAEDAR TRADING LTD. (KTL)	Investing activities	100.00 %	100.00 %	100.00 %	Note 23
CASETEK	CORE-TEK (SHANGHAI) LIMITED (CORE-TEK)	Researching and producing spare parts for notebook computers, designing nonmetal tooling, electronic specific equipment and related products, repairing and producing precision equipment and providing after-sales service	100.00 %	100.00 %	100.00 %	Note 23
CASETEK	KAI-CHUAN ELECTRONICS (CHONGQING) CO., LTD. (KAI-CHUAN)	Manufacturing, developing and inspecting computers and application systems, designing and producing precision stamping dies and standard molds, designing and manufacturing nonmetal and metal tooling, developing and producing plastic and electronic component, selling self-manufactured products	- %	100.00 %	100.00 %	Note 20 and Note 23
THE COMPANY, ASUSPOWER INVESTMENT AND ASUSTEK INVESTMENT	AZUREWAVE TECHNOLOGIES, INC. (AZUREWAVE)	Wireless network development and computer and business equipment, wholesale and retail sales of telecommunications equipment and information software, provision of computer peripheral hardware and mobile e-commerce services.	31.92 %	31.91 %	31.91 %	Note 1
AZUREWAVE	EZWAVE TECHNOLOGIES, INC. (EZWAVE)	Manufacturing office machinery, electronic parts and computer peripherals	- %	100.00 %	100.00 %	Note 22 and Note 23
AZUREWAVE	Azurenet Technology (USA) INC. (Azurenet USA)	Market development activities	- %	- %	100.00 %	Note 2 and Note 3 and Note 23
AZUREWAVE	AZURE LIGHTING TECHNOLOGIES, INC. (AZURE)	Selling electronic parts	100.00 %	100.00 %	100.00 %	Note 23
AZUREWAVE	Azurewave Technologies (Vietnam) Company Limited (Azurewave(VN))	Development, design and sale of communication equipment	100.00 %	100.00 %	100.00 %	Note 24
AZUREWAVE	Azwave Holding (Samoa) Inc. (Azwave)	Investing activities	100.00 %	100.00 %	100.00 %	
AZUREWAVE	AzureNet Technology Inc. (AzureNet)	Sale of 5G modules and system products.	100.00 %	100.00 %	100.00 %	Note 17 and Note 23
AzureNet	Azurenet Technology (USA) INC. (Azurenet USA)	Market development activities	100.00 %	100.00 %	- %	Note 2 and Note 3 and Note 23
Azwave	Azurewave Technologies (Shanghai) Inc. (Azurewave Shanghai)	Designing, manufacturing and trading computer products	100.00 %	100.00 %	100.00 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio			Notes
			June 30, 2026	December 31, 2025	June 30, 2025	
Azwave	AIGALE CORPORATION (SHANGHAI) (AIGALE)	Designing and selling electronic products and communication equipment	100.00 %	100.00 %	100.00 %	Note 23
THE COMPANY	AMA PRECISION INC. (AMA)	Designing and developing computer parts	100.00 %	100.00 %	100.00 %	Note 23
THE COMPANY	PEGATRON HOLLAND HOLDING B.V. (PHH)	Investing activities	100.00 %	100.00 %	100.00 %	Note 23
PHH	PEGATRON Czech s.r.o. (PCZ)	Installing, repairing and selling electronic products	100.00 %	100.00 %	100.00 %	Note 23
THE COMPANY	PEGATRON HOLDING LTD. (PEGA HOLDING)	Investing activities	100.00 %	100.00 %	100.00 %	
PEGA HOLDING	POWTEK HOLDINGS LIMITED (POWTEK)	Investing activities	100.00 %	100.00 %	100.00 %	Note 23
POWTEK	POWTEK (SHANGHAI) LTD. (POWTEK SHANGHAI)	Selling main boards, computer peripherals, notebooks, servers and software, and providing after-sales service	100.00 %	100.00 %	100.00 %	Note 23
PEGA HOLDING, KINSUS SAMOA	PIOTEK HOLDINGS LTD. (CAYMAN) (PIOTEK CAYMAN)	Investing activities	100.00 %	100.00 %	100.00 %	
PIOTEK CAYMAN	PIOTEK HOLDINGS LIMITED (PIOTEK)	Investing activities	100.00 %	100.00 %	100.00 %	
PEGA HOLDING	GRAND UPRIGHT TECHNOLOGY LIMITED (GUT)	Investing activities	100.00 %	100.00 %	100.00 %	Note 23
PEGA HOLDING	ASLINK PRECISION CO., LTD. (ASLINK)	Investing activities	100.00 %	100.00 %	100.00 %	Note 23
ASLINK	PEGAGLOBE INVESTMENT (JIANGSU) CO., LTD. (PEGAGLOBE JIANGSU)	Investing activities with own funds; equity investment	100.00 %	100.00 %	100.00 %	Note 23
PEGA HOLDING	DIGITEK GLOBAL HOLDINGS LIMITED (DIGITEK)	Investing activities	100.00 %	100.00 %	100.00 %	Note 23
DIGITEK	DIGITEK (CHONGQING) CO., LTD. (DIGITEK CHONGQING)	Research and development, manufacture, sale of satellite communication equipment, satellite navigation receive equipment, cellphone, internet related equipment, computer, video decoding equipment, car-used electrical equipment and component. The company also provides export, proxy, after-sales repair services, and providing related technical consulting services	100.00 %	100.00 %	100.00 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio			Notes
			June 30, 2026	December 31, 2025	June 30, 2025	
DIGITEK CHONGQING	CHONGQING ZUANSHUO TRADING CO., LTD. (ZUANSHUO)	Computer software and hardware, computer parts, electronic products (excluding electronic publications), electric appliance, industrial communication device (excluding wireless receiving facilities and transmitter), communication equipment (excluding wireless transmitter and satellite ground receiving facilities), and providing related technical consulting services. Import and export of goods and technology. Packaging service, product design, marketing planning, business consulting	100.00 %	100.00 %	100.00 %	Note 23
PEGA HOLDING	MAGNIFICENT BRIGHTNESS LIMITED (MAGNIFICENT)	Investing activities	100.00 %	100.00 %	100.00 %	Note 23
MAGNIFICENT	MAINTEK COMPUTER (SUZHOU) CO., LTD. (MAINTEK)	Manufacture, develop and research and sale of new electronic component such as power supplier and computer case, computer system, laptop, motherboard and related product; repair service.	100.00 %	100.00 %	100.00 %	
PEGA HOLDING	PROTEK GLOBAL HOLDINGS LTD. (PROTEK)	Investing activities	100.00 %	100.00 %	100.00 %	Note 23
PROTEK	PROTEK (SHANGHAI) LTD. (PROTEK SHANGHAI)	Develop and research, manufacture, assemble, repair, sale and design of satellite communication equipment, satellite navigation receive equipment and essential component, cellphone, medium and large sized computer, portable computer, printing machine and electrical component.	100.00 %	100.00 %	100.00 %	Note 23
PEGA HOLDING	COTEK HOLDINGS LIMITED (COTEK)	Investing activities	100.00 %	100.00 %	100.00 %	Note 23
COTEK	COTEK ELECTRONICS (SUZHOU) CO., LTD. (COTEK SUZHOU)	Developing, manufacturing and selling new electronic components, circuit boards and relevant products, and providing technical services and after-sales service	100.00 %	100.00 %	100.00 %	Note 23
THE COMPANY	ASUSPOWER INVESTMENT CO., LTD. (ASUSPOWER INVESTMENT)	Investing activities	100.00 %	100.00 %	100.00 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio			Notes
			June 30, 2026	December 31, 2025	June 30, 2025	
THE COMPANY	ASUS INVESTMENT CO., LTD. (ASUS INVESTMENT)	Investing activities	100.00 %	100.00 %	100.00 %	
THE COMPANY	ASUSTEK INVESTMENT CO., LTD. (ASUSTEK INVESTMENT)	Investing activities	100.00 %	100.00 %	100.00 %	
ASUSPOWER INVESTMENT, ASUS INVESTMENT AND ASUSTEK INVESTMENT	ASROCK INCORPORATION (ASROCK)	Selling motherboards, related product development and design	54.61 %	54.60 %	54.60 %	Note 5
ASROCK	ASIAROCK TECHNOLOGY LIMITED (ASIAROCK)	Investing and holding activities	100.00 %	100.00 %	100.00 %	
ASIAROCK	ASRock Europe B.V. (ASRock Europe)	Data storage and sale of electronic material and international trading activities	100.00 %	100.00 %	100.00 %	
ASIAROCK	ASRock Holding Inc. (ASRock VG)	Investing and holding activities	- %	- %	100.00 %	Note 6
ASROCK	ASRock Holding Inc.(ASRock VG)	Investing and holding activities	100.00 %	100.00 %	- %	Note 6
ASRock VG	CALROCK HOLDINGS, LLC (Calrock)	Office building leasing	100.00 %	100.00 %	100.00 %	Note 6
ASIAROCK	CALROCK HOLDINGS, LLC (Calrock)	Office building leasing	- %	- %	- %	Note 6
ASRock VG	ASRock America, Inc.(ASRock America)	Data storage and electronic materials sales, international trade, etc.	100.00 %	100.00 %	- %	Note 10 and Note 11
ASROCK	LEADER INSIGHT HOLDINGS LIMITED (Leader)	Investing and holding activities	- %	- %	100.00 %	Note 9
Leader	FIRSTPLACE INTERNATIONAL LTD. (Firstplace)	Investing and holding activities	- %	- %	100.00 %	Note 9
Firstplace	ASRock America, Inc. (ASRock America)	Data storage and electronic materials sales, international trade, etc.	- %	- %	100.00 %	Note 9 and Note 10
ASROCK	ASRock Rack Incorporation (ASRock Rack)	Manufacturing and selling computer and related peripherals	46.25 %	46.22 %	53.04 %	Note 7
ASRock Rack	ASROCK RACK AMERICA INC. (ASRock USA)	Sales service center in America	100.00 %	100.00 %	100.00 %	
ASROCK	ASRock Industrial Computer Corporation (ASRock Industrial)	Manufacturing and selling computer and related peripherals	55.99 %	55.99 %	58.29 %	Note 8
ASRock Industrial	ASROCK INDUSTRIAL COMPUTER SEA SDN. BHD. (ASEA)	Sales service center in Asia Pacific	100.00 %	100.00 %	100.00 %	
ASRock Industrial	ASRock Industrial Computer Europe GmbH (ASRock Gmbh)	Sales service center in Europe	100.00 %	100.00 %	100.00 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio			Notes
			June 30, 2026	December 31, 2025	June 30, 2025	
ASROCK	Soaring Asia Limited (Soaring)	International trading activities	100.00 %	100.00 %	100.00 %	
ASROCK	ASJade Technology Incorporation (ASJade)	Information software service	83.06 %	83.06 %	83.06 %	
ASJade	ASJade Technology Japan Corp. (ASJade Japan)	Information software service	100.00 %	100.00 %	100.00 %	
THE COMPANY, ASUSPOWER INVESTMENT, ASUS INVESTMENT AND CASETEK CAYMAN	PEGATRON Mexico, S.A. DE C.V. (PMX)	Manufacture of consumer electronics and electronic parts	100.00 %	100.00 %	100.00 %	Note 23
ASUSPOWER INVESTMENT, ASUS INVESTMENT AND ASUSTEK INVESTMENT	KINSUS INTERCONNECT TECHNOLOGY CORP. (KINSUS)	Manufacturing electronic parts, whole selling and retailing of electronic components, as well as providing business management consultant service	36.80 %	38.07 %	38.09 %	Note 4
KINSUS	KINSUS INVESTMENT CO., LTD. (KINSUS INVESTMENT)	Investing activities	100.00 %	100.00 %	100.00 %	
KINSUS, KINSUS INVESTMENT, ASUSPOWER INVESTMENT AND ASUSTEK INVESTMENT	PEGAVISION CORPORATION (PEGAVISION)	Manufacturing medical appliances	44.75 %	44.05 %	44.05 %	Note 12
PEGAVISION	PEGAVISION VIETNAM COMPANY LIMITED (PEGAVISION VIETNAM)	Manufacturing and selling medical appliances	100.00 %	100.00 %	100.00 %	
PEGAVISION	PEGAVISION JAPAN INC. (PEGAVISION JAPAN)	Selling medical appliances	100.00 %	100.00 %	100.00 %	
PEGAVISION	Pegavision (Jiangsu) Limited (Pegavision Jiangsu)	Manufacturing and selling medical appliances	100.00 %	100.00 %	100.00 %	
PEGAVISION	Mayin Investment Co., Ltd. (Mayin)	Investing activities	100.00 %	100.00 %	100.00 %	
PEGAVISION	Pegavision (Shanghai) Company Limited (Pegavision Shanghai Company)	Selling medical appliances	100.00 %	100.00 %	100.00 %	Note 15
PEGAVISION	PEGAVISION NETHERLANDS B.V. (PEGAVISION NL)	Selling medical appliances	100.00 %	100.00 %	100.00 %	
Mayin	BeautyTech Platform Corporation(BeautyTech)	Selling medical appliances and cosmetics	85.00 %	85.00 %	85.00 %	
BeautyTech	Pegavision (Shanghai) Limited (Pegavision Shanghai)	Selling medical appliances	- %	- %	100.00 %	Note 13
Pegavision Shanghai	Gemvision Technology (Zhejiang) Limited (Gemvision Zhejiang)	Selling medical appliances and cosmetics	- %	- %	100.00 %	Note 13

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio			Notes
			June 30, 2026	December 31, 2025	June 30, 2025	
BeautyTech Shanghai	Gemvision Technology (Zhejiang) Limited (Gemvision Zhejiang)	Selling medical appliances and cosmetics	100.00 %	100.00 %	- %	Note 13
BeautyTech	BEAUTYTECH PLATFORM (SINGAPORE) PTE. LTD. (BEAUTYTECH SG)	Selling medical appliances and cosmetics	- %	- %	100.00 %	Note 14
BeautyTech	BeautyTech Platform (Shanghai) Corporation (BeautyTech Shanghai)	Selling medical appliances and cosmetics	100.00 %	100.00 %	100.00 %	Note 13
BeautyTech	FORIMART Corporation (FORIMART)	Selling medical appliances and cosmetics	100.00 %	100.00 %	100.00 %	
BeautyTech	BEAUTYTECH PLATFORM (VIETNAM) LIMITED LIABILITY COMPANY (BTP VN)	Selling medical appliances and cosmetics	70.00 %	70.00 %	70.00 %	
Mayin	FacialBeau International Corporation (FacialBeau)	Selling medical appliances and cosmetics	55.00 %	55.00 %	55.00 %	
FacialBeau	FacialBeau (Jiangsu) Corporation (FacialBeau Jiangsu)	Selling medical appliances and cosmetics	100.00 %	100.00 %	100.00 %	Note 15
FacialBeau	Aquamax Vision Corporation (Aquamax)	Selling medical appliances and cosmetics	100.00 %	100.00 %	100.00 %	
FacialBeau	IKIDO Inc. (IKIDO)	Selling medical appliances and cosmetics	100.00 %	100.00 %	100.00 %	
FacialBeau	RODNA CO., LTD. (RODNA)	Selling medical appliances and cosmetics	100.00 %	100.00 %	100.00 %	
KINSUS	KINSUS CORP. (USA) (KINSUS USA)	Designing substrates, formulating marketing strategy analysis, developing new customers, researching and development new product technology	100.00 %	100.00 %	100.00 %	
KINSUS	KINSUS HOLDING (SAMOA) LIMITED (KINSUS SAMOA)	Investing activities	100.00 %	100.00 %	100.00 %	
KINSUS SAMOA	KINSUS HOLDING (CAYMAN) LIMITED (KINSUS CAYMAN)	Investing activities	100.00 %	100.00 %	100.00 %	
KINSUS CAYMAN	KINSUS INTERCONNECT TECHNOLOGY (SUZHOU) CORP. (KINSUS SUZHOU)	Manufacturing and selling printed circuit board (PCB) (not high-density fine-line)	100.00 %	100.00 %	100.00 %	
PIOTEK, KINSUS SUZHOU, PEGAGLOBE JIANGSU	PIOTEK COMPUTER (SUZHOU) CO., LTD. (PIOTEK SUZHOU)	Researching, developing, producing and selling electronic components, PCBs and related products and providing after-sale services	100.00 %	100.00 %	100.00 %	
ASUSPOWER INVESTMENT, ASUS INVESTMENT AND ASUSTEK INVESTMENT	ASUSPOWER CORPORATION (ASUSPOWER)	Investing activities	100.00 %	100.00 %	100.00 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio			Notes
			June 30, 2026	December 31, 2025	June 30, 2025	
THE COMPANY	CASETEK HOLDINGS LIMITED (CAYMAN) (CASETEK CAYMAN)	Investing activities	100.00 %	100.00 %	100.00 %	
CASETEK CAYMAN	RIH LI INTERNATIONAL LIMITED (RIH LI)	Investing activities	100.00 %	100.00 %	100.00 %	
RIH LI	RI-TENG COMPUTER ACCESSORY (SHANGHAI) CO., LTD. (RI-TENG)	Designing, researching, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling	- %	- %	100.00 %	Note 19 and Note 23
RIH LI	RI-PRO PRECISION MODEL (SHANGHAI) CO., LTD. (RI-PRO)	Designing, researching, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling	100.00 %	100.00 %	100.00 %	Note 23
CASETEK CAYMAN	RI-KUAN METAL CORPORATION (RI-KUAN)	Selling iron and aluminum products	100.00 %	100.00 %	100.00 %	Note 23
RI-KUAN	RITENG USA, INC. (RITENG)	Market survey	100.00 %	100.00 %	100.00 %	Note 23
CASETEK CAYMAN	MEGA MERIT LIMITED (MEGA)	Trading activities	100.00 %	100.00 %	100.00 %	Note 23
ASUS INVESTMENT	AS FLY TRAVEL SERVICE LIMITED (AS FLY)	Travel agency	100.00 %	100.00 %	100.00 %	Note 23
ASUSPOWER INVESTMENT	PEGATRON TECHNOLOGY SERVICE INC. (PTSI)	Sales and repair service center in North America	100.00 %	100.00 %	100.00 %	Note 23
PTSI	PEGATRON SERVICOS DE INFORMATICA LTDA.(PCBR)	Maintenance service	100.00 %	100.00 %	100.00 %	Note 23
PTSI	PEGATRON TECHNOLOGIES LLC (PTX)	Researching, designing, manufacturing, and maintenance of information, communication, and consumer electronics products	100.00 %	100.00 %	- %	Note 17 and Note 23
ASUSPOWER INVESTMENT	PEGA INTERNATIONAL LIMITED (PEGA INTERNATIONAL)	Design service and sales	100.00 %	100.00 %	100.00 %	Note 23
ASUSPOWER INVESTMENT	PEGATRON JAPAN INC.(PJ)	Sales and repair service center in Japan	100.00 %	100.00 %	100.00 %	Note 23
ASUSPOWER INVESTMENT, ASUS INVESTMENT AND ASUSTEK INVESTMENT	Lumens Digital Optics Inc. (Lumens)	Researching, developing, manufacturing and selling computer data projectors and related peripherals	53.30 %	53.30 %	53.57 %	Note 16 and Note 23
Lumens	Lumens Integration Inc. (Lumens Integration)	Selling computer information products and peripherals	100.00 %	100.00 %	100.00 %	Note 23
Lumens	Lumens Digit Image Inc. (SAMOA)(Lumens SAMOA)	Investing activities	100.00 %	100.00 %	100.00 %	Note 23

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio			Notes
			June 30, 2026	December 31, 2025	June 30, 2025	
Lumens SAMOA	Lumens (Suzhou) Digital Image Inc.(Lumens Suzhou)	Manufacturing and selling computer data projectors and related peripherals	100.00 %	100.00 %	100.00 %	Note 23
ASUSPOWER INVESTMENT	PEGATRON SERVICE SINGAPORE PTE. LTD. (PSG)	Sales and repair service center in Singapore	100.00 %	100.00 %	100.00 %	Note 23
PSG	PEGATRON SERVICE KOREA LLC. (PKR)	Sales and repair service center in Korea	100.00 %	100.00 %	100.00 %	Note 23
THE COMPANY	HUA-YUAN INVESTMENT CO., LTD. (HUA-YUAN)	Investing activities	100.00 %	100.00 %	100.00 %	Note 18 and Note 23
THE COMPANY	PEGATRON SERVICE AUSTRALIA PTY. LTD.(PAU)	Sales and repair service center in Australia	100.00 %	100.00 %	100.00 %	Note 23
THE COMPANY	PEGATRON USA, INC. (PUSA)	Sales and repair service center in North America	100.00 %	100.00 %	100.00 %	Note 23
THE COMPANY, ASUSPOWER INVESTMENT	PT PEGAUNIHAN TECHNOLOGY INDONESIA (PTB)	Data storage and processing equipment, manufacturing wired and wireless communication equipment, installing and selling of computer equipment and electronic components	100.00 %	100.00 %	100.00 %	Note 23
THE COMPANY, CASETEK CAYMAN	PEGATRON VIETNAM COMPANY LIMITED (PVN)	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	100.00 %	100.00 %	100.00 %	Note 24
THE COMPANY	PEGATRON TECHNOLOGY HAI PHONG COMPANY LIMITED (PHP)	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	100.00 %	100.00 %	100.00 %	Note 23
THE COMPANY, ASUSPOWER INVESTMENT	PEGATRON ELECTRONICS INDIA PRIVATE LIMITED (PELI)	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	100.00 %	100.00 %	100.00 %	Note 23
THE COMPANY	PEGATRON TECHNOLOGY TEXAS INC. (PTT)	Sales service center in North America	100.00 %	100.00 %	100.00 %	Note 23
THE COMPANY	PEGATRON ELECTRONICS INC. (PEL)	Sales service center in North America	100.00 %	100.00 %	100.00 %	Note 23
THE COMPANY	PEGAUNIHAN TECHNOLOGY MALAYSIA SDN. BHD. (PTM)	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	100.00 %	100.00 %	100.00 %	Note 23
THE COMPANY	Pegapower Investment Co., Ltd. (Pegapower Investment)	Investing activities	100.00 %	100.00 %	100.00 %	Note 23

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding ratio			Notes
			June 30, 2026	December 31, 2025	June 30, 2025	
THE COMPANY	Pegatron Investment Co., Ltd. (Pegatron Investment)	Investing activities	100.00 %	100.00 %	100.00 %	Note 23
Pegapower Investment, Pegatron Investment	Pegatron Venture Capital Co., Ltd. (Pegatron Venture)	Investing activities	100.00 %	100.00 %	100.00 %	Note 23
Pegapower Investment, KINSUS INVESTMENT, PEGAVISION, ASROCK, AZUREWAVE	Zhuhe Investment Co., Ltd. (Zhuhe)	Investing activities	85.00 %	85.00 %	85.00 %	Note 23
Pegatron Investment	AzureMoto Technology, Inc. (AzureMoto)	Research, design, and sale of power semiconductor devices and modules	91.65 %	90.00 %	90.00 %	Note 21 and Note 23
Pegatron Venture	PEGABella CO., Ltd. (PEGABella)	Electrical appliance wholesale and retail	100.00 %	100.00 %	- %	Note 17 and Note 23
Pegapower Investment	UNILEAP Technology Inc. (UNILEAP)	Manufacturing electronic parts	60.00 %	- %	- %	Note 17 and Note 23
Pegatron Investment, AZUREWAVE, KINSUS	BluVion Microelectronics Co., Ltd. (BluVion)	Manufacturing electronic parts	100.00 %	- %	- %	Note 17 and Note 23

Note 1: During 2026 and 2025, AZUREWAVE resolved to reduce the capital through cancellation of the repurchases of restricted employee new shares, resulting in an increase in the shareholding of the Group to 31.92%. The Group held 31.92% voting shares of AZUREWAVE; however, the Group considered the remaining 68.08% of shareholdings are not concentrated and the Group has an ability to lead the decision making in relevant activities of the investee company based on the experience in its previous shareholders' meeting. In addition, there is no indication that other shareholders are collaborating together for passing any resolution. Therefore, the Group included AZUREWAVE into the consolidated financial report.

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

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

Note 4： During 2026 and 2025, KINSUS issued restricted shares to its employees, repurchased and cancelled restricted shares through a capital reduction, and conducted a cash capital increase, resulting in a decrease in the Group’s shareholding to 36.80%. The Group held 36.80% voting shares of KINSUS; however, the Group considered the remaining 63.20% of shareholdings are not concentrated and the Group has an ability to lead the decision making in relevant activities of the investee company based on the experience in its previous shareholders' meeting. In addition, there is no indication that other shareholders are collaborating together for passing any resolution. Therefore, the Group included KINSUS into the consolidated financial report.

Note 5: During 2026, ASROCK resolved to reduce the capital through cancellation of the repurchases of restricted employee new shares, increasing the Group’ s shareholding to 54.61%.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

Note 7: During 2026 and 2025, ASRock Rack cancelled treasury shares and issued new shares through capital increases. As the Group did not subscribe to the newly issued shares in proportion to its ownership interest, the Group's ownership interest increased to 46.25%.

Note 8: During 2025, ASRock Industrial cancelled its treasury shares, and the Group disposed of ASRock Industrial shares, resulting in a decrease in the Group's shareholdings to 55.99%.

Note 9: LEADER INSIGHT HOLDINGS LTD.(Leader) completed its dissolution and liquidation in August 2025, and distributed its equity interest in FIRSTPLACE INTERNATIONAL LTD.(Firstplace) as remaining assets to ASROCK.

Note 10: In November 2025, FIRSTPLACE INTERNATIONAL LTD.(Firstplace) distributed its equity interest in ASRock America, Inc.(ASRock America) to ASROCK as remaining assets. The subsidiary subsequently completed its dissolution and liquidation in December 2025.

Note 11: On December 31, 2025, ASROCK contributed its equity interest in ASRock America as consideration for its investment in ASRock VG.

Note 12： The Group holds 44.75% of the voting shares of PEGAVISION. However, considering that the remaining 55.25% of the shares are widely dispersed and that the level of participation by other shareholders in previous shareholders' meetings indicates the Group's practical ability to direct the relevant activities, and in the absence of any contractual arrangements among the other shareholders to make collective decisions, PEGAVISION is included in the consolidated financial statements.

Note 13： As part of the Group's business restructuring, BeautyTech Platform (Shanghai) Corporation and Pegavision (Shanghai) Limited were merged in 2025. BeautyTech Platform (Shanghai) Corporation is the surviving entity, while Pegavision (Shanghai) Limited was dissolved upon the merger.

Note 14： As part of the Group's business restructuring, BEAUTYTECH PLATFORM (SINGAPORE) PTE. LTD. was deregistered in 2025.

Note 15: The subsidiary was founded; however, the capital infusion has not been completed as of June 30, 2026.

Note 16: During 2025, the subsidiary issued new shares for employee stock options, decreasing the Group's shareholding to 53.30% after the capital increase.

Note 17: The subsidiary was newly established between 2026 and 2025.

Note 18: The subsidiary was directly 100% owned by the Company as of 2025.

Note 19: The dissolution and liquidation of the subsidiary was resolved by the shareholders' meeting on July 22, 2025. In January 2026, the subsidiary applied to the local government for the dissolution and liquidation procedures. As of June 30, 2026, the liquidation process had been completed.

Note 20: The dissolution and liquidation of the subsidiary was resolved by the shareholders during 2026. The subsidiary applied to the local government for the dissolution and liquidation procedures. However, as of June 30, 2026. The liquidation process had not yet been completed.

Note 21: During 2026, the subsidiary conducted a cash capital increase, increasing the Group's shareholding to 91.65%.

Note 22: During 2026, the Company completed its dissolution and liquidation.

(Continued)

Note 23: As the subsidiary is not material, its financial statements for the six months ended June 30, 2026 and 2025, have not been reviewed by independent auditors.

Note 24: As the subsidiary is not material, its financial statements for the six months ended June 30, 2025 have not been reviewed by independent auditors.

(c) Income taxes

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

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

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

(d) Employee benefits

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

(e) Provisions

Carbon fees

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

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

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 " Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2025. For related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2025.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts

There were no material differences in the disclosures of significant accounts between the consolidated financial statements for the current period and the 2025 consolidated financial statements. Please refer to Note 6 of the 2025 annual consolidated financial statements.

(a) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	$ 7,326	8,627	8,761
Cash in banks	65,776,144	56,350,177	74,731,837
Time deposits	39,222,002	57,004,298	33,669,695
Cash equivalents	3,842,786	6,017,384	4,953,197
	$ 108,848,258	**119,380,486**	**113,363,490**

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

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

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

	June 30, 2026	December 31, 2025	June 30, 2025
Current mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Shares of stock of listed companies	$ 3,703,969	2,662,193	5,770,517
Beneficiary certificates and others	3,592,542	2,603,852	2,301,305
Subtotal	7,296,511	5,266,045	8,071,822
Non-current mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Shares of stock of listed companies	1,620,831	353,923	457,397
Shares of stock of unlisted companies	12,060,901	9,870,154	2,226,389
Beneficiary certificates	2,355,995	2,066,191	2,045,934
Shares of stock of companies listed on the emerging stock market	19,559	-	-
Subtotal	16,057,286	12,290,268	4,729,720
Total	**$ 23,353,797**	**17,556,313**	**12,801,542**

(Continued)

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

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

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

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

	June 30, 2026	December 31, 2025	June 30, 2025
Equity instruments at fair value through other comprehensive income:			
Shares of stock of listed companies	$ 972,527	1,040,849	1,168,108
Shares of stock of unlisted companies	3,224,941	2,494,260	2,294,532
Total	**$ 4,197,468**	**3,535,109**	**3,462,640**

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

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

The Group recognized dividend income from investments in equity instruments designated at fair value through other comprehensive income of $6,595 thousand, $5,092 thousand, $6,595 thousand and $5,092 thousand for the three months ended June 30, 2026 and 2025 and the six months ended June 30, 2026 and 2025, respectively.

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

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

(d) Accounts receivable, net

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

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable-measured at amortized cost	$ 184,864,171	191,378,372	124,130,773
Accounts receivable-related parties	11,406,249	27,291,392	54,653,393
Finance lease receivables	1,955,456	2,315,049	-
Installment receivables	561,055	686,370	-
Less: Allowance for impairment	112,817	233,582	99,499
Unrealized interest income	293,127	412,217	-
	$ 198,380,987	**221,025,384**	**178,684,667**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Credit loss

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

The loss allowance provision was determined as follows:

	June 30, 2026		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 194,451,123	0%~1%	(45,281)
Overdue 0 to 30 days	3,740,806	0%~30%	(10,448)
Overdue 31 to 120 days	235,025	1%~100%	(26,576)
Overdue 121 to 365 days	65,909	33%~100%	(29,571)
Over 365 days past due	941	100%	(941)
	$ 198,493,804		**(112,817)**

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

	June 30, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 175,549,223	0%~2%	(54,722)
Overdue 0 to 30 days	3,017,679	0%~30%	(24,141)
Overdue 31 to 120 days	201,148	1%~100%	(17,042)
Overdue 121 to 365 days	15,803	1%~100%	(3,281)
Over 365 days past due	313	100%	(313)
	$ 178,784,166		**(99,499)**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	For the six months ended June 30	
	2026	2025
Balance as of January 1	$ 233,582	97,644
Impairment (reversed) losses recognized	(118,865)	5,003
Amounts written off	(2,230)	-
Effect of movement in exchange rates	330	(3,148)
Balance as of June 30	**$ 112,817**	**99,499**

The aforesaid financial assets were not pledged as collateral.

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

(e) Finance lease receivables

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

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

	June 30, 2026	December 31, 2025
Within 1 year	$ 782,182	835,990
1-2 years	782,182	771,683
2-3 years	391,092	707,376
Total Lease Investment	1,955,456	2,315,049
Unearned financing income	241,931	336,236
Present value of lease payments receivable	**$ 1,713,525**	**1,978,813**

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

(f) Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Merchandise	$ 2,653,338	2,245,474	390,379
Finished goods	29,004,490	31,432,718	36,498,844
Work in process	20,480,044	10,993,313	11,250,914
Raw materials	100,102,954	36,563,365	31,880,320
	$ 152,240,826	**81,234,870**	**80,020,457**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The components of cost of goods sold were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Cost of goods sold	$ 260,688,309	257,044,580	491,884,870	518,555,741
Provision on evaluation of inventory	269,388	772,428	1,291,785	553,886
Loss on disposal of inventory	1,201,475	1,067,674	2,148,025	1,936,930
Others	132,651	73,729	271,064	180,131
	$ 262,291,823	**258,958,411**	**495,595,744**	**521,226,688**

As of June 30, 2026, December 31, 2025 and June 30, 2025, the aforesaid inventories were not pledged as collateral.

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

With the approval of the board on May 14, 2025, the Group disposed of its land and buildings located in the Baoqiao Section, Xindian District, New Taipei City. The deed transfer was completed on December 24, 2025.

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

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

	June 30, 2026	December 31, 2025	June 30, 2025
Non-current assets classified as held for sale (disposal groups):			
Property, plant and equipment	**$ -**	**-**	**2,110,831**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Investments accounted for using equity method

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

	June 30, 2026	December 31, 2025	June 30, 2025
Associates	$ 46,494,063	44,727,201	50,136,697
Credit balance of investments accounted for using equity method-associate	$ -	-	7,646

The Group has lost control over its wholly-owned subsidiaries, PTI and PEGAGLOBE KUNSHAN, on January 24, 2025 and June 28, 2024 respectively. The remaining equity of 40% and 37.5% has been remeasured at fair value, and the Group has significant influence over PTI and PEGAGLOBE KUNSHAN thereafter. On October 31, 2025, the Group disposed of a portion of its investment in Luxsan Precision Industry (Kunshan) Co., Ltd. to Luxsan Precision iTech (Kunshan) Co., Ltd. As a result, the Group lost significant influence over the investee. Accordingly, the Group ceased applying the equity method and remeasured its retained interest at fair value.

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

Name of Associates	Nature of Relationship with the Group	Main operating location/ Registered Country of the Company	Proportion of shareholding and voting rights		
			June 30, 2026	December 31, 2025	June 30, 2025
Luxcase Precision Technology (Yancheng) Co., Ltd. (Luxcase (Yancheng))	Designing, developing, manufacturing and selling electronic components, precision, non-metal and metal tooling, 3C electronic product parts and accessories	China	48.17 %	48.17 %	48.17 %
Luxsan Precision Industry (Kunshan) Co., Ltd. (LUXSAN KUNSAN) (Former PEGAGLOBE KUNSHAN)	Manufacturing consumer electronic products, such as mobile phones and communication equipment	China	- %	- %	37.50 %
TATA ELECTRONICS PRODUCTS AND SOLUTIONS PRIVATE LIMITED (TEPS) (Former PTI)	Manufacturing and selling consumer electronics	India	40 %	40 %	40 %

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

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Luxcase (Yancheng)

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	$ 268,711,765	248,113,675	156,468,758
Non-current assets	76,703,548	48,178,153	44,580,427
Current liabilities	(251,712,224)	(208,437,007)	(125,754,629)
Non-current liabilities	(5,019,867)	(5,105,940)	(4,068,766)
Net assets	**$ 88,683,222**	**82,748,881**	**71,225,790**
Net assets attributable to non-controlling interests	**$ 42,910**	**134,876**	**-**
Net assets attributable to shareholders	**$ 88,640,312**	**82,614,005**	**71,225,790**

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Operating revenue	**$ 79,810,875**	**65,493,001**	**168,098,114**	**153,392,193**
Profit from continuing operations	$ 867,195	1,761,826	1,893,619	3,592,529
Other comprehensive income (loss)	(91,661)	(12,411)	(161,869)	(16,202)
Total comprehensive income (loss)	**$ 775,534**	**1,749,415**	**1,731,750**	**3,576,327**
Comprehensive income (loss) attributable to non-controlling interests	**$ (66,057)**	**-**	**(109,607)**	**-**
Comprehensive income (loss) attributable to shareholders	**$ 841,591**	**1,749,415**	**1,841,357**	**3,576,327**

	For the six months ended June 30	
	2026	2025
Shares of net assets of the associate as of January 1	$ 39,797,645	36,247,362
Profit (loss) attributable to the Group	941,063	1,724,833
Other comprehensive income (loss) attributable to the Group	1,775,462	(3,868,040)
Changes in the ownership interest attributable to the Group	186,527	134,717
Shares of net assets of associates	42,700,697	34,238,872
Add: Goodwill	118,620	109,130
Carrying amount of the associate's equity as of June 30	**$ 42,819,317**	**34,348,002**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) LUXSAN KUNSHAN

	June 30, 2025
Current assets	$ 114,758,172
Non-current assets	7,122,119
Current liabilities	(92,200,774)
Non-current liabilities	(563,778)
Net assets attributable to shareholders	**$ 29,115,739**

	For the three months ended June 30, 2025	For the six months ended June 30, 2025
Operating revenue	**$ 111,578,130**	**261,661,641**
Profit (loss) from continuing operations	$ 1,373,755	17,186
Other comprehensive income	(368)	(447)
Comprehensive income (loss) attributable to shareholders	**$ 1,373,387**	**16,739**

	For the six months ended June 30, 2025
Shares of net assets of the associate as of January 1	$ 12,161,139
Profit (loss) attributable to the Group	6,445
Comprehensive income attributable to the Group	(1,249,803)
Changes in ownership interest attributable to the Group	621
Carrying amount of the associate's equity as of June 30	**$ 10,918,402**

(iii) TEPS

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	$ 67,665,207	51,468,476	47,351,586
Non-current assets	22,576,498	22,901,325	13,902,823
Current liabilities	(82,797,759)	(64,067,840)	(50,850,041)
Non-current liabilities	(379,476)	(482,470)	(458,131)
Net assets attributable to shareholders	**$ 7,064,470**	**9,819,491**	**9,946,237**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Operating revenue	**$ 97,215,273**	**48,406,733**	**140,961,474**	**100,659,837**
Profit (loss) from continuing operations	$ (644,272)	(1,189,523)	(2,420,605)	527,121
Other comprehensive income (loss)	-	(1,316)	-	(1,316)
Comprehensive income (loss) attributable to shareholders	**$ (644,272)**	**(1,190,839)**	**(2,420,605)**	**525,805**

	For the six months ended June 30	
	2026	2025
Shares of net assets of the associate as of January 1	$ 3,927,796	-
Addition	-	4,324,501
Profit (loss) attributable to the Group	(964,835)	139,679
Other comprehensive income (loss) attributable to the Group	(137,099)	(470,550)
Carrying amount of the associate's equity as of June 30	**$ 2,825,862**	**3,993,630**

Note: For the six months ended June 30, 2025, the new share of net assets of affiliated companies included a gain on bargain purchase of $642,085 thousand (recognized as other gains and losses on gains on disposal of investments).

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

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount of individually insignificant associates' equity	**$ 848,884**	**884,732**	**869,017**

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Attributable to the Group:				
Profit (loss) from continuing operations	$ (8,196)	(18,662)	(38,230)	(71,473)
Other comprehensive income (loss)	(23,746)	(19)	(23,746)	(30)
Total comprehensive income (loss)	**$ (31,942)**	**(18,681)**	**(61,976)**	**(71,503)**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

As of June 30, 2026, December 31, 2025 and June 30, 2025, the aforesaid investments accounted for using equity method were not pledged as collateral.

The unreviewed financial statements of investments accounted for using equity method.

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

(i) Loss of control over a subsidiary

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

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

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

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(j) Subsidiaries that have material non-controlling interests

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

Subsidiaries	Main operation place/Country of registration	Percentage of ownership and voting rights held by non-controlling interests		
		June 30, 2026	December 31, 2025	June 30, 2025
KINSUS and its subsidiaries	Taiwan	63.20 %	61.93 %	61.91 %
ASROCK and its subsidiaries	Taiwan	45.39 %	45.40 %	45.40 %

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

(i) Information regarding KINSUS and its subsidiaries

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	$ 32,887,152	28,937,637	27,665,667
Non-current assets	51,647,346	51,035,643	51,535,253
Current liabilities	(19,011,357)	(20,106,416)	(18,730,205)
Non-current liabilities	(12,536,735)	(18,493,667)	(20,873,532)
Net assets	**$ 52,986,406**	**41,373,197**	**39,597,183**
Non-controlling interests	**$ 34,641,717**	**26,912,869**	**25,722,139**

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Operating revenue	**$ 12,496,254**	**9,563,726**	**23,601,219**	**18,183,470**
Net income for the period	$ 1,683,443	554,734	2,559,246	1,166,693
Other comprehensive income (loss)	17,416	(451,146)	125,159	(394,106)
Comprehensive income	**$ 1,700,859**	**103,588**	**2,684,405**	**772,587**
Net income attribute to non-controlling interests	**$ 1,133,847**	**391,956**	**1,743,868**	**840,630**
Comprehensive income attribute to non-controlling interests	**$ 1,145,337**	**125,381**	**1,821,428**	**655,428**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the six months ended June 30	
	2026	2025
Cash flows from operating activities	$ 3,943,497	3,338,386
Cash flows used in investing activities	(5,680,407)	(4,935,101)
Cash flows from (used in) financing activities	465,380	(375,283)
Effect of movement in exchange rate	45,800	(166,222)
Net decrease in cash and cash equivalents	**$ (1,225,730)**	**(2,138,220)**

(ii) Information regarding ASROCK and its subsidiaries

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	$ 28,887,352	25,120,093	19,822,464
Non-current assets	2,787,922	2,009,979	2,322,393
Current liabilities	(16,527,411)	(11,970,132)	(11,889,692)
Non-current liabilities	(75,906)	(60,580)	(92,951)
Net assets	**$ 15,071,957**	**15,099,360**	**10,162,214**
Non-controlling interests	**$ 8,780,264**	**8,591,155**	**5,291,296**

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Operating revenue	**$ 10,108,808**	**12,018,000**	**23,475,447**	**22,480,205**
Net income for the period	$ 796,090	512,755	1,647,822	1,069,198
Other comprehensive income (loss)	(28,118)	(622,044)	82,327	(548,326)
Comprehensive income	**$ 767,972**	**(109,289)**	**1,730,149**	**520,872**
Net income attribute to non-controlling interest	**$ 596,952**	**289,051**	**1,169,177**	**604,119**
Comprehensive income attribute to non-controlling interests	**$ 584,236**	**6,588**	**1,206,554**	**355,162**

	For the six months ended June 30	
	2026	2025
Cash flows (used in) from operating activities	$ (3,717,285)	2,304,220
Cash flows used in investing activities	(825,138)	(1,194,149)
Cash flows from (used in) financing activities	1,394,818	(357,687)
Effect of movement in exchange rate	61,177	(422,565)
Net (decrease) increase in cash and cash equivalents	**$ (3,086,428)**	**329,819**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Property, plant and equipment

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

	Land	Buildings	Machinery equipment	Instrument equipment	Other facilities	Construction in progress	Total
Cost or deemed cost:							
Balance as of January 1, 2026	$ 15,579,074	65,131,487	46,741,875	1,320,242	41,824,591	4,830,197	175,427,466
Additions	452,185	1,467,290	434,753	72,559	1,967,781	2,755,051	7,149,619
Disposals and obsolescence	-	(309,826)	(478,411)	(91,977)	(1,015,602)	-	(1,895,816)
Reclassifications	-	2,577,776	873,633	-	4,062,357	(2,321,120)	5,192,646
Effect of movement in exchange rate	456	468,580	317,721	12,040	361,915	(719)	1,159,993
Balance as of June 30, 2026	**$ 16,031,715**	**69,335,307**	**47,889,571**	**1,312,864**	**47,201,042**	**5,263,409**	**187,033,908**
Balance as of January 1, 2025	$ 13,154,409	56,605,466	54,362,184	1,309,051	41,309,647	8,653,163	175,393,920
Additions	4,285,784	1,127,944	224,532	135,204	1,263,485	1,499,861	8,536,810
Disposals and obsolescence	-	(2,570,303)	(8,423,583)	(65,019)	(3,198,698)	-	(14,257,603)
Reclassifications	-	6,174,339	4,082,865	112	6,992,428	(2,952,224)	14,297,520
Disposal of subsidiaries	-	(1,416,275)	(3,783,614)	(19,931)	(9,036,998)	(12,420)	(14,269,238)
Transferred to non-current assets held for sale	(2,019,211)	(130,897)	-	-	-	-	(2,150,108)
Effect of movement in exchange rate	(37,537)	(4,027,291)	(1,356,944)	(87,778)	(2,210,192)	(285,468)	(8,005,210)
Balance as of June 30, 2025	**$ 15,383,445**	**55,762,983**	**45,105,440**	**1,271,639**	**35,119,672**	**6,902,912**	**159,546,091**
Depreciation and impairment loss:							
Balance as of January 1, 2026	$ -	30,652,512	34,253,734	949,278	24,894,685	-	90,750,209
Depreciation for the period	-	1,820,385	2,567,657	90,366	2,963,786	-	7,442,194
Impairment loss	-	-	25,066	-	-	-	25,066
Disposals and obsolescence	-	(295,674)	(470,926)	(91,734)	(939,527)	-	(1,797,861)
Reclassifications	-	(8,684)	(83,692)	-	(401,667)	-	(494,043)
Effect of movement in exchange rate	-	288,925	253,245	11,134	294,317	-	847,621
Balance as of June 30, 2026	**$ -**	**32,457,464**	**36,545,084**	**959,044**	**26,811,594**	**-**	**96,773,186**
Balance as of January 1, 2025	$ -	28,401,008	38,891,845	1,020,407	28,063,717	-	96,376,977
Depreciation for the period	-	1,650,493	2,530,748	81,677	2,511,084	-	6,774,002
Disposals and obsolescence	-	(1,838,203)	(8,337,064)	(60,277)	(3,169,482)	-	(13,405,026)
Reclassifications	-	1,842,803	2,909,864	-	1,630,742	-	6,383,409
Disposal of subsidiaries	-	(410,317)	(3,162,022)	(19,931)	(5,550,762)	-	(9,143,032)
Transferred to non-current assets held for sale	-	(39,277)	-	-	-	-	(39,277)
Effect of movement in exchange rate	-	(2,372,454)	(1,098,583)	(80,620)	(1,652,929)	-	(5,204,586)
Balance as of June 30, 2025	**$ -**	**27,234,053**	**31,734,788**	**941,256**	**21,832,370**	**-**	**81,742,467**
Carrying value:							
Balance as of January 1, 2026	**$ 15,579,074**	**34,478,975**	**12,488,141**	**370,964**	**16,929,906**	**4,830,197**	**84,677,257**
Balance as of June 30, 2026	**$ 16,031,715**	**36,877,843**	**11,344,487**	**353,820**	**20,389,448**	**5,263,409**	**90,260,722**
Balance as of January 1, 2025	**$ 13,154,409**	**28,204,458**	**15,470,339**	**288,644**	**13,245,930**	**8,653,163**	**79,016,943**
Balance as of June 30, 2025	**$ 15,383,445**	**28,528,930**	**13,370,652**	**330,383**	**13,287,302**	**6,902,912**	**77,803,624**

(Continued)

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

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Impairment loss	**$ 25,066**	-	**25,066**	-

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

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

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

(l) Right-of-use assets

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

	Land	Buildings	Transportation equipment	Total
Cost:				
Balance as of January 1, 2026	$ 3,727,351	3,911,729	5,393	7,644,473
Additions	22,483	321,469	100	344,052
Reductions	-	(430,534)	-	(430,534)
Effect of movement in exchange rate	57,064	35,018	16	92,098
Balance as of June 30, 2026	**$ 3,806,898**	**3,837,682**	**5,509**	**7,650,089**
Balance as of January 1, 2025	$ 3,931,004	4,992,429	2,954	8,926,387
Additions	13,154	293,122	-	306,276
Reductions	(337,350)	(287,269)	-	(624,619)
Reclassification	240,374	59,686	628	300,688
Disposal of subsidiaries	-	(870,881)	-	(870,881)
Effect of movement in exchange rate	(410,772)	(347,929)	(314)	(759,015)
Balance as of June 30, 2025	**$ 3,436,410**	**3,839,158**	**3,268**	**7,278,836**
Accumulated depreciation:				
Balance as of January 1, 2026	$ 1,036,485	1,501,870	2,724	2,541,079
Depreciation for the period	47,767	338,908	380	387,055
Reductions	-	(387,414)	-	(387,414)
Effect of movement in exchange rate	16,823	13,497	20	30,340
Balance as of June 30, 2026	**$ 1,101,075**	**1,466,861**	**3,124**	**2,571,060**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Land	Buildings	Transportation equipment	Total
Balance as of January 1, 2025	$ 1,019,261	1,650,674	1,168	2,671,103
Depreciation for the period	49,245	331,581	105	380,931
Reductions	(104,657)	(255,289)	-	(359,946)
Reclassification	81,897	(105)	105	81,897
Disposal of subsidiaries	-	(289,722)	-	(289,722)
Effect of movement in exchange rate	(108,054)	(61,217)	(125)	(169,396)
Balance as of June 30, 2025	**$ 937,692**	**1,375,922**	**1,253**	**2,314,867**
Carrying value:				
Balance as of January 1, 2026	**$ 2,690,866**	**2,409,859**	**2,669**	**5,103,394**
Balance as of June 30, 2026	**$ 2,705,823**	**2,370,821**	**2,385**	**5,079,029**
Balance as of January 1, 2025	**$ 2,911,743**	**3,341,755**	**1,786**	**6,255,284**
Balance as of June 30, 2025	**$ 2,498,718**	**2,463,236**	**2,015**	**4,963,969**

(m) Other financial assets and other assets

Other financial assets and other assets were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Other financial assets - current	$ 17,573,553	15,262,833	13,143,355
Other financial assets - non-current	446,374	507,973	977,105
Other current assets	8,920,099	6,840,599	6,913,798
Other non-current assets	100,851	551,258	54,882
	$ 27,040,877	**23,162,663**	**21,089,140**

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

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

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

(n) Short-term loans

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured bank loans	**$ 76,140,974**	**42,212,236**	**33,866,724**
Range of interest rate	**1.15%~5.14%**	**1.7%~5.52%**	**1.72%~5.52%**

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

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

		June 30, 2026	December 31, 2025	June 30, 2025
Other current liabilities	$	5,355,617	4,765,880	7,259,262
Other non-current liabilities		5,194,302	5,325,773	5,177,059
	$	**10,549,919**	**10,091,653**	**12,436,321**

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

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

(p) Long-term loans

The details, terms and conditions were as follows:

		June 30, 2026	December 31, 2025	June 30, 2025
Unsecured bank loans	$	9,037,549	15,992,972	18,258,743
Secured bank loans		119,281	148,998	194,807
		9,156,830	16,141,970	18,453,550
Less: current portion		(2,938,248)	(4,695,203)	(4,590,302)
Total	**$**	**6,218,582**	**11,446,767**	**13,863,248**
Range of interest rate		**1.15%~4.61%**	**1.15%~5.16%**	**1.15%~5.16%**

Please refer to Note 6(aa) for the interest expenses of the Group for the three months and the six months ended June 30, 2026 and 2025.

(i) Collateral for bank loans

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

(ii) Government low-interest loan

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

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Bonds payable

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

	June 30, 2026	December 31, 2025	June 30, 2025
Ordinary corporate bonds issued	$ 10,200,000	14,900,000	19,900,000
Unamortized discount on bonds payable	(2,256)	(3,779)	(6,134)
Bonds payable, end of the period	10,197,744	14,896,221	19,893,866
Less: current portion	(7,500,000)	(12,200,000)	(9,700,000)
	$ 2,697,744	**2,696,221**	**10,193,866**

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest expense	**$ 39,867**	**31,002**	**60,364**	**62,356**

The main rights and obligations of the second unsecured ordinary corporate bonds issued in 2020, the first unsecured ordinary corporate bonds in 2019 and the second unsecured ordinary corporate bonds issued in 2017, and , which were repaid in 2026 and 2025, respectively, were as follows:

Item	2nd unsecured ordinary bonds issued in 2020
1.Issuing amount	The Bonds were issued at $3,500,000 thousand, which comprise Tranche A and Tranche B, at the amounts of $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 were issued by par value at the issuance date.
4.Issuance period	Tranche A and Tranche B bonds had the terms of 5 years (from January 8, 2021 to January 8, 2026) and 7 years (from January 8, 2021 to January 8, 2028), respectively.
5.Coupon rate	Tranche A and Tranche B bear the annual coupon rates of 0.43% and 0.58%, respectively.
6.Repayment	Both Tranche A and Tranche B are repayable upon maturity.
7.Interest payment	Interests were 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 fall on the bank closing days, both principal and interest shall be paid without extra interest on the next business day. However, if the bondholders received the principal and interest past due the repayment date and interest payment date, there will be no calculation of extra interest.
8.Guarantee	The Bonds were unsecured ordinary corporate bonds.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Item	1st unsecured ordinary bonds issued in 2019
1.Issuing amount	The Bonds were issued at $8,500,000 thousand, which comprise Tranche A, and Tranche B, at the amounts of $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 were issued by par value at the issuance date.
4.Issuance period	Tranche A and Tranche B bonds had the terms of 5 years (from June 13, 2019 to June 13, 2024) and 7 years (from June 13, 2019 to June 13, 2026), respectively.
5.Coupon rate	Tranche A and Tranche B bear the annual coupon rates of 0.85% and 0.95%, respectively.
6.Repayment	Both Tranche A and Tranche B are repayable upon maturity.
7.Interest payment	Interests were 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 fall on the bank closing days, both principal and interest shall be paid without extra interest on the next business day. However, if the bondholders received the principal and interest past due the repayment date and interest payment date, there will no calculation of extra interest.
8.Guarantee	The Bonds were unsecured ordinary corporate bonds.

Item	2nd unsecured ordinary bonds issued in 2017
1.Issuing amount	The Bonds were issued at $8,000,000 thousand, which comprise Tranche A, Tranche B and Tranche C, at the amounts of $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 were issued by par value at the issuance date.
4.Issuance period	Tranche A, Tranche B and Tranche C had the terms of 3 years (from January 10, 2018 to January 10, 2021) and 5 years (from January 10, 2018 to January 10, 2023) and 7 years (from January 10, 2018 to January 10, 2025), respectively.
5.Coupon rate	Tranche A, B and C bear the annual coupon rates of 0.78%, 0.92% and 1.08%, respectively.
6.Repayment	Each of Tranche A, Tranche B and Tranche C is repayable upon maturity.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Item	2nd unsecured ordinary bonds issued in 2017
7.Interest payment	Interests were 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 fall on the bank closing days, both principal and interest shall be paid without extra interest on the next business day. However, if the bondholders received the principal and interest past due the repayment date and interest payment date, there will be no calculation of extra interest.
8.Guarantee	The Bonds were unsecured ordinary corporate bonds.

(r) Lease liabilities

The Group's lease liabilities were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Current	$ 516,271	481,307	490,796
Non-current	$ 1,286,074	1,364,014	1,291,599

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

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest on lease liabilities	$ 25,461	27,018	49,895	52,700
Variable lease payments not included in the measurement of lease liabilities	$ 12,113	7,625	23,754	14,269
Income from sub-leasing right-of-use assets	$ 35	68	738	68
Expenses relating to short-term leases	$ 20,441	18,005	34,695	32,463
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	$ 3,752	6,129	4,233	8,147

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

	For the six months ended June 30	
	2026	2025
Total cash outflow for leases	$ 394,718	373,351

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

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

(s) Employee benefits

(i) Defined benefit plans

Management believes that there were no material market volatility, no material reimbursement and settlement or other material one-time events. As a result, the pension cost in the accompanying interim consolidated financial statements was measured and disclosed according to the actuarial report as of December 31, 2025 and 2024.

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

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Operating cost	$ 214	308	434	589
Operating expense	2,322	2,048	4,606	4,113
	$ 2,536	**2,356**	**5,040**	**4,702**

(ii) Defined contribution plans

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

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Operating cost	$ 350,715	303,078	702,658	625,578
Operating expense	190,622	163,427	376,987	339,849
	$ 541,337	**466,505**	**1,079,645**	**965,427**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(t) Income tax

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

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

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Current income tax expense				
Current period incurred	$ 1,509,712	833,997	2,253,154	2,356,122
Prior years income tax adjustment	(78,731)	(184,546)	(216,970)	(194,660)
Income tax expense	**$ 1,430,981**	**649,451**	**2,036,184**	**2,161,462**

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

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Items that will be reclassified to profit or loss:				
Exchange differences on translation of foreign financial statements	**$ 2,612**	**(7,454)**	**3,511**	**(2,757)**

(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.

(u) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the six months ended June 30, 2026 and 2025. For the related information, please refer to Note 6(u) of the consolidated financial statements for the year ended December 31, 2025.

(i) Issuance of ordinary shares

Reconciliation of shares outstanding for the six months ended June 30, 2026 and 2025 was as follows:

	Ordinary Shares (In thousands of shares)	
	For the six months ended June 30	
	2026	2025
Balance as of January 1	2,682,165	2,663,177
Expiration of restricted shares of stock issued to employee	(6,313)	(1,678)
Balance as of June 30	**2,675,852**	**2,661,499**

(Continued)

For the six months ended June 30, 2026 and 2025, the Company had retired 156 thousand and 31 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 2,682,044 thousand, 2,682,200 thousand and 2,663,158 thousand shares were issued and outstanding as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively. All share proceeds from outstanding capital have been collected.

For the six months ended June 30, 2026 and 2025, the restricted Company shares of stock issued to employees have expired, of which 6,192 thousand shares and 1,659 thousand shares, respectively, have not been retired.

(ii) Global depositary receipts

As of June 30, 2026, December 31, 2025 and June 30, 2025, the Company has listed, in total, 215 thousand, 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, 1,076 thousand, and 1,126 thousand shares of stock, respectively.

(iii) Capital surplus

The components of the capital surplus were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Premium from issuance of share capital	$ 68,622,795	68,622,795	68,622,623
Premium from conversion of convertible bonds	11,073,663	11,073,663	11,073,663
From treasury stock transactions	47,865	47,865	47,865
Difference between consideration and carrying amount of subsidiaries acquired or disposed	2,586,961	2,586,961	2,448,761
Changes in equity of associates accounted for using equity method	1,195,293	982,638	873,603
Changes in ownership interest in subsidiaries	2,857,996	2,318,653	1,505,731
Employee stock options	1,304	1,304	1,304
Restricted stock to employees	274,022	877,139	1,017,657
Other	409,917	409,917	409,917
	$ 87,069,816	**86,920,935**	**86,001,124**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Retained earnings

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

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

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

1) Legal reserve

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

2) Special reserve

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

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Earnings distribution

On May 28, 2026 and June 6, 2025, the Company's shareholders' meetings resolved the appropriations of earnings for 2025 and 2024, respectively. The cash dividends distributed to ordinary shareholders were as follows:

	For the six months ended June 30	
	2025	**2024**
Common stock dividends per share (dollars)		
—Cash	**$ 4.00**	**4.50**

(v) Other equity (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Other equity—unearned compensation	Total
Balance as of January 1, 2026	$ (2,262,048)	652,941	(530,650)	(2,139,757)
Exchange differences on foreign operations	2,011,237	-	-	2,011,237
Exchange differences on associates and joint ventures accounted for using equity method	1,616,114	-	-	1,616,114
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	17,601	-	17,601
Unearned compensation	-	-	528,858	528,858
Balance as of June 30, 2026	**$ 1,365,303**	**670,542**	**(1,792)**	**2,034,053**
Balance as of January 1, 2025	$ 2,771,268	766,703	(5,655)	3,532,316
Exchange differences on foreign operations	(14,809,602)	-	-	(14,809,602)
Exchange differences on associates and joint ventures accounted for using equity method	(5,587,896)	-	-	(5,587,896)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(231,462)	-	(231,462)
Unearned compensation	-	-	(790,954)	(790,954)
Balance as of June 30, 2025	**$ (17,626,230)**	**535,241**	**(796,609)**	**(17,887,598)**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	For the six months ended June 30	
	2026	2025
Balance as of January 1	$ 39,114,589	34,606,351
Income attributable to non-controlling interests	3,123,879	1,648,245
Other comprehensive income (loss) attributable to non-controlling interests		
Exchange differences on foreign operations	148,545	(681,687)
Changes in ownership interest in subsidiaries	(539,343)	(6,048)
Changes in non-controlling interests	5,228,240	(1,355,413)
Balance as of June 30	**$ 47,075,910**	**34,211,448**

(v) Share-based payment

Except for the following disclosure, there was no significant change for share-based payment for the six months ended June 30, 2026 and 2025. For the related information, please refer to Note 6(v) of the consolidated financial statements for the year ended December 31, 2025.

(i) Issuance of restricted stock to employee

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

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

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

(Continued)

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.

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

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

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

(ii) Restricted stock to employee

For the three months and the six months ended June 30, 2026 and 2025, 6,192 thousand shares, 1,659 thousand shares, 6,313 thousand shares and 1,678 thousand shares of the restricted shares of stock awards issued to employees have expired, respectively.

(iii) Expenses recognized in profit or loss

The Company incurred expenses of share-based arrangements for the three months and the six months ended June 30, 2026 and 2025 were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Expenses resulting from the issuance of restricted stock to employees	$ (157,262)	34,468	(27,729)	46,571

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(w) Subsidiary's share-based payments

Except for the following disclosure, there was no significant change for share-based payment for the three months and the six months ended June 30, 2026 and 2025. For the related information, please refer to Note 6(w) of the consolidated financial statements for the year ended December 31, 2025.

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

The employees of Kinsus are entitled to receive share-based payments as part of a compensation plan. Employees receive equity instruments in exchange for rendering services, and such transactions are classified as equity-settled share-based payment transactions.

On October 27, 2025, the Kinsus' s Board of Directors approved a capital increase through issuance of new shares for cash, with March 16, 2026 as the record date for the capital increase. A portion of the new shares issued was reserved for subscription by employees.

1) A summary of the employee share subscription plan in connection with the aforementioned cash capital increase is as follows:

	For the six months ended June 30	
	Number of Exercisable (in thousand of shares)	Weighted-average Exercise Price (dollars)
Balance as of January 1, 2026	-	$ -
Granted	70,000	145
Expired	(70,000)	145
Balance as of June 30, 2026	-	-
Current market price of the underlying stock (dollars)	**$ 42.52**	

2) The fair value of the employee share subscription rights granted in connection with the cash capital increase during the period from January 1 to June 30, 2026 was estimated using the Black-Scholes option pricing model. The assumptions used in the valuation are as follows:

	2026.02.09
Stock price at grant date (dollars)	$186.19
Exercise price (dollars)	$145
Expected volatility rate	65.11%
Expected duration of the option	0.08 year
Risk-free interest rate	1.1311%

The expected volatility was estimated based on the KINSUS's share prices over the most recent 20 trading days.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The subsidiary's incurred expenses of share-based arrangements for the three months and the six months ended June 30, 2026 and 2025 were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
AZUREWAVE and its subsidiaries	$ 9,980	7,432	23,630	7,470
ASROCK and its subsidiaries	21,297	47,410	42,448	98,345
Lumens and its subsidiaries	-	668	-	1,336
KINSUS and its subsidiaries	20,166	9,469	475,312	20,238
	$ 51,443	**64,979**	**541,390**	**127,389**

(x) Earnings per share

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

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Basic earnings per share				
Profit attributable to ordinary shareholders	**$ 4,487,630**	**287,394**	**6,049,084**	**4,590,744**
Weighted-average number of ordinary shares	2,678,775	2,662,245	2,680,439	2,662,703
	$ 1.68	**0.11**	**2.26**	**1.72**
Diluted earnings per share				
Profit attributable to ordinary shareholders (diluted)	**$ 4,487,630**	**287,394**	**6,049,084**	**4,590,744**
Weighted-average number of ordinary shares	2,678,775	2,662,245	2,680,439	2,662,703
Effect of potentially dilutive ordinary share				
Effect of employee stock compensation	6,384	5,951	14,323	13,421
Weighted-average number of ordinary shares (diluted)	2,685,159	2,668,196	2,694,762	2,676,124
	$ 1.67	**0.11**	**2.24**	**1.72**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30, 2026		
	DMS	Strategic Investment Group	Total
Primary geographical markets:			
Europe	$ 102,873,623	1,891,059	104,764,682
U.S.A.	85,384,043	7,027,796	92,411,839
Taiwan	40,899,394	1,725,744	42,625,138
China	6,959,681	7,534,891	14,494,572
Japan	6,160,108	1,500,003	7,660,111
Other countries	8,561,282	3,930,239	12,491,521
	$ 250,838,131	**23,609,732**	**274,447,863**

	For the three months ended June 30, 2025		
	DMS	Strategic Investment Group	Total
Primary geographical markets:			
Europe	$ 100,300,791	1,771,090	102,071,881
U.S.A.	105,711,349	5,830,907	111,542,256
Taiwan	22,792,559	3,149,697	25,942,256
China	4,767,894	9,709,036	14,476,930
Japan	3,875,236	1,265,108	5,140,344
Other countries	5,331,066	2,831,050	8,162,116
	$ 242,778,895	**24,556,888**	**267,335,783**

	For the six months ended June 30, 2026		
	DMS	Strategic Investment Group	Total
Primary geographical markets:			
Europe	$ 191,404,375	3,086,258	194,490,633
U.S.A.	171,839,965	12,946,070	184,786,035
Taiwan	65,915,528	4,100,079	70,015,607
China	13,686,011	19,664,835	33,350,846
Japan	9,738,188	2,905,951	12,644,139
Other countries	15,631,662	7,634,341	23,266,003
	$ 468,215,729	**50,337,534**	**518,553,263**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the six months ended June 30, 2025		
	DMS	Strategic Investment Group	Total
Primary geographical markets:			
Europe	$ 200,342,757	3,681,508	204,024,265
U.S.A.	216,032,070	10,548,775	226,580,845
Taiwan	42,925,017	6,281,315	49,206,332
China	10,320,827	18,020,089	28,340,916
Japan	6,988,152	2,434,786	9,422,938
Other countries	17,037,545	5,156,425	22,193,970
	$ 493,646,368	**46,122,898**	**539,769,266**

(ii) Contract balances

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable	$ 198,786,931	221,671,183	178,784,166
Less: Allowance for impairment	112,817	233,582	99,499
Unrealized interest income	293,127	412,217	-
Total	**$ 198,380,987**	**221,025,384**	**178,684,667**
Contract liabilities	**$ 5,015,456**	**4,457,604**	**4,552,995**

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

The amounts of revenue recognized for the six months ended June 30, 2026 and 2025 that were included in the contract liability balance at the beginning of the period were $1,615,360 thousand and $1,300,676 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 six months ended June 30, 2026 and 2025.

(z) Remunerations to employees and directors

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

(Continued)

remuneration. However, if the Company has accumulated deficits, an amount to cover the deficits shall first be reserved out of the profit before such appropriation. The recipients of the aforementioned employee compensation in cash or shares may include employees of controlling or subordinate companies who meet certain conditions.

For the three months ended June 30, 2026 and 2025 and the six months ended June 30, 2026 and 2025 the Company estimated its employee remuneration amounting to $383,000 thousand, $52,000 thousand, $535,000 thousand and $457,000 thousand, and directors' remuneration amounting to $38,000 thousand, $5,000 thousand, $53,000 thousand and $45,000 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 three months ended June 30, 2026 and 2025 and the six months ended June 30, 2026 and 2025. 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.

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

(aa) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest income	**$ 1,051,458**	**1,085,310**	**2,125,325**	**1,995,364**

(ii) Other income

The details of other income were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Subsidy income	$ 73,467	117,387	117,396	2,870,465
Rental income	125,058	162,633	309,574	240,872
Dividend income	19,988	14,451	28,111	23,676
Technical service income	140,678	69,365	202,205	158,202
Other income	171,548	54,372	229,408	189,265
	$ 530,739	**418,208**	**886,694**	**3,482,480**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Gains (losses) on disposal of investment	$ (44,527)	1,015	(44,527)	(121,135)
Foreign exchange gains (losses)	(19,150)	(1,085,794)	66,918	(1,054,610)
Gains (losses) on disposal of property, plant and equipment	(378)	296,532	540	307,051
Gains (losses) on lease modifications	113	(338)	16	12,038
Impairment losses on non-financial assets	(25,066)	-	(25,066)	-
Net gains and (losses) on financial assets measured at fair value through profit or loss	2,294,773	(850,555)	2,049,208	(1,248,655)
Others	(11,356)	(56,634)	(35,517)	(64,120)
	$ 2,194,409	**(1,695,774)**	**2,011,572**	**(2,169,431)**

(iv) Finance costs

The details of finance costs were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest expenses	$ 412,204	331,528	767,630	649,241
Financial expenses-bank charges and factoring fees	4,651	6,260	11,815	12,002
	$ 416,855	**337,788**	**779,445**	**661,243**

(ab) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

As of June 30, 2026, December 31, 2025 and June 30, 2025, the accounts receivable from the Group's top three customers amounted to $98,757,020 thousand, $107,516,401 thousand and $87,617,811 thousand, representing 63%, 67% and 71% of accounts receivable, respectively, which exposes the Group to credit risk.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	More than 2 years
June 30, 2026					
Non-derivative financial liabilities					
Secured bank loans	$ 119,281	119,281	6,250	6,250	106,781
Unsecured bank loans	85,178,523	85,201,641	78,592,550	2,729,683	3,879,408
Unsecured ordinary corporate bonds	10,197,744	10,200,000	7,500,000	1,300,000	1,400,000
Non-interest bearing liabilities	296,278,133	296,278,133	291,117,916	5,160,217	-
Lease liabilities	1,802,345	1,802,345	516,271	384,315	901,759
	$ 393,576,026	**393,601,400**	**377,732,987**	**9,580,465**	**6,287,948**
December 31, 2025					
Non-derivative financial liabilities					
Secured bank loans	$ 148,998	148,998	8,931	8,934	131,133
Unsecured bank loans	58,205,208	58,249,535	46,901,060	3,756,268	7,592,207
Unsecured ordinary corporate bonds	14,896,221	14,900,000	12,200,000	2,700,000	-
Non-interest bearing liabilities	279,412,141	279,412,141	274,134,870	5,277,271	-
Lease liabilities	1,845,321	1,845,321	481,307	346,197	1,017,817
	$ 354,507,889	**354,555,995**	**333,726,168**	**12,088,670**	**8,741,157**
June 30, 2025					
Non-derivative financial liabilities					
Secured bank loans	$ 194,807	194,807	8,766	8,738	177,303
Unsecured bank loans	52,125,467	52,186,394	38,448,261	4,433,659	9,304,474
Unsecured ordinary corporate bonds	19,893,866	19,900,000	9,700,000	7,500,000	2,700,000
Non-interest bearing liabilities	250,773,375	250,773,375	245,660,104	5,113,271	-
Lease liabilities	1,782,395	1,782,395	490,796	336,045	955,554
	$ 324,769,910	**324,836,971**	**294,307,927**	**17,391,713**	**13,137,331**

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

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Market risk

1) Exposure to currency risk

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

(Unit: Foreign currency / NTD in thousands)

	June 30, 2026			June 30, 2025		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets						
Monetary items						
USD:NTD	$11,727,534	31.8480	373,498,503	11,562,836	29.3000	338,791,095
USD:CNY	17,473	6.8109	556,480	20,766	7.1586	608,444
CNY:USD	2,233,103	0.1468	10,442,066	3,508,903	0.1397	12,520,026
Financial liabilities						
Monetary items						
USD:NTD	12,492,382	31.8480	397,857,382	11,510,001	29.3000	337,243,029
USD:CNY	5,023	6.8109	159,972	15,356	7.1586	449,931
CNY:USD	910,238	0.1468	4,256,304	2,863,030	0.1397	11,718,322

	December 31, 2025		
	Foreign Currency	Exchange Rate	NTD
Financial assets			
Monetary items			
USD:NTD	$12,604,116	31.4205	396,027,627
USD:CNY	34,024	7.1055	1,080,717
CNY:USD	2,263,131	0.1407	10,007,559
Financial liabilities			
Monetary items			
USD:NTD	12,593,431	31.4205	395,691,899
USD:CNY	7,945	7.1055	252,360
CNY:USD	636,844	0.1407	2,816,122

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, loans, accounts payable, and other payables that are denominated in foreign currency. Assuming other variables remain the same, 1% appreciation (depreciation) of NTD against foreign currency for the six months ended June 30, 2026 and 2025, would have increased or decreased the net profit before tax by $183,459 thousand and $20,088 thousand, respectively. The analysis is performed on the same basis for both periods.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Foreign exchange gains or losses on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months and six months ended June 30, 2026 and 2025, foreign exchange gain (loss), including realized and unrealized, amounted to ($19,150) thousand, ($1,085,794) thousand, $66,918 thousand and ($1,054,610) thousand, respectively.

4) Interest rate analysis

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

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

If the interest rate increases / decreases by 1%, the Group's net profit after tax will decrease / increase by $67,887 thousand and $85,634 thousand for the six months ended June 30, 2026 and 2025, respectively, assuming all other variable factors remaining constant. This is mainly due to the Group's borrowing in floating variable rate.

5) Other market price risk

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

	For the six months ended June 30			
	2026		2025	
Equity price on reporting date	Comprehensive Income (Loss) (net of tax)	Net Income (Loss) (before tax)	Comprehensive Income (Loss) (net of tax)	Net Income (Loss) (before tax)
Increase 3%	$ 109,900	235,977	103,879	226,209
Decrease 3%	$ (109,900)	(235,977)	(103,879)	(226,209)

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Fair value Information

1) Fair value hierarchy

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

	June 30, 2026				
		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	$ 23,353,797	7,758,800	-	15,594,997	23,353,797
Financial assets at fair value through other comprehensive income					
Stock of listed companies	972,527	972,527	-	-	972,527
Stock of unlisted companies	3,224,941	-	-	3,224,941	3,224,941
Subtotal	$ 4,197,468	972,527	-	3,224,941	4,197,468
Financial assets at amortized cost					
Cash and cash equivalents	$108,848,258	-	-	-	-
Notes and accounts receivable	198,380,987	-	-	-	-
Other receivables	3,058,934	-	-	-	-
Other financial assets	18,019,927	-	-	-	-
Bond investment	800,000	-	-	-	-
Subtotal	$329,108,106	-	-	-	-
Financial liabilities at amortized cost					
Bank loans	$ 85,297,804	-	-	-	-
Non-interest bearing liabilities	296,278,133	-	-	-	-
Lease liabilities	1,802,345	-	-	-	-
Unsecured ordinary corporate bonds	10,197,744	-	-	-	-
Subtotal	$393,576,026	-	-	-	-

	December 31, 2025				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	$ 17,556,313	5,619,968	-	11,936,345	17,556,313

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2025				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stock of listed companies	1,040,849	1,040,849	-	-	1,040,849
Stock of unlisted companies	2,494,260	-	-	2,494,260	2,494,260
Subtotal	$ 3,535,109	1,040,849	-	2,494,260	3,535,109
Financial assets at amortized cost					
Cash and cash equivalents	$119,380,486	-	-	-	-
Notes and accounts receivable	221,025,384	-	-	-	-
Other receivables	10,279,271	-	-	-	-
Other financial assets	15,770,806	-	-	-	-
Bond investment	800,000	-	-	-	-
Subtotal	$367,255,947	-	-	-	-
Financial liabilities at amortized cost					
Bank loans	$ 58,354,206	-	-	-	-
Non-interest bearing liabilities	279,412,141	-	-	-	-
Lease liabilities	1,845,321	-	-	-	-
Unsecured ordinary corporate bonds	14,896,221	-	-	-	-
Subtotal	$354,507,889	-	-	-	-

	June 30, 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	$ 12,801,542	8,529,219	-	4,272,323	12,801,542
Financial assets at fair value through other comprehensive income					
Stock of listed companies	1,168,108	1,168,108	-	-	1,168,108
Stock of unlisted companies	2,294,532	-	-	2,294,532	2,294,532
Subtotal	$ 3,462,640	1,168,108	-	2,294,532	3,462,640
Financial assets at amortized cost					
Cash and cash equivalents	$113,363,490	-	-	-	-
Notes and accounts receivable	178,684,667	-	-	-	-
Other receivables	1,506,563	-	-	-	-
Other financial assets	14,120,460	-	-	-	-
Bond investment	800,000	-	-	-	-
Subtotal	$308,475,180	-	-	-	-

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	June 30, 2025				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost					
Bank loans	$ 52,320,274	-	-	-	-
Non-interest bearing liabilities	250,773,375	-	-	-	-
Lease liabilities	1,782,395	-	-	-	-
Unsecured ordinary corporate bonds	19,893,866	-	-	-	-
Subtotal	$324,769,910	-	-	-	-

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

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

a) Financial assets and financial liabilities measured at amortized cost

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

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

a) Non-derivative financial instruments

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

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

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

(Continued)

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

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

4) Transfers between levels of the fair value hierarchy

The Group held an investment in the shares of H2 Inc. with a fair value of 25,778 thousand. As H2 Inc. commenced trading on the Emerging Stock Market, the investment became quoted in an active market. Accordingly, its fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy effective January 1, 2026.

There were no transfers between levels of the fair value hierarchy for the six months ended June 30, 2025.

5) Reconciliation of Level 3 fair values

	Fair value through profit or loss	Fair value through other comprehensive income	
	Non-derivative financial assets mandatorily measured at fair value through profit or loss	Unquoted equity instruments	Total
Balance as of January 1, 2026	$ 11,936,345	2,494,260	14,430,605
Total gains and losses recognized			
In profit or loss	963,650	-	963,650
Acquired	2,610,179	619,985	3,230,164
Effect of movement in exchange rate	110,601	110,696	221,297
Transferred out from Level 3	(25,778)	-	(25,778)
Balance as of June 30, 2026	**$ 15,594,997**	**3,224,941**	**18,819,938**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Fair value through profit or loss	Fair value through other comprehensive income	
	Non-derivative financial assets mandatorily measured at fair value through profit or loss	Unquoted equity instruments	Total
Balance as of January 1, 2025	$ 3,656,975	2,327,709	5,984,684
Total gains and losses recognized			
In profit or loss	(294,197)	-	(294,197)
In other comprehensive income	-	(3,564)	(3,564)
Acquired	959,652	140,602	1,100,254
Effect of movement in exchange rate	(50,107)	(170,215)	(220,322)
Balance as of June 30, 2025	**$ 4,272,323**	**2,294,532**	**6,566,855**

For the six months ended June 30, 2026 and 2025, total gains and losses that were accounted as "other gains and losses" and "unrealized gains (losses) from financial assets at fair value through other comprehensive income" were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Total gains and losses recognized:				
In profit or loss and presented in "other gains and losses"	**$ 1,086,403**	**(162,188)**	**963,650**	**(294,197)**
In other comprehensive income, and presented in "unrealized gains (losses) from financial assets at fair value through other comprehensive income"	**$ -**	**(3,564)**	**-**	**(3,564)**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss – unquoted equity investments and debt investments	Market Approach	·The multiplier of price-to-book ratio (As of June 30, 2026 , December 31, 2025 and June 30, 2025, were 1.6~7.2, 1.6~7.2 and 1.8~10.7, respectively). ·Price to sales ratio (As of June 30, 2026 , December 31, 2025 and June 30, 2025, were 1.5~17.1, 1.5~17.1 and 1.6~12.1, respectively). ·Market illiquidity discount (As of June 30, 2026, December 31, 2025 and June 30, 2025, were 20~40%).	The estimated fair value would increase (decrease) if: ·the multiplier was higher (lower). ·the market illiquidity discount was lower (higher).
Financial assets at fair value through other comprehensive income-equity investments without an active market	Market Approach	·The multiplier of price-to-book ratio (As of June 30, 2026, December 31, 2025 and June 30, 2025, were 1.2~13.1, 1.2~13.1 and 1.5~12.3, respectively). ·Price to sales ratio (As of June 30, 2026, December 31, 2025 and June 30, 2025 were 1.6~9.8, 0.6~10 and 0.7~9.6, respectively). ·Enterprise value multiplier (As of June 30, 2026 was 5.6.) ·Market illiquidity discount (As of June 30, 2026, December 31, 2025 and June 30, 2025 were 10~40%).	Same as above.

(Continued)

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

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

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

	Inputs	Fluctuation in inputs	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
June 30, 2026						
Financial assets at fair value through profit or loss						
	Multiplier of price-to-book ratio	1%	125,919	(125,919)	-	-
	Price to sales ratio	1%	6,471	(6,471)	-	-
	Market illiquidity discount	1%	132,390	(132,390)	-	-
Financial assets at fair value through other comprehensive income						
	Multiplier of price-to-book ratio	1%	-	-	14,239	(14,239)
	Price to sales ratio	1%	-	-	8	(8)
	Enterprise value multiplier	1%	-	-	18,003	(18,003)
	Market illiquidity discount	1%	-	-	32,249	(32,249)
December 31, 2025						
Financial assets at fair value through profit or loss						
	Multiplier of price-to-book ratio	1%	92,759	(92,759)	-	-
	Price to sales ratio	1%	5,943	(5,943)	-	-
	Market illiquidity discount	1%	98,702	(98,702)	-	-
Financial assets at fair value through other comprehensive income						
	Multiplier of price-to-book ratio	1%	-	-	8,047	(8,047)
	Price to sales ratio	1%	-	-	16,896	(16,896)
	Market illiquidity discount	1%	-	-	24,943	(24,943)

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Inputs	Fluctuation in inputs	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
June 30, 2025						
Financial assets at fair value through profit or loss						
	Multiplier of price-to-book ratio	1%	12,469	(12,469)	-	-
	Price to sales ratio	1%	9,795	(9,795)	-	-
	Market illiquidity discount	1%	22,264	(22,264)	-	-
Financial assets at fair value through other comprehensive income						
	Multiplier of price-to-book ratio	1%	-	-	22,945	(22,945)
	Price to sales ratio	1%	-	-	22,945	(22,945)
	Market illiquidity discount	1%	-	-	22,945	(22,945)

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

(v) Offsetting financial assets and financial liabilities

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

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

	June 30, 2026					
	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	$ 22,777,819	20,410,914	2,366,905	-	-	2,366,905

	June 30, 2026					
	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	$ 20,410,914	20,410,914	-	-	-	-

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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	-	-	-	-

June 30, 2025						
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral instruments	
Accounts Receivable and Payable	$ 17,398,958	14,960,491	2,438,467	-	-	2,438,467

June 30, 2025						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not offset in the balance sheet (d)		Net amounts (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral instruments	
Accounts Receivable and Payable	$ 14,960,491	14,960,491	-	-	-	-

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

(ac) Financial risk management

There were no significant changes in the Group' s financial risk management and policies as disclosed in Note 6(ac) of the consolidated financial statements for the year ended December 31, 2025.

(ad) Capital management

Management believes that there were no changes in the Group's approach to the targets, policies and procedures in capital management as disclosed in the consolidated financial statements for the year ended December 31, 2025. Also, they believe that for the year ended December 31, 2025, there were no changes in the Group' s capital management information. For other related information, please refer to Note 6(ad) of the consolidated financial statements for the year ended December 31, 2025.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ae) Financing activities not affecting current cash flow

For the six months ended June 30, 2026 and 2025, reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2026	Cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Other (Note)	June 30, 2026
Long-term loans	$ 16,141,970	(7,002,702)	1,090	16,472	9,156,830
Short-term loans	42,212,236	33,928,738	-	-	76,140,974
Bonds payable	14,896,221	(4,700,000)	-	1,523	10,197,744
Lease liabilities	1,845,321	(282,141)	(61,751)	300,916	1,802,345
Total liabilities from financing activities	**$ 75,095,748**	**21,943,895**	**(60,661)**	**318,911**	**97,297,893**

	January 1, 2025	Cash flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Other (Note)	June 30, 2025
Long-term loans	$ 18,301,334	161,716	-	(9,500)	18,453,550
Short-term loans	23,818,649	9,157,065	-	891,010	33,866,724
Bonds payable	22,391,310	(2,500,000)	-	2,556	19,893,866
Lease liabilities	2,525,289	(265,772)	(97,163)	(379,959)	1,782,395
Total liabilities from financing activities	**$ 67,036,582**	**6,553,009**	**(97,163)**	**504,107**	**73,996,535**

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

(7) Related-party transactions

(a) Names and relationship with related parties

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

Name of related party	Relationship with the Group
RI SHAN COMPUTER ACCESSORY (JIASHAN) CO., LTD. (RI SHAN)	An associate
CASETEK SINGAPORE PTE. LTD. (CSG)	An associate
Luxsan Precision Industry (Kunshan) Co., Ltd. (LUXSAN KUNSHAN)	An associate (Note 1)
Luxsan iTech Electronic (Shanghai) Co., Ltd. (LUXSAN SHANGHAI)	An associate (Note 1)
Luxsan (Hong Kong) Trading Co., Limited (Luxsan (Hong Kong))	An associate (Note 1)

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of related party	Relationship with the Group
TATA ELECTRONICS PRODUCTS AND SOLUTIONS PRIVATE LIMITED	An associate (Note 2)
ADVANTECH CO., LTD.	Substantive related party
ADVANTECH TECHNOLOGY (CHINA) CO., LTD.	Substantive related party
STARLINK ELECTRONICS CORPORATION (STARLINK)	Other related party (Note 3)
FUYANG TECHNOLOGY CORPORATION (FUYANG)	Other related party (Note 4)
RI-TENG COMPUTER ACCESSORY (SHANGHAI) CO., LTD. (RI-TENG)	Other related party (Note 5)

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

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

Note 3: The company was initially a subsidiary of the Group. In 2024, the Board of Directors resolved to liquidate the subsidiary, resulting in the Group losing control over the company. As of June 30, 2026, the liquidation process had not yet been completed.

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

Note 5: The company was initially a subsidiary of the Group. In 2025, the shareholders' meeting resolved to dissolve and liquidate the company, resulting in the Group losing control over the company. As of June 30, 2026, the liquidation process had been completed.

(b) Significant transactions with related parties

(i) Operating revenue

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

	Sales			
	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Associates (Note)	$ -	8,442,671	-	14,232,605
Other related parties	22,833	19,184	33,622	41,233
	$ 22,833	**8,461,855**	**33,622**	**14,273,838**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

(ii) Purchase of goods from related parties

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

	Purchases			
	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Associates (Note)	$ -	669,567	259,256	10,818,789
Other related parties	**600**	-	760	364
	$ 600	**669,567**	**260,016**	**10,819,153**

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

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

(iii) Accounts receivable from related parties

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

Account	Relationship	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable	Associates-Luxsan Hong Kong (Note)	$ -	-	31,339,909
〃	Associates-TEPS (Note)	11,391,653	27,209,827	23,289,058
〃	Associates-LUXSAN KUNSHAN (Note)	-	-	3,527
〃	Associates-LUXSAN SHANGHAI (Note)	-	-	6,053
〃	Other related parties	12,805	9,814	9,397
		$ 11,404,458	**27,219,641**	**54,647,944**

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Account	Relationship	June 30, 2026	December 31, 2025	June 30, 2025
Other receivables	Associates-LUXSAN SHANGHAI (Note)	-	-	317,072
〃	Associates	13,517	15,509	15,995
〃	Other related parties-RI-TENG (Note)	-	6,274,092	-
	Other related parties (Note)	-	-	505,236
		$ 13,517	**6,289,601**	**838,303**

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

(iv) Payables to related parties

The payables to related parties were as follows:

Account	Relationship	June 30, 2026	December 31, 2025	June 30, 2025
Accounts payable	Associates-Luxsan Hong Kong (Note)	$ -	-	53,319,906
〃	Associates-TEPS (Note)	8,116,991	26,887,416	20,734,972
〃	Associate-LUXSAN KUNSHAN (Note)	-	-	17,867
〃	Associate-LUXSAN SHANGHAI (Note)	-	-	1,387
〃	Associates	3,943	1,013	884
		$ 8,120,934	**26,888,429**	**74,075,016**

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

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Transactions with key management personnel

Compensation for key management personnel was as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	$ 91,391	79,412	215,959	197,106
Post-employment benefits	1,109	1,052	2,201	2,111
Share-based payments	(36,498)	17,040	4,645	25,606
	$ 56,002	**97,504**	**222,805**	**224,823**

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

(8) Assets pledged as security

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

Assets pledged as security	Object	June 30, 2026	December 31, 2025	June 30, 2025
Other financial asset-restricted deposit	Post-release duty deposits, customs duty, lease deposits, travel agency guarantee, etc.	$ 497,069	369,292	197,773
Property, plant and equipment	Bank loans	1,662,437	344,769	343,257
Other financial asset-guarantee deposits	Customs duty guarantee, litigation guarantee, rental deposits, and deposits for performance guarantee	49,755	56,151	52,622
		$ 2,209,261	**770,212**	**593,652**

(9) Commitments and contingencies

(a) Significant commitments and contingencies

(i) Unused standby letters of credit:

	June 30, 2026	December 31, 2025	June 30, 2025
JPY	$ 1,803,512	1,504,515	1,504,515
MXN	66,097	-	-
USD	13,818	3,062	3,062
EUR	609	552	552

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	June 30, 2026	December 31, 2025	June 30, 2025
NTD	$ 42,961	9,552	10,087

(iii) As of June 30, 2026, December 31, 2025 and June 30, 2025, the significant contracts for purchase of properties by the Group amounted to $14,239,259 thousand, $15,421,641 thousand and $25,315,263 thousand, of which $8,520,886 thousand, $3,736,645 thousand and $10,623,626 thousand, respectively, were unpaid.

(iv) As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group issued a tariff guarantee of $1,216,501 thousand, $440,692 thousand and $397,408 thousand, respectively, to the bank for the purpose of importing goods.

(10) Losses due to major disasters: None.

(11) Subsequent events:

(a) On July 2, 2026, the Board of Directors of Pegatron Investment Co., Ltd., a subsidiary of the Group, resolved to authorize the disposal of 400 thousand to 1,111 thousand preferred shares of Lambda, Inc. As of the reporting date, part of the disposal had been completed, with the proceeds of approximately US$15,982 thousand.

(b) On July 15, 2026, the shareholders' meeting of MAINTEK COMPUTER (SUZHOU) CO., LTD., a subsidiary of the Group, resolved to dispose of the land and buildings located in Suzhou, China. , at the total amount of approximately $786,233 thousand.

(c) With the approval of its board on August 12, 2026, the Company decided to issue its overseas unsecured convertible bonds for US$500,000 thousand in order to fund its material procurement.

(d) With the approval of its board on August 12, 2026, the Company decided to issue its unsecured corporate bonds, with an aggregate issuance amount of up to NT$20,000,000 thousand, to repay its loan in order to meet its working capital requirements. The bonds, which are subject to market conditions, may be issued in one or multiple tranches.

(e) With the approval of its board on August 12, 2026, the Company decided to enter into a joint development project with TA TUNG PLYWOOD & LUMBER CORP. for the development of the 13 parcels of land located in Subsection 4, Fengnian Section, Beitou District, Taipei City, including Land No. 485-6.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(12) Others

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

	For the three months ended June 30					
By function	2026			2025		
By item	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefit						
Salary	$ 5,066,962	4,159,565	9,226,527	4,319,317	3,451,632	7,770,949
Health and labor insurance	423,630	262,222	685,852	359,613	254,102	613,715
Pension	350,929	192,944	543,873	303,386	165,475	468,861
Others	436,250	196,522	632,772	330,017	217,032	547,049
Depreciation	3,327,476	633,877	3,961,353	2,950,974	632,935	3,583,909
Amortization	23,719	39,652	63,371	12,436	31,415	43,851

	For the six months ended June 30					
By function	2026			2025		
By item	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	$ 10,283,006	8,307,813	18,590,819	8,731,464	7,492,130	16,223,594
Health and labor insurance	824,573	556,566	1,381,139	730,011	535,928	1,265,939
Pension	703,092	381,593	1,084,685	626,167	343,962	970,129
Others	802,892	403,138	1,206,030	671,296	442,149	1,113,445
Depreciation	6,427,870	1,401,379	7,829,249	5,846,349	1,308,584	7,154,933
Amortization	45,584	77,432	123,016	22,425	62,660	85,085

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

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Depreciation in investment property	$ 806	756	1,596	1,557

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures

(a) Information on significant transactions:

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

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

(b) Information on investees:

Please refer to Table 7 for the information on investees (excluding investees in Mainland China) for the six months ended June 30, 2026.

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

(14) Segment information

(a) General Information

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

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

For the three months ended June 30, 2026	DMS	Strategic Investment Group	Adjustment and Eliminations	Total
Reportable segment profit or loss	**$ 5,423,243**	**4,260,930**	**(1,939,884)**	**7,744,289**
For the three months ended June 30, 2025				
Reportable segment profit or loss	**$ 486,887**	**2,564,481**	**(1,320,345)**	**1,731,023**
For the six months ended June 30, 2026				
Reportable segment profit or loss	**$ 7,346,202**	**6,280,359**	**(2,417,414)**	**11,209,147**
For the six months ended June 30, 2025				
Reportable segment profit or loss	**$ 5,905,656**	**4,942,365**	**(2,447,570)**	**8,400,451**
Reportable segment assets:				
June 30, 2026	**$ 574,087,876**	**218,933,374**	**(121,560,724)**	**671,460,526**
December 31, 2025	**$ 525,607,347**	**206,943,919**	**(109,436,087)**	**623,115,179**
June 30, 2025	**$ 505,178,007**	**191,017,166**	**(136,021,325)**	**560,173,848**

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 1: Loans to other parties
(June 30, 2026)

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		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 2)
													Item	Value		
1	ASUSPOWER	PEGATRON	Other Receivables	Y	3,952,185	3,933,228	3,933,228	0.00%	2	-	Business operation	-	-	-	7,087,512	7,087,512
1	ASUSPOWER	ASUSPOWER INVESTMENT	Other Receivables	Y	496,023	493,644	493,644	0.00%	2	-	Business operation	-	-	-	2,126,254	2,835,005
2	PEGA HOLDING	PEGATRON	Other Receivables	Y	27,351,682	27,220,486	27,220,486	0.00%	2	-	Business operation	-	-	-	105,675,104	105,675,104
3	UNIHAN	PEGATRON	Other Receivables	Y	1,891,289	1,882,217	1,882,217	0.00%	2	-	Business operation	-	-	-	6,026,074	6,026,074
4	CASETEK	PEGATRON	Other Receivables	Y	953,645	949,070	949,070	0.00%	2	-	Business operation	-	-	-	4,143,239	4,143,239
5	KTL	PEGATRON	Other Receivables	Y	496,023	493,644	493,644	0.00%	2	-	Business operation	-	-	-	542,785	542,785
6	ASLINK	PEGATRON	Other Receivables	Y	6,352,298	6,321,828	6,321,828	0.00%	2	-	Business operation	-	-	-	14,222,015	14,222,015
7	DIGITEK CHONGQING	KAI-CHUAN	Other Receivables	Y	35,202	35,033	35,033	0.83%	2	-	Financing necessities	-	-	-	6,570,535	6,570,535
8	CASETEK SUZHOU	PROTEK SHANGHAI	Other Receivables	Y	1,402,809	1,402,809	1,402,809	1.20%	2	-	Financing necessities	-	-	-	2,380,536	2,380,536
9	CASETEK CAYMAN	PEGATRON	Long-Term Accounts Receivables	Y	2,560,120	2,547,840	2,547,840	0.00%	2	-	Operational need	-	-	-	58,501,299	58,501,299
10	ASIAROCK	Calrock	Internal Dealings	Y	256,012	254,784	254,784	4.00%	2	-	Financing need	-	-	-	715,444	1,907,851

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 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.

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.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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 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.

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 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 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.

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

Note 4: The amount of transactions with consolidated entities are eliminated for the preparation of consolidated financial statements.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 2: Guarantees and endorsements for other parties
(June 30, 2026)

Expressed in thousands of NTD

Number	Endorser/ Guarantor	Party being endorsed / guaranteed	Relationship (Note 1)	Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum outstanding balance for the year	Outstanding balance for the year (Note 3 and Note 4)	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor	Ceiling on total amount of endorsements/ guarantees provided (Note 2)	Endorsements/ guarantees by parent company to subsidiary	Endorsements/ guarantees by subsidiary to parent company	Endorsements/ guarantees to the party in Mainland China
1	PEL	PMX	(4)	337,515	34,623	-	-	-	- %	843,787	N	N	N
2	ASROCK	ASIAROCK	(2)	8,136,513	2,560,120	2,547,840	2,006,424	-	21.92 %	8,136,513	Y	N	N
2	ASROCK	ASRock Rack	(2)	3,487,077	2,848,134	2,834,472	2,834,472	-	24.39 %	3,487,077	Y	N	N

Note 1: Relationship with the endorser/guarantor:

(1) Having business relationship.

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

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

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

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

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

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

Note 2: Ceiling on total endorsements/guarantees

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

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

Ceiling on endorsements/ guarantees to single party

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

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

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

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

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

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 3: Significant securities held at the reporting date (excluding investment in subsidiaries, associates and joint ventures)
(June 30, 2026)

Expressed in thousands of NTD

Securities held by	Marketable securities		Relationship	General ledger account	As of June 30, 2026				NOTE
	Category	Item			Number of shares	Book value	Percentage of ownership	Fair value	
PEGATRON	Bond	Fubon Life Insurance Co., Ltd. Subordinated Corporate Bonds	-	Non-current financial assets at amortized cost	800	800,000	N/A	800,000	
PEGATRON	Fund	China Renewable Energy Fund, LP (CREF)	-	Non-current financial assets at fair value through profit or loss	-	916,693	N/A	916,693	
PEGATRON	Stock	Taiwan Semiconductor Manufacturing Company Limited	-	Current financial assets at fair value through profit or loss	170,000	409,700	0.00%	409,700	
PEGATRON	Stock	Sysgration Ltd.	-	Non-current financial assets at fair value through profit or loss	22,000,000	1,178,100	9.60%	1,178,100	
ASUS INVESTMENT	Stock	Lightel Corporation	-	Non-current financial assets at fair value through other comprehensive income	1,080,000	475,200	4.35%	475,200	
ASUS INVESTMENT	Fund	AMED Taiwan Dollar Fund	-	Non-current financial assets at fair value through profit or loss	-	503,382	N/A	503,382	
ASUSTEK INVESTMENT	Fund	Noah Green Technology Fund No. 1	-	Non-current financial assets at fair value through profit or loss	-	335,285	N/A	335,285	
Pegapower Investment	Stock	Together Computer, Inc.	-	Non-current financial assets at fair value through profit or loss	96,723	627,260	0.28%	627,260	
Pegatron Investment	Stock	Lambda, Inc.	-	Non-current financial assets at fair value through profit or loss	1,110,525	1,316,627	0.56%	1,316,627	
ASUSPOWER	Stock	TXOne Networks Inc.	-	Non-current financial assets at fair value through profit or loss	2,181,817	432,432	3.17%	432,432	
ASUSPOWER	Stock	CarUX Holding Limited	-	Non-current financial assets at fair value through other comprehensive income	7,218,101	1,800,255	5.02%	1,800,255	
PROTEK SHANGHAI	Stock	Luxshare-ICT Co., Ltd.	-	Current financial assets at fair value through profit or loss	7,255,748	2,298,464	0.10%	2,298,464	
ASLINK	Stock	Luxsan Precision Industry (Kunshan) Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	-	7,803,766	19.00%	7,803,766	
Lumens	Fund	Fuh Hwa Money Market Fund	-	Current financial assets at fair value through profit or loss	79,744,478	1,219,660	N/A	1,219,660	
KINSUS	Fund	Fubon Chi-Hsiang Money Market Fund	-	Current financial assets at fair value through profit or loss	18,222,017	304,353	N/A	304,353	
KINSUS	Fund	Fubon Money Market Fund	-	Current financial assets at fair value through profit or loss	35,518,460	562,208	N/A	562,208	
PEGAVISION	Fund	FSITC Taiwan Money Market Fund	-	Current financial assets at fair value through profit or loss	40,455,150	660,637	N/A	660,637	
PEGAVISION	Fund	Fubon Money Market Fund	-	Current financial assets at fair value through profit or loss	47,170,404	747,004	N/A	747,004	
ASRock Rack	Stock	Together Computer, Inc.	-	Non-current financial assets at fair value through other comprehensive income	48,361	314,197	0.12%	314,197	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 4: Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock
(For the year ended June 30, 2026)

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	PTSI	Subsidiary	Sale	(235,849)	(0.05)%	O/A 90 DAYS	-	-	123,987	0.06 %	
PEGATRON	MAINTEK	Subsidiary	Sale	(9,251,886)	(1.78)%	90 DAYS END OF MONTH	-	-	18,903,080	9.52 %	
PEGATRON	PTT	Subsidiary	Sale	(12,768,401)	(2.46)%	90 DAYS END OF MONTH	-	-	15,786,215	7.95 %	
PEGATRON	MAINTEK	Subsidiary	Purchase	1,355,589	0.19 %	60 DAYS END OF MONTH	-	-	(20,595,237)	(8.23)%	
PEGATRON	DIGITEK CHONGQING	Subsidiary	Purchase	762,718	0.11 %	60 DAYS END OF MONTH	-	-	(44,106,862)	(17.63)%	
PEGATRON	ASRock Rack	Subsidiary	Purchase	2,557,870	0.36 %	O/A 60 DAYS	-	-	(1,236,879)	(0.49)%	
PEGATRON	CASETEK SUZHOU	Subsidiary	Purchase	297,283	0.04 %	60 DAYS END OF MONTH	-	-	(86,996)	(0.03)%	
PEGATRON	AZUREWAVE	Subsidiary	Purchase	119,769	0.02 %	60 DAYS END OF MONTH	-	-	(57,918)	(0.02)%	
PEGATRON	PTM	Subsidiary	Purchase	329,844	0.05 %	60 DAYS END OF MONTH	-	-	(205,103)	(0.08)%	
PEGATRON	PTT	Subsidiary	Purchase	127,251	0.02 %	60 DAYS END OF MONTH	-	-	(128,210)	(0.05)%	
PTSI	PEGATRON	Parent company	Purchase	235,849	51.01 %	O/A 90 DAYS	-	-	(123,987)	(86.62)%	
MAINTEK	PEGATRON	Parent company	Purchase	9,251,886	99.50 %	90 DAYS END OF MONTH	-	-	(18,903,080)	(100.00)%	
PTT	PEGATRON	Parent company	Purchase	12,768,401	99.68 %	90 DAYS END OF MONTH	-	-	(15,786,215)	(99.81)%	
MAINTEK	PEGATRON	Parent company	Sale	(1,355,589)	(68.85)%	60 DAYS END OF MONTH	-	-	20,595,237	81.17 %	
DIGITEK CHONGQING	PEGATRON	Parent company	Sale	(762,718)	(100.00)%	60 DAYS END OF MONTH	-	-	44,106,862	99.99 %	
CASETEK SUZHOU	PEGATRON	Parent company	Sale	(297,283)	(53.92)%	60 DAYS END OF MONTH	-	-	86,996	42.65 %	
PTM	PEGATRON	Parent company	Sale	(329,844)	(25.51)%	60 DAYS END OF MONTH	-	-	205,103	100.00 %	
PTT	PEGATRON	Parent company	Sale	(127,251)	(0.95)%	60 DAYS END OF MONTH	-	-	128,210	2.32 %	
MAINTEK	COTEK SUZHOU	Associate	Sale	(10,682,164)	(30.72)%	90 DAYS END OF MONTH	-	-	5,103,654	20.11 %	
COTEK SUZHOU	MAINTEK	Associate	Purchase	10,682,164	99.88 %	90 DAYS END OF MONTH	-	-	(5,103,654)	(99.70)%	
COTEK SUZHOU	POWTEK SHANGHAI	Associate	Sale	(10,109,029)	(93.02)%	90 DAYS END OF MONTH	-	-	7,168,775	93.79 %	
POWTEK SHANGHAI	COTEK SUZHOU	Associate	Purchase	10,109,029	100.00 %	90 DAYS END OF MONTH	-	-	(7,168,775)	(100.00)%	
CASETEK SUZHOU	MAINTEK	Associate	Sale	(105,701)	(19.25)%	60 DAYS END OF MONTH	-	-	53,918	26.43 %	
MAINTEK	CASETEK SUZHOU	Associate	Purchase and processing fee	105,701	0.33 %	60 DAYS END OF MONTH	-	-	(53,918)	(0.29)%	
KINSUS	KINSUS SUZHOU	Subsidiary	Purchase	2,738,290	29.93 %	60 DAYS END OF MONTH	Incomparable due to different product specification	30~90 DAYS END OF MONTH for other vendors	(1,168,007)	(27.80)%	
KINSUS SUZHOU	KINSUS	Parent company	Sale	(2,738,290)	(99.89)%	60 DAYS END OF MONTH	Incomparable due to different product specification	No other comparable non-related party	1,168,007	100.00 %	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship	Purchases (sales)	Amount	Percentage of total	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note
PEGAVISION	PEGAVISION JAPAN	Subsidiary	Sale	(2,155,010)	(61.99)%	90 DAYS END OF MONTH	Same as other clients	TT to 90 DAYS END OF MONTH	554,926	55.76 %	
PEGAVISION JAPAN	PEGAVISION	Parent company	Purchase	2,155,010	100.00 %	90 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(554,926)	(100.00)%	
PEGAVISION	BeautyTech	Subsidiary	Sale	(188,463)	(5.42)%	Within 120 DAYS END OF MONTH	Same as other clients	TT to 90 DAYS END OF MONTH	135,355	13.60 %	
BeautyTech	PEGAVISION	Parent company	Purchase	188,463	71.14 %	Within 120 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(135,355)	(65.38)%	
ASROCK	ASIAROCK	Subsidiary	Purchase	4,447,198	90.61 %	90 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(1,038,000)	(79.62)%	
ASROCK	ASRock Europe	Subsidiary	Sale	(1,152,385)	(18.39)%	45 DAYS END OF MONTH	Same as other clients	Same as other clients	200,071	7.01 %	
ASROCK	ASRock America	Subsidiary	Sale	(2,571,617)	(41.04)%	90 DAYS END OF MONTH	Same as other clients	Same as other clients	2,164,102	75.84 %	
ASRock Rack	ASIAROCK	Associate	Purchase	1,300,246	7.66 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(824,940)	(13.35)%	
ASRock Rack	ASRock America	Associate	Sale	(441,236)	(2.81)%	90 DAYS END OF MONTH	Same as other clients	Same as other clients	186,424	5.21 %	
ASRock Rack	ASRock Europe	Associate	Sale	(191,092)	(1.22)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	991	0.03 %	
ASRock Rack	PEGATRON	Parent company	Sale	(2,557,870)	(16.37)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	1,236,879	35.67 %	
ASRock Industrial	ASIAROCK	Associate	Purchase	269,637	17.36 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(157,346)	(19.73)%	
ASIAROCK	ASROCK	Parent company	Sale	(4,447,198)	(74.39)%	90 DAYS END OF MONTH	Same as other clients	Same as other clients	1,038,000	51.37 %	
ASIAROCK	ASRock Rack	Associate	Sale	(1,300,246)	(21.75)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	824,940	40.83 %	
ASIAROCK	ASRock Industrial	Associate	Sale	(269,637)	(4.51)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	157,346	7.79 %	
ASRock America	ASROCK	Parent company	Purchase	2,571,617	81.84 %	90 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(2,164,102)	(90.57)%	
ASRock America	ASRock Rack	Associate	Purchase	441,236	14.04 %	90 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(186,424)	(7.80)%	
ASRock America	ASRock Industrial	Associate	Purchase	129,423	4.12 %	90 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(38,939)	(1.63)%	
ASRock Europe	ASROCK	Parent company	Purchase	1,152,385	79.08 %	45 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(200,071)	(99.51)%	
ASRock Europe	ASRock Rack	Associate	Purchase	191,092	13.11 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	(991)	(0.49)%	
ASRock Europe	ASRock Industrial	Associate	Purchase	113,700	7.80 %	60 DAYS END OF MONTH	No other comparable vendors	No other comparable vendors	-	- %	
ASRock Industrial	ASRock Europe	Associate	Sale	(113,700)	(6.47)%	60 DAYS END OF MONTH	Same as other clients	Same as other clients	-	- %	
ASRock Industrial	ASRock America	Associate	Sale	(129,423)	(7.36)%	90 DAYS END OF MONTH	Same as other clients	Same as other clients	38,939	13.04 %	
AZUREWAVE	Azurewave Shanghai	Subsidiary	Purchase	4,106,226	41.47 %	30~365 DAYS	Same as non-related party	Longer than non-related party	(1,855,120)	(28.10)%	
AZUREWAVE	Azurewave(VN)	Subsidiary	Purchase	1,125,961	11.37 %	30~365 DAYS	Same as non-related party	Longer than non-related party	94,556	- %	Prepayments
Azurewave Shanghai	AZUREWAVE	Parent company	Sale	(4,106,226)	(85.86)%	30~365 DAYS	Same as non-related party	Longer than non-related party	1,855,120	49.65 %	
Azurewave(VN)	AZUREWAVE	Parent company	Sale	(1,125,961)	(97.63)%	30~365 DAYS	Same as non-related party	Longer than non-related party	(94,556)	- %	Unearned sales revenue
AZUREWAVE	PEGATRON	Parent company	Sale	(119,769)	(2.58)%	60~90 DAYS	Same as non-related party	Same as non-related party	57,918	1.28 %	

Note: The amount of transactions with consolidated entities are eliminated for the preparation of consolidated financial statements.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 5: Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock
(June 30, 2026)

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	DIGITEK CHONGQING	Subsidiary	45,475,705	2.10 Times	-	-	1,592,385	-
PEGATRON	MAINTEK	Subsidiary	18,903,080	3.53 Times	-	-	4,081,669	-
PEGATRON	PTB	Subsidiary	20,694,130	2.78 Times	-	-	-	-
PEGATRON	TEPS	Associate	11,393,443	10.50 Times	-	-	7,923,319	1,790
PEGATRON	PVN	Subsidiary	45,588,319	2.21 Times	-	-	-	-
PEGATRON	PTT	Subsidiary	15,786,215	1.97 Times	-	-	-	-
PEGATRON	PTSI	Subsidiary	123,987	4.58 Times	-	-	-	-
PEGATRON	PTM	Subsidiary	987,250	1.99 Times	-	-	-	-
PEGATRON	ASRock Rack	Subsidiary	144,764	7.26 Times	-	-	140,874	-
DIGITEK CHONGQING	PEGATRON	Parent company	44,106,862	2.22 Times	-	-	1,592,405	-
PTB	PEGATRON	Parent company	13,345,691	3.63 Times	-	-	-	-
TEPS	PEGATRON	Associate	8,116,991	10.80 Times	-	-	6,312,357	-
PVN	PEGATRON	Parent company	20,352,102	3.92 Times	-	-	-	-
MAINTEK	PEGATRON	Parent company	20,595,237	2.39 Times	-	-	2,920,588	-
PTT	PEGATRON	Parent company	128,210	3.97 Times	-	-	-	-
PTM	PEGATRON	Parent company	205,103	7.21 Times	-	-	-	-
MAINTEK	COTEK SUZHOU	Associate	5,103,654	4.13 Times	-	-	-	-
COTEK SUZHOU	POWTEK SHANGHAI	Associate	7,168,775	2.90 Times	-	-	-	-
KINSUS SUZHOU	KINSUS	Parent company	1,168,007	5.26 Times	-	-	-	-
PEGAVISION	PEGAVISION JAPAN	Subsidiary	554,926	6.59 Times	-	-	356,503	-
PEGAVISION	BeautyTech	Subsidiary	135,355	2.65 Times	-	-	38,220	-
ASROCK	ASRock Europe	Subsidiary	200,071	10.27 Times	-	-	14,298	-
ASROCK	ASRock America	Subsidiary	2,164,102	2.16 Times	-	-	233,466	-
ASIAROCK	ASROCK	Parent company	1,038,000	4.24 Times	-	-	16,630	-
ASIAROCK	ASRock Rack	Associate	824,940	3.26 Times	-	-	3,428	-
ASIAROCK	ASRock Industrial	Associate	157,346	3.70 Times	-	-	1,655	-
ASRock Rack	ASRock America	Associate	186,424	5.34 Times	-	-	-	-
ASRock Rack	PEGATRON	Parent company	1,236,879	6.57 Times	95,574	Subsequent Collection	95,201	12,754
Azurewave Shanghai	AZUREWAVE	Parent company	1,855,120	4.38 Times	-	-	-	-
ASUSPOWER	PEGATRON	Parent company	3,933,228	N/A (Note 1)	-	-	-	-
ASUSPOWER	ASUSPOWER INVESTMENT	Parent company	493,644	N/A (Note 1)	-	-	-	-

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Expressed in thousands of NTD

Creditor	Counterparty	Relationship	Balance of Receivables	Turnover rate	Overdue Receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
PEGA HOLDING	PEGATRON	Parent company	27,220,486	N/A (Note 1)	-	-	-	-
UNIHAN	PEGATRON	Parent company	1,882,217	N/A (Note 1)	-	-	-	-
CASETEK	PEGATRON	Parent company	949,070	N/A (Note 1)	-	-	-	-
KTL	PEGATRON	Parent company	493,644	N/A (Note 1)	-	-	-	-
ASLINK	PEGATRON	Parent company	6,321,828	N/A (Note 1)	-	-	-	-
CASETEK SUZHOU	PROTEK SHANGHAI	Associate	1,402,809	N/A (Note 1)	-	-	-	-
CASETEK CAYMAN	PEGATRON	Parent company	2,547,840	N/A (Note 1)	-	-	-	-
ASIAROCK	Calrock	Associate	254,784	N/A (Note 1)	-	-	-	-

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

Note 2: The amount of transactions with consolidated entities are eliminated for the preparation of consolidated financial statements.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 6: Business relationships and significant inter-company transactions between the parent company and subsidiaries and among the subsidiaries
（June 30, 2026）

Expressed in thousands of NTD

No.	Company name	Counterparty	Relationship (Note 1)	Transaction			
				General ledger account	Amount	Transaction terms (Note 2)	Percentage of consolidated total operating revenues or total assets
1	PEGATRON	PTB	1	Accounts Receivables	20,694,130	-	3.08%
1	PEGATRON	PTM	1	Accounts Receivables	987,250	-	0.15%
1	PEGATRON	PTT	1	Sales	12,768,401	-	2.46%
1	PEGATRON	PTT	1	Accounts Receivables	15,786,215	-	2.35%
1	PEGATRON	PVN	1	Accounts Receivables	45,588,319	-	6.79%
1	PEGATRON	MAINTEK	1	Sales	9,251,886	-	1.78%
1	PEGATRON	MAINTEK	1	Accounts Receivables	18,903,080	-	2.82%
1	PEGATRON	DIGITEK CHONGQING	1	Accounts Receivables	45,475,705	-	6.77%
1	PEGATRON	PTSI	1	Sales	235,849	-	0.05%
1	PEGATRON	PTSI	1	Accounts Receivables	123,987	-	0.02%
1	PEGATRON	ASRock Rack	1	Accounts Receivables	144,764	-	0.02%
2	PTB	PEGATRON	2	Accounts Receivables	13,345,691	-	1.99%
3	PTM	PEGATRON	2	Sales	329,844	-	0.06%
3	PTM	PEGATRON	2	Accounts Receivables	205,103	-	0.03%
4	PVN	PEGATRON	2	Accounts Receivables	20,352,102	-	3.03%
5	PTT	PEGATRON	2	Sales	127,251	-	0.02%
5	PTT	PEGATRON	2	Accounts Receivables	128,210	-	0.02%
6	MAINTEK	PEGATRON	2	Sales	1,355,589	-	0.26%
6	MAINTEK	PEGATRON	2	Accounts Receivables	20,595,237	-	3.07%
6	MAINTEK	COTEK SUZHOU	3	Sales	10,682,164	-	2.06%
6	MAINTEK	COTEK SUZHOU	3	Accounts Receivables	5,103,654	-	0.76%
7	COTEK SUZHOU	POWTEK SHANGHAI	3	Sales	10,109,029	-	1.95%
7	COTEK SUZHOU	POWTEK SHANGHAI	3	Accounts Receivables	7,168,775	-	1.07%
8	DIGITEK CHONGQING	PEGATRON	2	Sales	762,718	-	0.15%
8	DIGITEK CHONGQING	PEGATRON	2	Accounts Receivables	44,106,862	-	6.57%
9	CASETEK SUZHOU	PEGATRON	2	Sales	297,283	-	0.06%
9	CASETEK SUZHOU	MAINTEK	3	Sales	105,701	-	0.02%

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

No.	Company name	Counterparty	Relationship (Note 1)	Transaction			
				General ledger account	Amount	Transaction terms (Note 2)	Percentage of consolidated total operating revenues or total assets
9	CASETEK SUZHOU	PROTEK SHANGHAI	3	Other Receivables	1,402,809	-	0.21%
10	ASLINK	PEGATRON	2	Other Receivables	6,321,828	-	0.94%
11	ASUSPOWER	PEGATRON	2	Other Receivables	3,933,228	-	0.59%
11	ASUSPOWER	ASUSPOWER INVESTMENT	2	Other Receivables	493,644	-	0.07%
12	PEGA HOLDING	PEGATRON	2	Other Receivables	27,220,486	-	4.05%
13	UNIHAN	PEGATRON	2	Other Receivables	1,882,217	-	0.28%
14	CASETEK	PEGATRON	2	Other Receivables	949,070	-	0.14%
15	CASETEK CAYMAN	PEGATRON	2	Long-Term Accounts Receivables	2,547,840	-	0.38%
16	KTL	PEGATRON	2	Other Receivables	493,644	-	0.07%
17	KINSUS SUZHOU	KINSUS	2	Sales	2,738,290	-	0.53%
17	KINSUS SUZHOU	KINSUS	2	Accounts Receivables	1,168,007	-	0.17%
18	PEGAVISION	PEGAVISION JAPAN	1	Sales	2,155,010	-	0.42%
18	PEGAVISION	PEGAVISION JAPAN	1	Accounts Receivables	554,926	-	0.08%
18	PEGAVISION	BeautyTech	1	Sales	188,463	-	0.04%
18	PEGAVISION	BeautyTech	1	Accounts Receivables	135,355	-	0.02%
19	ASROCK	ASRock Europe	1	Sales	1,152,385	-	0.22%
19	ASROCK	ASRock Europe	1	Accounts Receivables	200,071	-	0.03%
19	ASROCK	ASRock America	1	Sales	2,571,617	-	0.50%
19	ASROCK	ASRock America	1	Accounts Receivables	2,164,102	-	0.32%
20	ASIAROCK	ASROCK	2	Sales	4,447,198	-	0.86%
20	ASIAROCK	ASROCK	2	Accounts Receivables	1,038,000	-	0.15%
20	ASIAROCK	ASRock Rack	3	Sales	1,300,246	-	0.25%
20	ASIAROCK	ASRock Rack	3	Accounts Receivables	824,940	-	0.12%
20	ASIAROCK	ASRock Industrial	3	Sales	269,637	-	0.05%
20	ASIAROCK	ASRock Industrial	3	Accounts Receivables	157,346	-	0.02%
20	ASIAROCK	Calrock	3	Internal Dealings	254,784	-	0.04%
21	ASRock Rack	ASRock America	3	Sales	441,236	-	0.09%
21	ASRock Rack	ASRock America	3	Accounts Receivables	186,424	-	0.03%
21	ASRock Rack	ASRock Europe	3	Sales	191,092	-	0.04%
21	ASRock Rack	PEGATRON	2	Sales	2,557,870	-	0.49%

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

No.	Company name	Counterparty	Relationship (Note 1)	Transaction			
				General ledger account	Amount	Transaction terms (Note 2)	Percentage of consolidated total operating revenues or total assets
21	ASRock Rack	PEGATRON	2	Accounts Receivables	1,236,879	-	0.18%
22	ASRock Industrial	ASRock Europe	3	Sales	113,700	-	0.02%
22	ASRock Industrial	ASRock America	3	Sales	129,423	-	0.02%
23	AZUREWAVE	PEGATRON	2	Sales	119,769	-	0.02%
24	Azurewave(VN)	AZUREWAVE	2	Sales	1,125,961	-	0.22%
25	Azurewave Shanghai	AZUREWAVE	2	Sales	4,106,226	-	0.79%
25	Azurewave Shanghai	AZUREWAVE	2	Accounts Receivables	1,855,120	-	0.28%

Note 1: The transaction relationships with the counterparties are as follows:

(1) The Company to the consolidated subsidiary.

(2) The consolidated subsidiary to the Company.

(3) The consolidated subsidiary to another consolidated subsidiary.

Note 2: The terms of transactions and receipts of sales between the parent company and the subsidiary are not significantly different from those of ordinary sales, and the terms of these transactions are determined by mutual agreement.

Note 3: All the transactions which amount is lower than materiality will not be disclosed.

Note 4: The amount of transactions with consolidated entities are eliminated for the preparation of consolidated financial statements.

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 7: Information on investees (excluding investees in Mainland China)
(June 30, 2026)

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount		Ending balance			Net profit (loss) of the investee	Investment income (loss)	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book value			
PEGATRON	ASUSPOWER INVESTMENT	Taiwan	Investing activities	16,730,429	15,133,429	1,302,544,700	100.00 %	16,056,390	735,319	735,319	
PEGATRON	ASUS INVESTMENT	Taiwan	Investing activities	17,913,982	16,184,982	1,152,154,600	100.00 %	18,614,926	689,059	689,059	
PEGATRON	ASUSTEK INVESTMENT	Taiwan	Investing activities	16,267,543	14,593,543	1,118,678,300	100.00 %	11,703,076	367,874	367,874	
PEGATRON	HUA-YUAN	Taiwan	Investing activities	547,473	547,473	50,000,000	100.00 %	554,794	2,399	2,399	
PEGATRON	Pegapower Investment	Taiwan	Investing activities	2,500,000	2,500,000	250,000,000	100.00 %	2,468,665	(13,599)	(13,599)	
PEGATRON	Pegatron Investment	Taiwan	Investing activities	2,500,000	2,500,000	250,000,000	100.00 %	2,812,632	352,661	352,661	
PEGATRON	UNIHAN	Cayman Islands	Investing activities	5,823,962	5,823,962	170,110,010	100.00 %	6,026,074	(158,293)	(158,211)	
PEGATRON	AMA	Taiwan	Designing and developing computer parts	408,394	408,394	33,500,000	100.00 %	450,477	(573)	(573)	
PEGATRON	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	23.08 %	836,844	278,470	64,235	
PEGATRON	PEGA HOLDING	Cayman Islands	Investing activities	32,747,666	34,318,691	941,906,463	100.00 %	105,978,394	1,980,363	1,987,189	Note 1
PEGATRON	PUSA	USA	Sales and repair service center in North America	97,810	97,810	300,000	100.00 %	101,186	3,461	3,461	
PEGATRON	PHH	Netherlands	Investing activities	1,278,287	1,278,287	-	100.00 %	3,963,575	63,775	63,775	
PEGATRON	PAU	Australia	Sales and repair service center in Australia	139,088	139,088	6,000,000	100.00 %	425,268	11,024	11,024	
PEGATRON	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 %	3,621,871	(228,074)	(12,433)	
PEGATRON	PHP	Vietnam	equipment, manufacturing	429,459	429,459	-	100.00 %	321,292	(1,169)	(1,169)	
PEGATRON	PVN	Vietnam	wired and wireless	4,314,741	4,314,741	-	60.00 %	5,240,566	770,575	503,854	
PEGATRON	CASETEK CAYMAN	Cayman Islands	communication equipment,	14,717,122	14,717,122	1	100.00 %	58,501,299	1,650,064	1,650,064	
PEGATRON	PELI	India	installing and selling of	749,451	574,594	199,980,000	99.99 %	482,114	(98,583)	(98,573)	
PEGATRON	PTT	USA	computer equipment and	144,033	144,033	500	100.00 %	(3,296,263)	(1,524,208)	(1,524,208)	
PEGATRON	PEL	USA	electronic components	1,498,950	1,498,950	5,000	100.00 %	1,687,574	23,923	23,923	
PEGATRON	TEPS	India	Manufacturing and selling consumer electronics	4,287,623	4,287,623	1,099,890,000	39.99 %	2,825,518	(2,420,605)	(964,800)	
PEGATRON	PMX	Mexico	Manufacture of consumer electronics and electronic parts	1,903,919	1,683,664	130,969,560	31.08 %	2,446,314	519,607	131,560	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Investee	Location	Main business activities	Initial investment amount		Ending balance			Net profit (loss) of the investee	Investment income (loss)	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book value			
PEGATRON	PTM	Malaysia	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	277,401	277,401	41,052,000	100.00 %	143,415	24,485	24,504	
ASUSPOWER INVESTMENT	KINSUS	Taiwan	Manufacturing electronic parts, whole selling and retailing of electronic components, as well as providing business management consultant service	1,653,058	727,473	61,939,567	11.76 %	5,216,551	1,859,785	Not required to disclose	
ASUSPOWER INVESTMENT	ASROCK	Taiwan	Selling motherboards, related product development and design	82,626	82,626	2,791,000	2.26 %	260,280	876,501	Not required to disclose	
ASUSPOWER INVESTMENT	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 %	163,857	278,470	Not required to disclose	
ASUSPOWER INVESTMENT	Lumens	Taiwan	Researching, developing, manufacturing and selling computer data projectors and related peripherals	508,932	508,932	10,043,490	48.49 %	1,087,497	65,709	Not required to disclose	
ASUSPOWER INVESTMENT	PEGAVISION	Taiwan	Manufacturing medical appliances	347,450	347,450	6,372,796	8.30 %	953,143	1,016,521	Not required to disclose	
ASUSPOWER INVESTMENT	ASUSPOWER	BVI	Investing activities	3,752,682	3,752,682	109,000,000	31.23 %	2,213,430	(1,954)	Not required to disclose	
ASUSPOWER INVESTMENT	PTSI	USA	Sales and repair service center in North America	2,188,802	2,188,802	7,350	100.00 %	3,782,768	86,286	Not required to disclose	
ASUSPOWER INVESTMENT	WISE INVESTMENT	Taiwan	Investing activities	48,780	48,780	-	48.78 %	273,638	(68,406)	Not required to disclose	
ASUSPOWER INVESTMENT	PEGA INTERNATIONAL	Taiwan	Design service and sales	31,885	31,885	-	100.00 %	22,012	(137)	Not required to disclose	
ASUSPOWER INVESTMENT	PJ	Japan	Sales and repair service center in Japan	27,287	27,287	1,632	100.00 %	509,899	37,671	Not required to disclose	
ASUSPOWER INVESTMENT	PMX	Mexico	Manufacture of consumer electronics and electronic parts	738,554	738,554	41,823,858	9.92 %	781,207	519,607	Not required to disclose	
ASUSPOWER INVESTMENT	PSG	Singapore	Sales and repair service center in Singapore	23,990	23,990	1,000,000	100.00 %	235,434	(4,879)	Not required to disclose	
ASUSPOWER INVESTMENT	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 %	85	(228,074)	Not required to disclose	
ASUSPOWER INVESTMENT	TEPS	India	Manufacturing and selling consumer electronics	429	429	110,000	0.01 %	344	(2,420,605)	Not required to disclose	
ASUSPOWER INVESTMENT	PELI	India	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	75	57	20,000	0.01 %	48	(98,583)	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	1,939,858	938,098	67,037,104	12.72 %	5,645,894	1,859,785	Not required to disclose	
ASUS INVESTMENT	ASROCK	Taiwan	Selling motherboards, related product development and design	155,718	155,718	57,217,754	46.32 %	5,335,903	876,501	Not required to disclose	
ASUS INVESTMENT	Lumens	Taiwan	Researching, developing, manufacturing and selling computer data projectors and related peripherals	7,338	7,338	587,079	2.83 %	63,567	65,709	Not required to disclose	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Investee	Location	Main business activities	Initial investment amount		Ending balance			Net profit (loss) of the investee	Investment income (loss)	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book value			
ASUS INVESTMENT	ASUSPOWER	BVI	Investing activities	3,488,741	3,488,741	103,000,000	29.51 %	2,091,525	(1,954)	Not required to disclose	
ASUS INVESTMENT	AS FLY	Taiwan	Travel agency	6,000	6,000	-	100.00 %	19,778	2,384	Not required to disclose	
ASUS INVESTMENT	PMX	Mexico	Manufacture of consumer electronics and electronic parts	1,114,671	1,114,671	61,495,967	14.59 %	1,148,647	519,607	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	1,764,435	794,252	64,924,007	12.32 %	5,467,899	1,859,785	Not required to disclose	
ASUSTEK INVESTMENT	ASROCK	Taiwan	Selling motherboards, related product development and design	223,939	223,939	7,453,405	6.03 %	695,078	876,501	Not required to disclose	
ASUSTEK INVESTMENT	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 %	156,764	278,470	Not required to disclose	
ASUSTEK INVESTMENT	Lumens	Taiwan	Researching, developing, manufacturing and selling computer data projectors and related peripherals	5,117	5,117	409,427	1.98 %	44,332	65,709	Not required to disclose	
ASUSTEK INVESTMENT	PEGAVISION	Taiwan	Manufacturing medical appliances	64,292	64,292	4,934,434	6.43 %	738,011	1,016,521	Not required to disclose	
ASUSTEK INVESTMENT	ASUSPOWER	BVI	Investing activities	4,652,885	4,652,885	137,000,000	39.26 %	2,782,557	(1,954)	Not required to disclose	
ASUSTEK INVESTMENT	Dynaflex	Cayman Islands	Investing activities	284,574	284,574	5,074,182	18.03 %	286,645	(18,474)	Not required to disclose	
Pegapower Investment	Pegatron Venture	Taiwan	Investing activities	750,000	750,000	75,000,000	50.00 %	746,363	(12,070)	Not required to disclose	
Pegapower Investment	Zhuhe	Taiwan	Investing activities	90,000	90,000	9,000,000	45.00 %	86,562	(1,954)	Not required to disclose	
Pegapower Investment	UNILEAP	Taiwan	Manufacturing electronic parts	72,000	-	7,200,000	60.00 %	69,950	(3,417)	Not required to disclose	
Pegatron Investment	Pegatron Venture	Taiwan	Investing activities	750,000	750,000	75,000,000	50.00 %	746,363	(12,070)	Not required to disclose	
Pegatron Investment	AzureMoto	Taiwan	Research, design, and sale of power semiconductor devices and modules	414,405	216,000	34,827,000	91.65 %	190,027	(89,715)	Not required to disclose	
Pegatron Investment	BluVion	Taiwan	Manufacturing electronic parts	120,000	-	12,000,000	40.00 %	119,929	(177)	Not required to disclose	
Pegatron Venture	PEGABella	Taiwan	Electrical appliance wholesale and retail	30,000	30,000	3,000,000	100.00 %	29,567	(358)	Not required to disclose	
ASUSPOWER	Dynaflex	Cayman Islands	Investing activities	286,651	286,651	2,333,727	8.29 %	288,601	(18,474)	Not required to disclose	
UNIHAN	CASETEK	BVI	Investing activities	5,229,750	5,229,750	115,375,668	100.00 %	4,143,239	(158,480)	Not required to disclose	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Investee	Location	Main business activities	Initial investment amount		Ending balance			Net profit (loss) of the investee	Investment income (loss)	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book value			
CASETEK	SLITEK	Samoa	Investing activities	-	38,019	-	- %	-	122	Not required to disclose	Note 2
CASETEK	KHL	Hong Kong	Investing activities	3,185	3,185	25,000,000	100.00 %	14,595	139	Not required to disclose	
CASETEK	KTL	Samoa	Investing activities	159,240	159,240	5,000,000	100.00 %	542,785	870	Not required to disclose	
PEGA HOLDING	MAGNIFICENT	BVI	Investing activities	8,292,609	8,292,609	177,961,090	100.00 %	29,623,286	829,499	Not required to disclose	
PEGA HOLDING	PROTEK	BVI	Investing activities	7,942,844	9,407,251	258,100,000	100.00 %	20,526,477	381,368	Not required to disclose	Note 1
PEGA HOLDING	ASLINK	Cayman Islands	Investing activities	7,172,384	7,172,384	229,711,968	100.00 %	14,222,015	405,917	Not required to disclose	
PEGA HOLDING	DIGITEK	BVI	Investing activities	1,562,097	1,562,097	49,050,000	100.00 %	6,921,795	317,969	Not required to disclose	
PEGA HOLDING	COTEK	BVI	Investing activities	2,197,990	2,197,990	81,275,000	100.00 %	2,886,870	35,026	Not required to disclose	
PEGA HOLDING	POWTEK	BVI	Investing activities	418,658	418,658	8,050,000	100.00 %	1,253,529	36,003	Not required to disclose	
PEGA HOLDING	PIOTEK CAYMAN	Cayman Islands	Investing activities	2,938,726	2,938,726	92,000,000	49.00 %	270,188	(41,408)	Not required to disclose	
PEGA HOLDING	GUT	Samoa	Investing activities	42,238	42,238	5,000,000	100.00 %	5,341	28	Not required to disclose	
PHH	PCZ	Czech Republic	Installing, repairing and selling electronic products	1,062,497	1,062,497	-	100.00 %	3,474,544	60,351	Not required to disclose	
PSG	PKR	South Korea	Sales and repair service center in Korea	47,772	47,772	360,000	100.00 %	104,969	(7,708)	Not required to disclose	
PTSI	PCBR	Brazil	Maintenance service	20,701	20,701	-	100.00 %	1,216	(814)	Not required to disclose	
PTSI	PTX	USA	Researching, designing, manufacturing and maintenance of information, communication and consumer electronics products	2,707,080	2,707,080	-	100.00 %	2,646,450	(63,969)	Not required to disclose	
CASETEK CAYMAN	RIH LI	Samoa	Investing activities	24,412,641	24,412,641	581,331,000	100.00 %	47,400,156	1,077,890	Not required to disclose	
CASETEK CAYMAN	RI-KUAN	Taiwan	Selling iron and aluminum products	321,080	321,080	30,000,000	100.00 %	616,806	1,521	Not required to disclose	
CASETEK CAYMAN	MEGA	Samoa	Trading activities	31,848	31,848	1,000,000	100.00 %	73,971	1,903	Not required to disclose	
CASETEK CAYMAN	PMX	Mexico	Manufacture of consumer electronics and electronic parts	3,184,800	3,184,800	187,165,760	44.41 %	3,495,969	519,607	Not required to disclose	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Investee	Location	Main business activities	Initial investment amount		Ending balance			Net profit (loss) of the investee	Investment income (loss)	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book value			
CASETEK CAYMAN	PVN	Vietnam	Manufacturing and selling consumer electronics, computers, related peripherals, communication equipment, and electronic parts	3,184,800	3,184,800	-	40.00 %	3,473,119	770,575	Not required to disclose	
RI-KUAN	RITENG	USA	Market survey	7,325	7,325	230,000	100.00 %	7,713	11	Not required to disclose	
Lumens	Lumens	USA	Selling computer communication products and peripherals	38,568	38,568	1,222,000	100.00 %	46,829	15,519	Not required to disclose	
Lumens	Lumens SAMOA	Samoa	Investing activities	7,962	7,962	250,000	100.00 %	43,268	(2,502)	Not required to disclose	
KINSUS	KINSUS USA	USA	Designing substrates, formulating marketing strategy analysis, developing new customers, researching and developing new product technology	15,924	15,924	500,000	100.00 %	92,697	(6,999)	Not required to disclose	
KINSUS	KINSUS SAMOA	Samoa	Investing activities	3,479,076	3,479,076	109,239,940	100.00 %	2,549,739	102,728	Not required to disclose	
KINSUS	KINSUS INVESTMENT	Taiwan	Investing activities	1,600,000	1,600,000	172,000,000	100.00 %	3,401,602	279,817	Not required to disclose	
KINSUS	PEGAVISION	Taiwan	Manufacturing medical appliances	564,210	564,210	1,820,034	2.37 %	273,959	1,016,521	Not required to disclose	
KINSUS	BluVion	Taiwan	Manufacturing electronic parts	90,000	-	9,000,000	30.00 %	89,947	(177)	Not required to disclose	
KINSUS INVESTMENT	PEGAVISION	Taiwan	Manufacturing medical appliances	252,455	252,455	21,233,736	27.65 %	3,196,189	1,016,521	Not required to disclose	
KINSUS INVESTMENT	Zhuhe	Taiwan	Investing activities	30,000	30,000	3,000,000	15.00 %	28,854	(1,954)	Not required to disclose	
KINSUS SAMOA	KINSUS CAYMAN	Cayman Islands	Investing activities	2,229,360	2,229,360	70,000,000	100.00 %	2,266,240	123,846	Not required to disclose	
KINSUS SAMOA	PIOTEK CAYMAN	Cayman Islands	Investing activities	1,295,768	1,295,768	40,686,220	51.00 %	285,677	(41,408)	Not required to disclose	
PIOTEK CAYMAN	PIOTEK	BVI	Investing activities	1,014,773	1,014,773	31,862,790	100.00 %	560,174	(41,408)	Not required to disclose	
PEGAVISION	PEGAVISION JAPAN	Japan	Selling medical appliances	1,948	1,948	198	100.00 %	239,390	32,864	Not required to disclose	
PEGAVISION	Mayin	Taiwan	Investing activities	246,003	246,003	44,380,875	100.00 %	805,272	64,035	Not required to disclose	
PEGAVISION	PEGAVISION VIETNAM	Vietnam	Manufacturing and selling medical appliances	1,035,983	941,333	-	100.00 %	975,197	(7,276)	Not required to disclose	
PEGAVISION	Zhuhe	Taiwan	Investing activities	20,000	20,000	2,000,000	10.00 %	19,236	(1,954)	Not required to disclose	
PEGAVISION	PEGAVISION NL	Netherlands	Selling medical appliances	41,762	41,762	-	100.00 %	28,816	(6,159)	Not required to disclose	
Mayin	BeautyTech	Taiwan	Selling medical appliances and cosmetics	107,500	107,500	8,500,000	85.00 %	500,429	77,242	Not required to disclose	
Mayin	FacialBeau	Taiwan	Selling medical appliances and cosmetics	27,500	27,500	2,750,000	55.00 %	20,553	(3,788)	Not required to disclose	
BeautyTech	FORIMART	Taiwan	Selling medical appliances and cosmetics	65,000	65,000	6,500,000	100.00 %	65,764	612	Not required to disclose	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Investee	Location	Main business activities	Initial investment amount		Ending balance			Net profit (loss) of the investee	Investment income (loss)	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book value			
BeautyTech	BTP VN	Vietnam	Selling medical appliances and cosmetics	6,923	6,923	-	70.00 %	3,728	(150)	Not required to disclose	
FacialBeau	Aquamax	USA	Selling medical appliances and cosmetics	35,033	35,033	11,000,000	100.00 %	6,450	(73)	Not required to disclose	
FacialBeau	RODNA	South Korea	Selling medical appliances and cosmetics	2,063	2,063	100,000	100.00 %	1,642	(66)	Not required to disclose	
FacialBeau	IKIDO	Japan	Selling medical appliances and cosmetics	1,948	1,948	198	100.00 %	1,740	(66)	Not required to disclose	
ASROCK	Zhuhe	Taiwan	Investing activities	20,000	20,000	2,000,000	10.00 %	20,000	(1,954)	Not required to disclose	
ASROCK	ASRock Rack	Taiwan	Manufacturing and selling computer and related peripherals	393,618	393,618	33,163,596	46.25 %	2,509,506	1,224,925	Not required to disclose	
ASROCK	ASIAROCK	BVI	Investing and holding activities	1,516,246	1,516,246	46,020,016	100.00 %	4,364,732	248,118	Not required to disclose	
ASROCK	ASRock Industrial	Taiwan	Manufacturing and selling computer and related peripherals	224,673	224,673	35,780,196	55.99 %	638,208	267,031	Not required to disclose	
ASROCK	ASJade	Taiwan	Information software service	384,134	384,134	30,730,714	83.06 %	149,980	(28,205)	Not required to disclose	
ASROCK	Soaring	Hong Kong	International trading activities	592	592	150,000	100.00 %	620	-	Not required to disclose	
ASROCK	ASRock VG	USA	Investing and holding activities	1,375,641	1,375,641	4,345	100.00 %	1,437,886	(19,385)	Not required to disclose	
ASRock Industrial	ASEA	Malaysia	Sales service center in Asia Pacific	6,838	6,838	1,000,000	100.00 %	2,605	(1,024)	Not required to disclose	
ASRock Industrial	ASRock Gmbh	Germany	Sales service center in Europe	3,512	3,512	100,000	100.00 %	1,106	(12)	Not required to disclose	
ASRock Rack	ASRock USA	USA	Sales service center in America	97	97	-	100.00 %	75	(6)	Not required to disclose	
ASIAROCK	ASRock Europe	Netherlands	Data storage and sale of electronic material and international trading activities	5,820	5,820	200,000	100.00 %	827,067	(19,578)	Not required to disclose	
ASIAROCK	Orbweb	BVI	Computer equipment installation and peripheral equipment wholesale and service	29,900	29,900	4,000,000	18.76 %	-	(7,383)	Not required to disclose	
ASRock VG	Calrock	USA	Office building leasing	953,760	953,760	30,000,000	100.00 %	927,939	(4,551)	Not required to disclose	
ASRock VG	ASRock America	USA	Data storage and electronic material sales, international trade, etc.	421,881	421,881	2,000,000	100.00 %	509,947	(14,833)	Not required to disclose	
ASJade	ASJade Japan	Japan	Information software service	1,087	1,087	500	100.00 %	467	(201)	Not required to disclose	
AZUREWAVE	Zhuhe	Taiwan	Investing activities	10,000	10,000	1,000,000	5.00 %	9,681	(1,954)	Not required to disclose	
AZUREWAVE	EZWAVE	Taiwan	Manufacturing office machinery, electronic parts and computer peripherals	-	5,015	-	- %	-	24,487	Not required to disclose	
AZUREWAVE	Azwave	Samoa	Investing activities	2,173,438	2,173,438	70,177,161	100.00 %	3,358,635	119,119	Not required to disclose	

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Investee	Location	Main business activities	Initial investment amount		Ending balance			Net profit (loss) of the investee	Investment income (loss)	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book value			
AZUREWAVE	AZURE	Taiwan	Selling electronic parts	25,000	25,000	2,000,000	100.00 %	40,383	2,035	Not required to disclose	
AZUREWAVE	Azurewave(VN)	Vietnam	Development, design and sale of communication equipment	288,183	288,183	-	100.00 %	288,012	122,203	Not required to disclose	
AZUREWAVE	AzureNet	Taiwan	Sale of 5G modules and system products	150,000	150,000	15,000,000	100.00 %	147,160	(1,879)	Not required to disclose	
AzureNet	Azurenet USA	USA	Market development activities	21,421	19,820	700,000	100.00 %	1,490	(448)	Not required to disclose	
AZUREWAVE	BluVion	Taiwan	Manufacturing electronic parts	90,000	-	9,000,000	30.00 %	89,947	(177)	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: PROTEK and PEGA HOLDING reduced capital and returned capital to shareholders in January 2026. A total amount of USD 5 million was distributed to PEGA HOLDING and its shareholders.

Note 2: SLITEK's shareholders approved a resolution in March 2026 for the dissolution and liquidation of the company.

Note 3: The amount of transactions with consolidated entities are eliminated for the preparation of consolidated financial statements.

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Table 8: Information on investment in Mainland China
(June 30, 2026)

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	7,280,134 USD 228,590,000	(2)	5,630,726 USD 176,800,000	-	-	5,630,726 USD 176,800,000	828,967 USD 26,265,523	100%	828,967 USD 26,265,523	29,733,526 USD 933,607,331	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.	8,216,784 USD 258,000,000	(2)	9,809,184 USD 308,000,000	-	1,592,400 USD 50,000,000	8,216,784 USD 258,000,000	377,836 USD 11,971,590	100%	377,836 USD 11,971,590	19,046,828 USD 598,054,131	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	2,251,654 USD 70,700,000	(2), (3)	1,447,373 USD 45,446,280	-	-	1,447,373 USD 45,446,280	(51,266) (USD 1,624,331)	67.77%	(34,741) (USD 1,100,766)	397,683 USD 12,486,912	-
COTEK SUZHOU	Developing, manufacturing and selling new electronic components, circuit boards and relevant products, and providing technical services and after-sales service	2,579,688 USD 81,000,000	(2)	2,197,512 USD 69,000,001	-	-	2,197,512 USD 69,000,001	33,291 USD 1,054,813	100%	33,291 USD 1,054,813	2,797,071 USD 87,825,656	-
POWTEK SHANGHAI	Selling main boards, computer peripherals, notebooks, servers and software, and providing after-sales service	254,784 USD 8,000,000	(2)	418,658 USD 13,145,510	-	-	418,658 USD 13,145,510	36,095 USD1,143,651	100.00	36,095 USD1,143,651	1,253,127 USD 39,347,115	-
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	1,560,552 USD 49,000,000	(2)	1,560,552 USD 49,000,000	-	-	1,560,552 USD 49,000,000	317,655 USD 10,064,768	100%	317,655 USD 10,064,768	6,896,030 USD 216,529,465	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	140,281 CNY 30,000,000	(3)	-	-	-	-	728 USD 23,053	100%	728 USD 23,053	160,247 USD 5,031,619	-

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan at the beginning of the period	Amount remitted from Taiwan to Mainland China /Amount remitted back to Taiwan		Accumulated amount of remittance from Taiwan at the end of the period	Net income of investee	Ownership held by the Company (direct or indirect)	Investment income (loss) 〔Note 2, (2)〕	Ending book value of investments	Accumulated amount of investment income remitted back to Taiwan
					Remitted to Mainland China	Remitted back to Taiwan						
LUXSAN KUNSHAN (Note 16)	Manufacturing satellite navigation and positioning receiving equipment and key components, mobile phones, third generation and subsequent mobile communication mobile phones, base stations, core equipment and network testing equipment, large and medium-sized electronic computers, portable microcomputers, high-ends servers, large-capacity optical, disk drives and their components	16,691,311 CNY 3,569,547,400	(2)	6,178,512 USD 194,000,000	-	-	6,178,512 USD 194,000,000	-	19%	-	-	24,059 USD 769,753
PEGAGLOBE JIANGSU	Investing activities with own funds; equity investment	955,440 USD 30,000,000	(2)	955,440 USD 30,000,000	-	-	955,440 USD 30,000,000	10,857 USD 343,989	100%	10,857 USD 343,989	566,118 USD 17,775,619	-
CASETEK SUZHOU	Manufacturing, developing and selling computers, computer parts, application systems, and providing after-sales service	1,783,488 USD 56,000,000	(2)	1,783,488 USD 56,000,000	-	-	1,783,488 USD 56,000,000	(115,777) (USD 3,668,342)	100%	(115,777) (USD 3,668,342)	2,380,536 USD 74,746,807	236,291 USD 7,560,145
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	382,176 USD 12,000,000	(2)	382,176 USD 12,000,000	-	-	382,176 USD 12,000,000	461 USD 14,610	100%	461 USD 14,610	236,044 USD 7,411,569	-
KAI-CHUAN (Note 17)	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	318,480 USD 10,000,000	(2)	318,480 USD 10,000,000	-	-	318,480 USD 10,000,000	15 USD 487	-	15 USD 487	-	-
KAEDAR (Note 6)	Tooling molds of stainless-steel computer cases	557,340 USD 17,500,000	(2)	780,502 USD 24,507,092	-	-	780,502 USD 24,507,092	-	-	-	-	216,219 USD 6,917,923
Zhangjiagang East High-tech (Note 8)	Process, sale and transportation of steel	191,088 USD 6,000,000	(2)	38,218 USD 1,200,000	-	-	38,218 USD 1,200,000	-	-	-	-	-
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	222,936 USD 7,000,000	(2)	335,821 USD 10,544,482	-	-	335,821 USD 10,544,482	-	-	-	-	-
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	1,401,312 USD 44,000,000	(2)	1,215,840 USD 38,176,344	-	-	1,215,840 USD 38,176,344	-	-	-	-	-
HONGJIE SHANGHAI (Note 8)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	159,240 USD 5,000,000	(2)	29,707 USD 932,769	-	-	29,707 USD 932,769	-	-	-	-	-
HONGJIE SUZHOU (Note 8)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	423,896 USD 13,309,984	(2)	191,908 USD 6,025,762	-	-	191,908 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.	162,425 USD 5,100,000	(2)	36,847 USD 1,156,954	-	-	36,847 USD 1,156,954	-	-	-	-	-

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan at the beginning of the period	Amount remitted from Taiwan to Mainland China /Amount remitted back to Taiwan		Accumulated amount of remittance from Taiwan at the end of the period	Net income of investee	Ownership held by the Company (direct or indirect)	Investment income (loss) 〔Note 2, (2)〕	Ending book value of investments	Accumulated amount of investment income remitted back to Taiwan
					Remitted to Mainland China	Remitted back to Taiwan						
HONGJIE CHONGQING (Note 8)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	15,924 USD 500,000	(2)	2,436 USD 76,500	-	-	2,436 USD 76,500	-	-	-	-	-
Hongruisheng (Note 6)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	83,123 USD 2,610,000	(2)	20,160 USD 633,000	-	-	20,160 USD 633,000	-	-	-	-	-
Heilongjiang Hongjie (Note 8)	Manufacture of all kinds of paper boxes, paper materials, paper plastics, cushioning material, tray, etc.	78,346 USD 2,460,000	(2)	14,102 USD 442,800	-	-	14,102 USD 442,800	-	-	-	-	-
Suzhou Lianshuo (Note 6)	Manufacture of plugs.	222,440 USD 6,984,441	(2)	243,835 USD 7,656,224	-	-	243,835 USD 7,656,224	-	-	-	-	-
Shanghai Yiding (Note 8)	Research and develop, manufacture and sale of portable micro computer, laptop and related products.	987,288 USD 31,000,000	(2)	624,221 USD 19,600,000	-	-	624,221 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.	28,663 USD 900,000	(2)	54,619 USD 1,715,000	-	-	54,619 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.	203,827 USD 6,400,000	(2)	99,875 USD 3,136,000	-	-	99,875 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	1,719,792 USD 54,000,000	(2)	539,042 USD 16,925,453	-	-	539,042 USD 16,925,453	-	-	-	-	-
RI-TENG (Note 6, 12)	Designing, researching, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling	4,936,408 USD 154,999,000	(2)	9,830,619 USD 308,673,038	-	-	9,830,619 USD 308,673,038	-	-	-	-	1,798,722 USD 57,458,123
RI-PRO (Note 12)	Designing, researching, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling	95,544 USD 3,000,000	(2)	20,086 USD 630,695	-	-	20,086 USD 630,695	(164) (USD 5,194)	100%	(164) (USD 5,194)	(178) (USD 5,603)	-
Luxcase (Yangcheng) (Note 12)	Designing, researching, developing, manufacturing and selling electronic components, precision, nonmetal and metal tooling	29,770,541 USD 934,769,575	(2)	20,455,053 USD 642,271,181	-	-	20,455,053 USD 642,271,181	2,003,226 USD 63,471,497	48.17%	941,063 USD 29,817,267	42,819,317 USD 1,344,490,019	-

(Continued)

PEGATRON CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii)Limitation on investment in Mainland China:

Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 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)
56,246,671 USD 1,766,097,444.95	59,247,430 USD 1,860,318,698.39	-

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 reviewed and certified by an international firm in cooperation with an R.O.C. accounting firm.

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

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

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

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

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

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

Note 7: PIOTEK SUZHOU's paid-in capital includes capital increased by retained 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.

Note 10: 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 of USD 50,000,000 during 2025. Since the funds have been remitted back to Taiwan in January 2026, the approved investment quota has been 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 apply the equity method. However, since the funds have not been remitted back to Taiwan, the approved investment quota cannot be deducted.

Note 17: KAI-CHUAN resolved to enter into dissolution and liquidation proceedings upon shareholders' resolution in June 2026. Accordingly, the Group ceased applying the equity method to KAI-CHUAN and recognized liquidation gains or losses. However, since the funds have not yet 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".