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This English version of the Pegatron Annual Report is a concise translation of the Mandarin version. This document is created for the sole purpose of the convenience for its non-Mandarin readers and is not an official document to represent the financial status of the Company per Taiwan laws.

Pegatron Corporation does not assure the accuracy of this translated document. Readers wishing to view the official audited version of Pegatron's financial reports can obtain a copy of the Pegatron Annual Report (Mandarin version) on the Pegatron Corporation website (www.pegatroncorp.com).

TABLE OF CONTENTS

1.	Letter to Shareholders	1
2.	Corporate Governance	6
2.1	Board of Directors and Management Team	6
2.2	Implementation of Corporate Governance	38
2.3	Information Regarding CPA Fees.....	88
2.4	Information on Change of CPA.....	88
2.5	Management Team Who Had Worked for the Independent Auditor	88
2.6	Status of Net Change in Shareholding and Shares Pledged.....	89
2.7	The Relations of the Top Ten Shareholders	91
2.8	Long-Term Investment Ownership.....	92
3.	Capital and Shares	93
3.1	Capital and Shares.....	93
3.2	Issuance of Corporate Bond.....	97
3.3	Preferred Shares	98
3.4	Issuance of Global Depository Receipts	99
3.5	Employee Stock Option	100
3.6	Employee Restricted Stocks.....	100
3.7	New Shares Issuance in Connection with Mergers and Acquisitions.....	105
3.8	Financing Plan and Implementation	105
4.	Overview of Business Operation	106
4.1	Business Activities.....	106
4.2	Market and Sales Overview.....	128
4.3	Status of Employees.....	135
4.4	Expenditure on Environmental Protection.....	135
4.5	Employee Relations.....	136
4.6	Management of Information Security.....	137
4.7	Important Contracts.....	140
5.	Review of Financial Position, Management Performance and Risk Management.	141
5.1	Analysis of Financial Status.....	141
5.2	Analysis of Operating Results.....	142
5.3	Analysis of Cash Flow.....	143
5.4	Major Capital Expenditure.....	143
5.5	Investment Policy.....	143
5.6	Analysis of Risk Management.....	143
5.7	Other Major Risks.....	147
6.	Other Special Notes	148
6.1	Affiliated Companies.....	148

6.2	Private Placement Securities.....	154
6.3	Special Notes.....	154
6.4	Events with Significant Impacts	154

1. Letter to Shareholders

Dear Shareholders,

Looking back on 2024, we witnessed a gradual easing of global inflationary pressures. Major economies initiated interest rate cuts, and propelled by rising demand in emerging technologies such as high-performance computing (HPC) and artificial intelligence (AI), leading that global trade showed signs of recovery. Nevertheless, persistent geopolitical conflicts continued to disrupt supply chain stability. Meanwhile, the slow pace of China's economic recovery dampened both consumer sentiment and investment momentum, leading to overall weakness in end-market demand. Toward the end of the year, the conclusion of the U.S. presidential election brought additional uncertainty over future tariff policies, intensifying strain across global supply chains. Looking ahead to 2025, continued breakthroughs in AI are expected to drive strong demand across software, hardware, and infrastructure, which in turn is expected to stimulate both consumption and investment, supporting overall economic growth. Nevertheless, the global economic landscape remains fraught with challenges. The rapidly evolving dynamics of global trade and tariff policies, along with rising geopolitical risks, may again reshape supply chain structures, potentially delaying production and pushing up costs, thereby adding layers of uncertainty to the pace of recovery. In response, Pegatron Group will remain vigilant in monitoring macroeconomic developments and will adapt swiftly and flexibly to maintain steady operational performance. In 2024, the global economy remained sluggish, and weakened end-market demand impacted certain product lines of Pegatron Group, resulting in a year-over-year decline in consolidated revenue. However, thanks to continued improvements in production efficiency and expanded capacity for some products, coupled with growth in non-operating income, the Group's core business performance remained resilient. In addition, key subsidiaries benefited from increased business demand and improved capacity utilization. As a result, the Group achieved year-over-year growth in consolidated net income after tax. The Group's operating results for last year and the outlook for the current year are summarized as follows:

Financial Performance

In 2024, Pegatron Corporation's consolidated operating revenue was NTD 1,125.3 billion, a decrease of NTD 131.4 billion from NTD 1,256.7 billion in 2023, and an annual decline of 10.46%. The gross profit margin was 4.10%. The net income attributable to the owners of the parent company was NTD 16.9 billion, up from NTD 15.7 billion in 2023, and the after-tax earnings per share was NTD 6.34. Reviewing the Group's performance in 2024, revenue from computing segment increased year over year, buoyed by client launches of new products and growing demand for AI PCs. Automotive electronics also delivered solid growth, driven by higher customer shipment volumes and an expansion in product scale. However, overall consolidated revenue declined compared to the previous year due to weaker-than-expected performance in consumer electronics segment and certain communication segment, both of which were impacted by soft

end-market demand. In 2024, communication segment continued to account for the largest share among the three major product segments, while the revenue contribution from consumer electronics segment declined compared to the previous year.

Note: the financial forecast of 2024 was not disclosed, so there were no specific budget targets against which to measure achievement.

Technical Capability and Operating Highlights

Amid the rapid rise of artificial intelligence in recent years, Pegatron has focused on the development of servers and high-speed transmission technologies, as well as applications in Agentic AI and smart cockpits. We have also continued to explore innovative technologies in diverse fields, including biomimetic robotics and next-generation consumer products. In server development, Pegatron has continued to advance research on the latest platforms from NVIDIA, AMD, and Intel, along with high-efficiency thermal management technologies. AI server racks with liquid cooling capabilities exceeding 130kW have already been delivered to data center clients. In the field of optical communications, Pegatron is actively developing optoelectronic integration technologies to meet the demands of AI applications. Last year, Pegatron showcased next-generation all-optical network equipment, including 400G transponders and muxponders, designed for long-haul transmission between data centers and telecom operators. In broadband communications, Pegatron is focused on cutting-edge Customer Premises Equipment (CPE) technologies and is making continuous progress toward next-generation standards such as Wi-Fi 8 and 6G. At the same time, Pegatron is expanding its product portfolio into high-value segments, including central office equipment and access network solutions. In the development of 5G private networks, base station technologies have reached a high level of maturity. End-to-end systems have already been deployed across various vertical application scenarios in Taiwan, Japan, and Indonesia. These systems have also been integrated with low- and medium-Earth orbit satellites to support disaster response and smart maritime solutions. Looking ahead, Pegatron will extend its efforts to the development of integrated small cell and macro cell radio unit, while incorporating AI-powered energy-saving technologies. In the field of AI development, Pegatron continues to advance technologies such as Generative AI, Agentic AI, and Physical AI. By integrating Digital Twins technology, we are building the PEGEVERSE—Pegatron's proprietary metaverse platform—to enhance autonomous operation and maintenance capabilities and offer clients comprehensive digital transformation solutions. Regarding biomimetic robotics, Pegatron is actively engaged in the development of simulated training environments, deep reinforcement learning, critical biomechanical components, and related AI models, with the goal of strengthening technological autonomy. In the automotive sector, Pegatron is actively developing high-speed and heterogeneous in-vehicle and external network gateways, zonal controllers, AI-powered smart cockpits, human-machine interfaces, and sensor technologies such as LiDAR. Pegatron is also advancing electric drive systems through next-generation traction inverters based on third-generation semiconductors, as well as high-efficiency charging stations and power management systems for EV infrastructure. In response to environmental and health trends, Pegatron has also introduced systems for bicycles, including active radar-based

environmental detection and alert systems, fleet connectivity and positioning solutions, and smart motor control technologies. In the wearable device segment, Pegatron continues to develop advanced, high-efficiency AR display technologies and key optical components. We are also expanding into various wearable form factors, including smart glasses, earbuds, and rings, integrating them with cloud-based AI applications in an effort to tap into the growing AI-powered wearables market. In the area of smart medical devices, as EEG-based applications are rapidly evolving, this year's focus will center on research and development of electroencephalography (EEG) technologies. Key applications will include neurotechnology, surgical monitoring, mental health management, and human-machine interfaces. Additionally, Pegatron has completed the first phase of development for its intelligent, multi-wavelength picosecond laser system for aesthetic medicine. Pegatron now possesses core competencies in laser-related technologies, including mechatronic integration and software application development, and will proceed with the relevant medical accreditation processes in the next stage. In other areas, Pegatron is capitalizing on the growing opportunities in the beauty tech market by actively planning and designing consumer products such as home-use beauty devices.

On the operational front, Pegatron has continued to enhance profitability through optimized product mix, strategic resource allocation, cost-efficient manufacturing, and increased automation. These efforts have steadily strengthened the core business and are expected to drive continued growth in a more stable and sustainable direction. Looking ahead, with the widespread adoption and ongoing evolution of communication technologies, along with the rapid expansion of the electric vehicle market and AI-related innovations, Pegatron anticipates that increased investment in networking, automotive, server, and AI-related products and services will serve as key drivers of future development. In addition, in light of rapid shifts in global political, economic, and market conditions, the external competitive landscape remains intense. Pegatron will continue to finetune its global capacity deployment based on end-market trends and customer needs, while simultaneously adjusting its product mix and enhancing manufacturing efficiency to strengthen overall competitiveness and profitability. On the regulatory front, Pegatron follows the key policies and laws of the relevant competent authorities, and will always keep track of changes in relevant policies and regulations at home and abroad, in order to fully grasp and respond to market changes.

Awards and Sustainability

As a global corporate citizen, Pegatron continues to advance its ESG (Environmental, Social, and Governance) initiatives, actively aligning with the United Nations Sustainable Development Goals (SDGs) and addressing sustainability topics that matter to stakeholders. In response to the challenges of climate change and the global push for carbon reduction, Pegatron has established near-term carbon reduction and long-term net zero targets in alignment with the Science Based Targets initiative (SBTi) framework and scopes. In 2024, Pegatron received official approval of its targets from the SBTi. Pegatron also continues to lead its subsidiaries and supply chain partners in low-carbon transformation efforts through a “big leading small” approach. In 2024, Pegatron

mobilized over 200 suppliers and nearly 1,000 participants to join a large-scale beach cleanup initiative, demonstrating its commitment to raising awareness and taking tangible action to protect marine ecosystems and preserve coastal environments.

In addition, Pegatron remains deeply engaged in community outreach by collaborating with various nonprofit organizations to support social welfare programs. These efforts span care for underprivileged groups, environmental conservation, and cultural promotion, reflecting Pegatron's commitment to fulfilling its corporate social responsibility from multiple dimensions. Thanks to Pegatron's comprehensive efforts in promoting corporate sustainability, Pegatron has been selected for inclusion in the FTSE4Good TIP Taiwan ESG Index for several consecutive years. In 2024, Pegatron also received Prime Status in the ISS ESG Corporate Rating. In addition, Pegatron achieved low-risk ratings from leading ESG evaluation agencies such as S&P CSA and Sustainalytics, affirming our strong performance in environmental, social, and governance practices. In the same year, Pegatron was named one of Business Weekly's Top 100 Carbon Competitiveness Companies, underscoring our firm commitment to addressing climate change, advancing low-carbon transformation, and achieving excellence in sustainable development..

Outlook

Looking ahead to 2025, Pegatron will continue to expand its share in both the consumer and commercial notebook markets. We will also actively pursue new ODM projects and business opportunities in emerging markets. As applications of AI PCs become increasingly diverse, they are expected to drive future growth in shipments and enhance overall profitability in the computing segment. In the server business, AI servers were delivered to clients for validation at the end of last year, with small-scale shipments beginning in early 2024. Shipments of general-purpose servers are also expected to gradually increase. Pegatron will continue to collaborate with hardware platform providers and invest in the development of new products to meet evolving client deployment needs. Server-related business is anticipated to contribute to revenue progressively throughout the year, and these ongoing efforts are expected to drive more significant revenue growth over time. In the consumer electronics segment, although overall demand weakened year over year due to broader economic headwinds, the outlook remains positive. With upcoming product specification upgrades and shipments to new customers, end-market consumption is expected to recover and support a rebound in revenue contribution. In the communication segment, with the continued advancement and widespread adoption of 5G and 6G technologies, along with the growing application of Wi-Fi 7, end-market demand for network communication products is expected to see solid growth opportunities. Pegatron is actively exploring both domestic and international business opportunities in 5G private network, which are expected to further accelerate business momentum. In the smartphone business, Pegatron will continue to leverage its technical expertise and manufacturing experience while making corresponding adjustments in line with industry developments and customer requirements. In automotive electronics, revenue grew year over year, supported by stable customer sales and the expansion of Pegatron's product portfolio. With long-term demand in the end market expected

to increase, Pegatron aims to further expand its customer base and product offerings, with the goal of sustaining growth in overall automotive revenue contribution.

Looking ahead, as the global economy is expected to gradually recover and stimulate end-market consumption, Pegatron will actively seize emerging business opportunities across all segments. At the same time, with significant shifts in globalization and regional manufacturing trends, Pegatron has steadily expanded its manufacturing bases in Mexico, Southeast Asia, and India in recent years. Moving forward, Pegatron will continue to plan capacity allocation based on customer and product needs, enabling greater agility in response to the rapidly evolving international trade and tariff landscape. In addition, Pegatron will actively assess and pursue new business opportunities in emerging manufacturing regions.

On behalf of all employees at Pegatron Corporation, we sincerely thank our esteemed shareholders for your unwavering support and encouragement. We will continue to strengthen our core competitiveness and, amid the rapid evolution of AI technologies and applications, actively pursue new product and market opportunities. Through these concerted efforts, we aim to further enhance our overall operational performance and deliver fruitful results to be shared with our shareholders, customers, and employees alike.

Chairman



T.H. Tung

President and Co-CEO

Kuang-Chih Cheng



Kuo-Yen Teng



2. Corporate Governance

2.1 Board of Directors and Management Team

2.1.1 Introduction of Board of Directors

As of 02/28/2025

Title / Name	Nationality	Gender and Age	Date First Elected	Term (Years)	Date Elected	Shareholding when Elected		Current Shareholding (Note 1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions
						Shares	%	Shares	%	Shares	%	Shares	%		
Chairman T.H. Tung (Note 2)	R.O.C	Male 64	05/18/2010	3	06/15/2022	94,542,309	3.54	94,917,309	3.56	6,074,490	0.23	-	-	Chairman and CSO of Pegatron Corp. Director of Kinsus Interconnect Technology Corp. Director of ASRock Incorporation Director of Pegavision Corp. Chairman of Kinsus Investmebt Co., Ltd. Chairman of Lumens Digital Optics Inc. Chairman of Asus Investment Co., Ltd. Chairman of Asustek Investment Co., Ltd. Chairman of Ri-Kuan Metal Corporation Chairman of Beauty Tech Platform Corp Chairman of FacialBeau International Corp. Director of Casetek Holdings Limited (Cayman) Director of Pegatron Holding Ltd. Director of Uihnan Holding Ltd. Director of Magnificent Brightness Ltd. Director of Casetek Holdings Ltd. Director of Protek Global Holdings Ltd. Director of Digitek Global Holdings Ltd. Director of Kinsus Corp. (USA) Director of Pegatron Holland Holding B.V. Director of Powtek Holdings Limited Director of Cotek Holdings Limited Director of Grand Upright Technology Limited Director of Aslink Precision Co., Ltd Chairman of FLSFISA Media Inc. Director of Q Place Creative Inc. President of Monte Jade Science & Technology Association of Taiwan President of Taiwan Contact Lenses Industry Development Association Vice Chairman of Fair Winds Foundation Vice Chairman of New Frontier Foundation Vice Chairman of Taiwan Climate Partnership	Chairman and CSO of Pegatron Corp. Director of Kinsus Interconnect Technology Corp. Director of ASRock Incorporation Director of Pegavision Corp. Chairman of Kinsus Investmebt Co., Ltd. Chairman of Lumens Digital Optics Inc. Chairman of Asus Investment Co., Ltd. Chairman of Asustek Investment Co., Ltd. Chairman of Ri-Kuan Metal Corporation Chairman of Beauty Tech Platform Corp Chairman of FacialBeau International Corp. Director of Casetek Holdings Limited (Cayman) Director of Pegatron Holding Ltd. Director of Uihnan Holding Ltd. Director of Magnificent Brightness Ltd. Director of Casetek Holdings Ltd. Director of Protek Global Holdings Ltd. Director of Digitek Global Holdings Ltd. Director of Kinsus Corp. (USA) Director of Pegatron Holland Holding B.V. Director of Powtek Holdings Limited Director of Cotek Holdings Limited Director of Grand Upright Technology Limited Director of Aslink Precision Co., Ltd Chairman of FLSFISA Media Inc. Director of Q Place Creative Inc. President of Monte Jade Science & Technology Association of Taiwan President of Taiwan Contact Lenses Industry Development Association Vice Chairman of Fair Winds Foundation Vice Chairman of New Frontier Foundation Vice Chairman of Taiwan Climate Partnership

Title / Name	Nationality	Gender and Age	Date First Elected	Term (Years)	Date Elected	Shareholding when Elected		Current Shareholding (Note 1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions
						Shares	%	Shares	%	Shares	%	Shares	%		
														Director of The Alliance Cultural Foundation Director of Hanguang Education Foundation Executive Director of Taipei Computer Association Director of Lung Yingtai Cultural Foundation Director of ANDREW T. HUANG Medical Education Promotion Fund Director of Bridge Across the Strait Foundation Director of Fullfoods Cultural Education Foundation Director of Bulareyaung Dance Cultural Foundation Director of Cloud Gate Culture and Arts Foundation Director of Lovely Taiwan Foundation Director of The LIU KUO-SUNG Foundation Director of Institute for Biotechnology and Medicine Industry Director of Koo Foundation Director of Cheng Hsin General Hospital	Director of The Alliance Cultural Foundation Director of Hanguang Education Foundation Executive Director of Taipei Computer Association Director of Lung Yingtai Cultural Foundation Director of ANDREW T. HUANG Medical Education Promotion Fund Director of Bridge Across the Strait Foundation Director of Fullfoods Cultural Education Foundation Director of Bulareyaung Dance Cultural Foundation Director of Cloud Gate Culture and Arts Foundation Director of Lovely Taiwan Foundation Director of The LIU KUO-SUNG Foundation Director of Institute for Biotechnology and Medicine Industry Director of Koo Foundation Director of Cheng Hsin General Hospital
Vice Chairman Jason Cheng	R.O.C	Male 65	05/18/2010	3	06/15/2022	4,564,773	0.17	4,797,773	0.18	13,120	0.00	-	-	Master's degree in Electrical Engineering, University of Southern California President and CEO of Pegatron Corp. Deputy General Manager of Asus Chairman of Pegatron USA Chairman of Pegatron Electronics India Private Limited Director of Pegatron Technology India Private Limited Director of Asus Investment Ltd. Director of Asustek Investment Ltd. Director of RI-KUAN METAL Corp. Director of Pegatron Czech s.r.o. Director of Azwave Holdings (SAMOA) INC. Director of Alcor Micro Corp. Director of Epoch Foundation	Chairman of Pegatron Corp. Chairman of AzureWave Technologies, Inc. Chairman of Casetek Holdings Limited (CAYMAN) Chairman of Azure Lighting Technologies, Inc. Chairman of Pegatron USA Chairman of Pegatron Electronics India Private Limited Director of Pegatron Technology India Private Limited Director of Asus Investment Ltd. Director of Asustek Investment Ltd. Director of RI-KUAN METAL Corp. Director of Pegatron Czech s.r.o. Director of Azwave Holdings (SAMOA) INC. Director of Alcor Micro Corp. Director of Epoch Foundation

Title / Name	Nationality	Gender and Age	Date First Elected	Term (Years)	Date Elected	Shareholding when Elected		Current Shareholding (Note 1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions
						Shares	%	Shares	%	Shares	%	Shares	%		
Director Ted Hsu	R.O.C	Male 63	05/18/2010	3	06/15/2022	56,353,713	2.11	56,353,713	2.12	5,550,533	0.21	-	-	EMBA, National Chiao Tung University Director & Deputy General Manager of Asustek Computer Inc. Vice Chairman & Deputy Group CEO of Pegatron Corp.	Chairman of eBizprise Inc. Vice Chairman and CSO of Asustek Computer Inc. Chairman of ASMedia Technology Inc. Director of Eusol Biotech Co., Ltd. Director of iMotion Group Inc. Director of Huasyn Biomedical Co., Ltd. Director of A2+ BIOTECH Consulting Co., Ltd. Director of TTY Biopharm Company Limited. Director of HONG WEI Investment Co., Ltd. Director of Buddhist Tzu Chi Medical Foundation
Director H.T. Tung	R.O.C	Male 65	06/15/2022	3	06/15/2022	125,000	0.00	530,000	0.02	-	-	-	-	Bachelor's degree in Electrical Engineering, National Taiwan University Associate Vice President of Asus	Senior Vice President of Pegatron Corp. Chairman of ASRock Incorporation Executive Director of Digitek (CHONGQING) Ltd. Chairman and CSO of Pegavision Corp.
Director Peter Kuo	R.O.C	Male 78	06/15/2022	3	06/15/2022	-	-	-	-	-	-	-	-	Chairman of Mayin Investment Co., Ltd. Vice Chairman of Beauty Tech Platform Corp. Vice Chairman of FacialBeau International Corp. Director of Kinsus Interconnect Technology Corp. Director of Lumens Digital Optics Inc. Director of Kinsus Investmet Co., Ltd. Director of Kinsus Corp. (USA) Director of Monte Jade Science & Technology Association of Taiwan Executive Director of Taiwan Contact Lenses Industry Development Association	Chairman of Mayin Investment Co., Ltd. Vice Chairman of Beauty Tech Platform Corp. Vice Chairman of FacialBeau International Corp. Director of Kinsus Interconnect Technology Corp. Director of Lumens Digital Optics Inc. Director of Kinsus Investmet Co., Ltd. Director of Kinsus Corp. (USA) Director of Monte Jade Science & Technology Association of Taiwan Executive Director of Taiwan Contact Lenses Industry Development Association

Title / Name	Nationality	Gender and Age	Date First Elected	Term (Years)	Date Elected	Shareholding when Elected		Current Shareholding (Note 1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions
						Shares	%	Shares	%	Shares	%	Shares	%		
Director T.K. Yang	R.O.C	Male 70	06/21/2016	3	06/15/2022	-	-	-	-	-	-	-	-	Ph.D. in Business Management, National Chengchi University Political Deputy Minister, the Ministry of Finance, R.O.C. Chairman of Bank of Taiwan Executive Secretary of National Development Fund, Executive Yuan President of China Development Industrial Bank Associate Professor of MBA at National Chengchi University	Chairman of Yangtze Associates Director and President of Huiyang Private Equity Fund Co., Ltd. Director of Asustek Computer Inc. Director of TTY Biopharm Company Limited Director of Airtel Inc. Director of HON YANG Healthcare Co., Ltd. Director of Huacheng Capital Co., Ltd. Director of Huicheng Capital Co., Ltd. Supervisor of Happy Read Publication Company Limited

Title / Name	Nationality	Gender and Age	Date First Elected	Term (Years)	Date Elected	Shareholding when Elected		Current Shareholding (Note 1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions
						Shares	%	Shares	%	Shares	%	Shares	%		
Director DAL-HE Investment Co., Ltd. Rep.: S. Chi	R.O.C	Male 77	06/21/2016	3	06/15/2022	370,000	0.01	370,000	0.01	-	-	-	-	Bachelor of Economics, National Taiwan University Master's degree in Economics, National Taiwan University Ph.D. in Economics, Case Western Reserve University Assistant Professor, Department of Economics, Ohio University Associate Professor, Professor and Department Chair of Economics, National Taiwan University Dean of School of Management at National Central University Professor and Director of Graduate Institute of Industrial Economics at National Central University Visiting Professor of Freie Universität Berlin, Berlin Deputy Minister of Council for Economic Planning and Development, Executive Yuan Chief Negotiator of Taiwan's accession to WTO, General Agreement on Trade in Services (GATS) Vice Chair of Economic Committee, APEC President of Taiwan Academy of Banking and Finance Chairman of Taiwan Stock Exchange Minister without Portfolio of Executive Yuan Visiting Professor, University of Zagreb, Croatia	Independent Director of Asia Cement Corp Adjunct Professor, Dep. of Economics, National Taiwan U. Chair Professor of Shin Hsin University Chair Professor of Soochow University Director of The China Foundation for the Promotion of Education and Culture Director of NTU Economic Research Academic Foundation Director of Far Eastern Memorial Foundation

Title / Name	Nationality	Gender and Age	Date First Elected	Term (Years)	Date Elected	Shareholding when Elected		Current Shareholding (Note 1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions
						Shares	%	Shares	%	Shares	%	Shares	%		
Director HONG-YE Investment Co., Ltd. Rep.: S.J. Liao	R.O.C	Male 75	06/21/2016	3	06/15/2022	2,600,000	0.10	2,600,000	0.10	-	-	-	-	Deputy Group CEO of Pegatron Corp. Chairman of Kinsus Interconnect Technology Corp. Chairman of Pegatron Vietnam Company Limited Chairman of Pegatron Technology HAI PHONG Company Limited President of Pegatron Japan Inc. Director of AMA Precision Inc. Director of Asuspower Corporation Director of Asuspower Investment Co., Ltd. Director of KAEDAR Electronics (KUNSHAN) Co., Ltd. Director of Pirotek Holdings Ltd (Cayman) Director of Pirotek Holdings Ltd Director of Kinsus Holding (Samoa) Limited Director of Kinsus Holding (Cayman) Limited Executive Director of KAI CHUAN Electronics (CHONGQING) Co., Ltd.	
Director E.L. Tung (Note 2)	R.O.C	Female 32	06/21/2019	3	06/15/2022	3,336,014	0.12	3,336,014	0.13	-	-	-	-	Bachelor's degree in Industrial and Business Management, Tatung University Honorary Ph.D., Tatung University President and CEO of Pegatron Corp. Chief Operating Officer of Pegatron Corp. Senior Vice President of Unihaan Corp.	
														Master's degree in Mass Communication, New York Institute of Technology (NYIT) - Waseda University Center for Japanese Language Program	

Title / Name	Nationality	Gender and Age	Date First Elected	Term (Years)	Date Elected	Shareholding when Elected		Current Shareholding (Note 1)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions
						Shares	%	Shares	%	Shares	%	Shares	%		
Independent Director C. Lin	R.O.C	Male 73	05/18/2010	3	06/15/2022	-	-	-	-	-	-	-	-	Ph.D. in Economics, University of Illinois Premier of Executive Yuan Chairman of Vanguard International Semiconductor Corporation Minister of Finance of the R.O.C. Minister, Directorate General of Budget, Accounting and Statistics, Executive Yuan, R.O.C. Director General, Bureau of Finance, Taipei City Government Professor and Department Chair of public finance at National Chengchi University Research Fellow of Chung-Hua Institution for Economic Research	Chairman of TTY Biopharm Company Limited. Chairman of TSH Biopharm Corporation Limited. Independent Director of Taiwan Semiconductor Manufacturing Co., Ltd.
Independent Director C.P. Hwang	R.O.C	Male 64	06/21/2016	3	06/15/2022	80,745	0.00	80,745	0.00	1,008,202	0.04	-	-	Electrical Engineering, National Taipei Institute of Technology Chairman & President of Havix Electronics Co., Ltd.	Chairman and President of Havix Electronics Co., Ltd.
Independent Director Michael Wang	R.O.C	Male 70	06/15/2022	3	06/15/2022	-	-	-	-	-	-	-	-	Bachelor's degree in Electronic Engineering, National Chiao Tung University CEO & President, Quanta Computer Inc.	Independent Director of Phison Electronics Corp. Independent Director of Simplo Technology Co., Ltd. Chairman of Amed Health Tech Investment Management Consulting Co., Ltd.

Note 1: Current shareholding included the employee restricted stocks, which are under the custody of the Trust.

Note 2: Mr. T.H. Tung is Ms. E.L. Tung's second-degree relative of consanguinity. Title of Ms. Tung is director and relation to Mr. Tung is father and daughter.

Major Shareholders of the Institutional Shareholders

As of 02/28/2025

Name of Institutional Shareholders	Major Shareholders of the Institutional Shareholders
Dai-He Investment Co., Ltd.	Hong-Ye Investment Co., Ltd (99.11%), C.T. Chen (0.30%), I.S. Lin (0.30%), S.P. Yang (0.29%)
Hong-Ye Investment Co., Ltd	T.H. Tung (92.08%), M.F. Shih (2.44%), E.L. Tung (2.44%), K.V. Tung (2.44%), I.S. Lin (0.12%), H.C. Huang (0.12%), S.P. Yang (0.12%), C.R. Wu (0.12%), M.L. Chung (0.12%)

Major Shareholders of the Major Shareholders that are Juridical Persons

As of 02/28/2025

Name of Institutional Shareholders	Major Shareholders of the Institutional Shareholders
Hong-Ye Investment Co., Ltd	T.H. Tung (92.08%), M.F. Shih (2.44%), E.L. Tung (2.44%), K.V. Tung (2.44%), I.S. Lin (0.12%), H.C. Huang (0.12%), S.P. Yang (0.12%), C.R. Wu (0.12%), M.L. Chung (0.12%)

2.1.2 Professional Qualifications and Independence Analysis of the Board Directors

2.1.2.1 Disclosure of Professional Qualifications of the Board Directors and Independence of Independent Directors			As of 02/28/2025
Criteria Name	Professional Qualification and Experiences	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
T.H. Tung	Been one of the co-founders and served as Vice Chairman of Asus. After division of Asus brand-name business and OEM/ODM business in 2008, Mr. Tung served as the Chairman of Pegatron Corp. until now. Be committed to promoting technology innovation and has accumulated industry experience for over 30 years.	1. As the management Team of the Company and its affiliates, and a director of its affiliates. 2. As the top 10 shareholders of the company. Around 3.79% of the Company's outstanding shares held by him and his spouse. 3. Be relative with Ms. E.L. Tung within second degree of kinship. 4. Other conditions comply with the independence criteria specified in Article 3, paragraph 1, of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0
Jason Cheng	With expertise in both chip design and motherboard R&D. Served as general manager of OEM business group and deputy general manager of Asus, President and CEO and current Vice Chairman of Pegatron Corp. Familiar with DMS business and has accumulated industry experience for over 30 years.	1. As the management Team of the Company and its affiliates, and a director of its affiliates. 2. Around 0.18% of the Company's outstanding shares held by him and his spouse. 3. Other conditions comply with the independence criteria specified in Article 3, paragraph 1, of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0

Criteria Name	Professional Qualification and Experiences	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Ted Hsu	Been one of the co-founders of Asus and served as Vice Chairman and Deputy Group CEO of Pegatron Corp. He has profound professional capabilities in research and development of both software and hardware. Mr. Ted Hsu is the Vice Chairman and CSO of Asustek Computer Inc. and has accumulated industry experience for over 30 years.	- As the top 10 shareholders of the company. Around 2.33% of the Company's outstanding shares held by him and his spouse. - Other conditions comply with the independence criteria specified in Article 3, paragraph 1, of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0
H.T. Tung	With expertise in both motherboard and server R&D. Mr. H.T. Tung served as the associate Vice President of Asustek Computer Inc. He is the Senior Vice President of Pegatron Corp., the Chairman of ASRock Incorporation and has accumulated industry experience for over 30 years.	- As the management Team of the Company and a director of its affiliates. - Around 0.02% of the Company's outstanding shares held by him and his spouse. - Other conditions comply with the independence criteria specified in Article 3, paragraph 1, of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0
Peter Kuo	Mr. Peter Kuo served as the Chairman and CEO of Kinsus Interconnect Technology Corp. He is the Chairman and CSO of Pegavision Corp. Over 40 years of experience in electronics, biotechnology and medical care industry, marketing management, and market arrangement.	- As the management Team and a director of its affiliates. - Other conditions comply with the independence criteria specified in Article 3, paragraph 1, of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0
T.K. Yang	Served as Associate Professor of MBA at National Chengchi University and held several important positions in government and financial institutions. With expertise in business management, areas of investment bank and venture capital. Over 30 years of experience in government, commerce, and academics.	All conditions comply with the independence criteria specified in Article 3, paragraph 1, of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0

Criteria Name	Professional Qualification and Experiences	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
S. Chi	Served as Dean of School of Management at National Central University and Department Chair of economics, National Taiwan University, and held several important positions in government and financial institutions. As an adjunct Professor of National Taiwan U., a Chair Professor of Shin Hsin University and Soochow University at present. Familiar with government financial policies and have abundant teaching experience. With expertise in economic development strategies and industrial development. Over 40 years of experience in government, commerce, and academics.	1. As a juristic-person director defined in Article 27 of the Company Law. 2. Other conditions comply with the independence criteria specified in Article 3, paragraph 1, of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	1
S.J. Liao	Mr. S.J. Liao served as Chief Procurement Officer of Asus and Pegatron Corp., and Chief Operating Officer, President, and CEO of Pegatron Corp. He is current Chairman of Kinsus Interconnect Technology Corp. Familiar with factory operations, procurement, and other businesses for over 40 years.	1. As the management Team of the Company and its affiliates, and a director of its affiliates. 2. As a juristic-person director defined in Article 27 of the Company Law. 3. Around 0.12% of the Company's outstanding shares held by him and his spouse. 4. Other conditions comply with the independence criteria specified in Article 3, paragraph 1, of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0
E.L. Tung	Specializes in communication management.	1. Around 0.13% of the Company's outstanding shares held. 2. Be relative with the Chairman, Mr. T.H. Tung, within second degree of kinship. 3. Other conditions comply with the independence criteria specified in Article 3, paragraph 1, of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."	0

Criteria Name	Professional Qualification and Experiences	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
C. Lin	Mr. C. Lin served as professor of public finance at National Chengchi University, and the premier of Executive Yuan, minister of Finance of the R.O.C. and several important positions in government and financial institutions. He also served as independent director of Pegatron Corp. and Casetek Holding LTD before. He is the Chairman of TTY Biopharm Company Limited and TSH Biopharm Corporation Limited. With expertise in economics, taxation and finance and abundant experience in technology, biotechnology, and medical care industry. Over 40 years of experience in government, commerce, and academics.	All conditions comply with the independence criteria specified in Article 14-2 of "Securities and Exchange Act" and Article 3, paragraph 1, of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" during the two years before being elected or during the term of office.	1
C.P. Hwang	Mr. C.P. Hwang served as the independent director of Kinsus Interconnect Technology Corp. and is also the President and General Manager of Havix Electronics Co., Ltd. Over 30 years of experience in electronic industry risks and performance management.	1. Around 0.04% of the Company's outstanding shares held by him and his spouse. 2. All conditions comply with the independence criteria specified in Article 14-2 of "Securities and Exchange Act" and Article 3, paragraph 1, of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" during the two years before being elected or during the term of office.	0
Michael Wang	Mr. Michael Wang served as CEO and President of Quanta Computer Inc. After that, he is devoted to biotechnology and medical care industry and has accumulated management experience in technology, biotechnology, and medical care industry for over 30 years.	All conditions comply with the independence criteria specified in Article 14-2 of "Securities and Exchange Act" and Article 3, paragraph 1, of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" during the two years before being elected or during the term of office.	2

Note: Not been involved in any of the provisions of Article 30 of the Company Law.

2.1.2.2 Diversity and Independence of the Board

Diversity of Board Members

The Company's sixth Board of Directors encompass diverse professional backgrounds and are composed of 12 Directors, including one female Director, taking into account gender, professional background and experience. The Board is composed of members with backgrounds in technology, finance, industry, and academe, with areas of expertise covering computer telecommunications, electrical engineering, electronic product applications, business management, biotechnology and medical care, media management and industrial economics and generally possesses the knowledge, skills and qualities necessary to perform their duties. They possess the ability to make judgements about operations, accounting, finance, knowledge of the industry, leadership capabilities, as well as an international market perspective.

The Directors are fully composed of Taiwanese nationals, with 33.33% of the Directors being employees of the Company, 33.33% being employees of subsidiaries and 66.67% being non-employees. One Director is under the age of 40, five are between 40 and 70 and six are over 70.

The diversity of the Company's Board members has been implemented in accordance with the "Corporate Governance Best Practice Principles" and "Procedures for the Election of Directors." The current Board members have different qualifications and provide advice to the Company based on their respective expertise. The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs, including but not limited to the criteria of background criteria and values, professional knowledge, and skills, etc. This ensures the Board of Directors have a diversity of perspectives and strengthens the functions of the Board. In addition to the foregoing, the Company also places emphasis on gender equality in the composition of the Board of Directors. Currently, there is one female director in Board. As there are relatively fewer female professionals in the electronics industry, the Company actively promotes outstanding female employees to participate in the Company's management team.

In the future, we may promote outstanding female executives or seek out outstanding and qualified female professionals in the industry, taking into account practical operational needs and the balance between the total number and diversity of Board, and gradually increase the numbers and percentages of female directors in Board.

Name Diversity	T.H. Tung	Jason Cheng	Ted Tsu	H.T. Tung	Peter Kuo	T.K. Yang	S. Chi	S.J. Liao	E.L. Tung	C. Lin	C.P. Hwang	Michael Wang
Gender	Male	Male	Male	Male	Male	Male	Male	Male	Female	Male	Male	Male
Employee of Pegatron	V	V		V				V				
Age	Below 40								V			
	Between 40-70	V	V	V							V	
	Above 70				V	V	V	V		V		V
Business Management	V	V	V	V	V	V	V	V	V	V	V	V
Technology	V	V	V	V	V	V		V		V	V	V
Finance						V	V			V		
Commerce	V	V	V	V	V	V	V	V		V	V	V
Biotechnology and Medical Care	V		V		V	V				V		V
Communication Management									V			
Industry Knowledge	V	V	V	V	V	V	V	V	V	V	V	V
Sustainable management	V	V	V	V	V	V	V	V	V	V	V	V

Management Goals of Diversity :

Management Goals	Implementation Status
Less than half of the directors should be management team of the Company.	Yes
The composition of the board of directors should have at least one member of different genders.	Yes
One-half or more of the independent directors should serve no more than three consecutive terms	Yes

Independence of the Board :

The 12 Directors of the Company include 3 independent Directors. All three independent directors meet the independence requirements of Article 14-2 of the “Securities and Exchange Act” and the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.” All Directors maintain their independence within the scope of their duties and are not directly or indirectly interested parties to the Company. A declaration of independence from each of the independent Directors has also been obtained during their election and terms of office and the three independent Directors are not related to each other as spouses or relatives within the second degree of kinship.

More than half of the members of the Board of Directors of the Company do not concurrently serve as employees or managerial officers, and only Mr. T.H. Tung, the Chairman and Ms. E.L. Tung, a director, are related to each other within two degrees. As more than half of the Directors are not related to each other by spousal relationships or second degree of kinship, the Board of Directors of the Company is deemed independent in accordance with the above.

2.1.3 Board of Directors Training Record

Title	Name	Date	Institute	Course	Period (hours)
Chairman	T.H. Tung	2024/04/29	The Taiwan Corporate Governance Association	New Era of Artificial Intelligence: Chatbot ChatGPT flips new industry trends	3
		2024/09/24	The Taiwan Corporate Governance Association	The roles of Directors and Supervisors in company's risk and crisis management	3
		2024/10/28	Independent Director Association Taiwan	AI application in various industries-implementation practices and challenges from trends	3
		2024/11/13	The Taiwan Corporate Governance Association	Trends and risk management of digital technology and artificial intelligence	3
Vice Chairman	Jason Cheng	2024/09/24	The Taiwan Corporate Governance Association	The roles of Directors and Supervisors in company's risk and crisis management	3
		2024/11/13		Trends and risk management of digital technology and artificial intelligence	3
Director	Ted Hsu	2024/07/17	The Taiwan Corporate Governance Association	Operational diversification strategy under geopolitical risks	3
		2024/08/07		New AI trends and competition and cooperation in ecosystems	3
		2024/09/24		The roles of Directors and Supervisors in company's risk and crisis management	3
		2024/11/13		Trends and risk management of digital technology and artificial intelligence	3
Director	H.T. Tung	2024/09/24	The Taiwan Corporate Governance Association	The roles of Directors and Supervisors in company's risk and crisis management	3
		2024/11/13		Trends and risk management of digital technology and artificial intelligence	3
Director	Peter Kuo	2024/04/29	The Taiwan Corporate Governance Association	New Era of Artificial Intelligence: Chatbot ChatGPT flips new industry trends	3
		2024/09/24	The Taiwan Corporate Governance Association	The roles of Directors and Supervisors in company's risk and crisis management	3

Title	Name	Date	Institute	Course	Period (hours)
		2024/10/28	Independent Director Association Taiwan	AI application in various industries-implementation practices and challenges from trends	3
		2024/11/13	The Taiwan Corporate Governance Association	Trends and risk management of digital technology and artificial intelligence	3
Director	T.K. Yang	2024/08/07	The Taiwan Corporate Governance Association	New AI trends and competition and cooperation in ecosystems	3
		2024/09/24		The roles of Directors and Supervisors in company's risk and crisis management	3
		2024/11/13		Trends and risk management of digital technology and artificial intelligence	3
Director	DAI-HE Investment Co., Ltd. Rep.: S. Chi	2024/09/24	The Taiwan Corporate Governance Association	The roles of Directors and Supervisors in company's risk and crisis management	3
		2024/11/13		Trends and risk management of digital technology and artificial intelligence	3
Director	HONG-YE Investment Co., Ltd. Rep.: S.J. Liao	2024/09/24	The Taiwan Corporate Governance Association	The roles of Directors and Supervisors in company's risk and crisis management	3
		2024/9/30	Taiwan Stock Exchange Corporation	Taiwan's Capital Market Summit	3
		2024/10/28	Independent Director Association Taiwan	AI application in various industries-implementation practices and challenges from trends	3
		2024/11/13	The Taiwan Corporate Governance Association	Trends and risk management of digital technology and artificial intelligence	3
Director	E.L. Tung	2024/09/24	The Taiwan Corporate Governance Association	The roles of Directors and Supervisors in company's risk and crisis management	3

Title	Name	Date	Institute	Course	Period (hours)
		2024/11/13		Trends and risk management of digital technology and artificial intelligence	3
Independent Director	C. Lin	2024/08/13	The Taiwan Corporate Governance Association	Cybersecurity Risk Management	1.5
		2024/09/04	The Taiwan Corporate Governance Association	Corporate compliance, integrity management and directors' understanding of Labor Standards Act and legal practices - Friendly workplace and Gender Equality in Employment Act	3
		2024/09/24	The Taiwan Corporate Governance Association	The roles of Directors and Supervisors in company's risk and crisis management	3
		2024/10/17	Securities & Futures Institute	Artificial Intelligence Explosion: Chatbot ChatGPT flips new industry trends	3
		2024/11/13	The Taiwan Corporate Governance Association	Trends and risk management of digital technology and artificial intelligence	3
Independent Director	C.P. Hwang	2024/09/24	The Taiwan Corporate Governance Association	The roles of Directors and Supervisors in company's risk and crisis management	3
		2024/11/13		Trends and risk management of digital technology and artificial intelligence	3
Independent Director	Michael Wang	2024/10/28	Independent Director Association Taiwan	AI application in various industries-implementation practices and challenges from trends	3
		2024/11/13	The Taiwan Corporate Governance Association	Trends and risk management of digital technology and artificial intelligence	3

2.1.4 Introduction of the Management Team

Title / Name	Nationality	Gender	On-board Date	Current Shareholding (Note 4)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions	Note
				Shares	%	Shares	%	Shares	%			
CSO T.H. Tung	R.O.C.	Male	01/01/2008	94,917,309	3.56	6,074,490	0.23	-	-	Master's degree in Computer and Communication Engineering, National Taipei University of Technology Honorary Ph.D. in Engineering, National Taipei University of Technology Vice Chairman of Asustek Computer Inc. Chairman of Kinsus Interconnect Technology Corp. Chairman of Pegavision Corp.	Refer to Introduction of Board of Directors	
Deputy CSO Jason Cheng	R.O.C.	Male	01/01/2008	4,797,773	0.18	13,120	0.00	-	-	Master's degree in Electrical Engineering, University of Southern California President and CEO of Pegatron Corp. Deputy General Manager of Asustek Computer Inc.	Refer to Introduction of Board of Directors	
Deputy Group CEO S.J. Liao	R.O.C.	Male	11/02/2012	3,199,856	0.12	93	0.00	-	-	Bachelor's degree in Industrial and Business Management, Tatung University Honorary Ph.D., Tatung University President and CEO of Pegatron Corp. Chief Operating Officer of Pegatron Corp. Senior Vice President of Unihan Corp.	Refer to Introduction of Board of Directors	

Title / Name	Nationality	Gender	On-board Date	Current Shareholding (Note 4)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions	Note
				Shares	%	Shares	%	Shares	%			
President and Co-CEO Kuang-Chih Cheng	R.O.C.	Male	08/12/2022	270,946	0.01	80	0.00	-	-	Master's degree in Computer Science and Information Engineering Tamkang University Associate Vice President of ASUS	Director of ASROCK INCORPORATION Director of AzureWave Technologies, Inc. President and CEO of AzureWave Technologies, Inc. Chairman of AzureWave Technologies (U.S.A.) Inc. Chairman of AzureMoto Technology, Inc. Director of ASROCK RACK INCORPORATION	
President and Co-CEO Kuo-Yen Teng	R.O.C.	Male	08/01/2008	569,309	0.02	309,000	0.01	-	-	College degree in Electronic Engineering National Taipei Institute of Technology Associate Vice President of ASUS	None	
Senior Vice President Te-Tzu Yao	R.O.C.	Female	08/01/2008	916,109	0.03	-	-	-	-	M.S. Psychology, National Taiwan University MBA in International Management, Thunderbird, The American Graduate School of International Management Chief Staff, CEO Office, ASUS Vice President of Material Management, Wistron Corp General Auditor, Chief Logistic Officer, AVP of Global Operation, Acer Inc.	Director of AzureWave Technologies, Inc.	
Senior Vice President H. T. Tung	R.O.C.	Male	08/01/2008	530,000	0.02	-	-	-	-	Bachelor's degree in Electrical Engineering National Taiwan University Associate Vice President of ASUS	Refer to Introduction of Board of Directors	

Title / Name	Nationality	Gender	On-board Date	Current Shareholding (Note 4)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions	Note
				Shares	%	Shares	%	Shares	%			
Senior Vice President Chung Yu Huang	R.O.C	Male	11/02/2012	1,041,630	0.04	-	-	-	-	Ph.D. Electrical Engineering, University of Southern California Master's degree in Electrical Engineering, University of Southern California Bachelor's degree in Electrical Engineering, National Taiwan University Associate Vice President of ASUS Vice President of Unihan Corp	None	
Senior Vice President and Co-Chief Technology Officer Pei-Chin Wang	R.O.C	Male	10/03/2011	1,395,949	0.05	-	-	-	-	Master's degree in Electrical Engineering, National Taiwan University Vice President of ASUS	Director of AzureMoto Technology, Inc.	
Senior Vice President and Co-Chief Technology Officer Yean-Jen Shue	R.O.C	Male	08/19/2022	831,432	0.03	401,175	0.02	-	-	Ph.D. Electrical Engineering, University of Florida Associate Vice President of ASUS	Independent Director of CYBERLINK CORP.	
Vice President and Co- Chief of Staff Chiu-Tan Lin	R.O.C	Male	02/01/2008	190,000	0.01	-	-	-	-	Master's degree in Business Administration Tungshai University Deputy Chief Investment Officer of ASUS	Supervisor of POWTEK (SHANGHAI) LTD. Supervisor of DIGITEK (CHONGQING) LTD. Chairman of PEGATRON TECHNOLOGY SERVICE INC. Director of PEGATRON Czech s.r.o. Director of Pegatron Technology India Private Limited Director of Pegatron Electronics India Private Limited	
Vice President and Co- Chief of Staff Ming-Tung Hsu	R.O.C.	Male	08/01/2008	513,624	0.02	8,219	0.00	-	-	College degree in Industrial Engineering National Taipei Institute of Technology Associate Vice President of ASUS	Chairman of Pegatron MEXICO S.A.DEC.V. Director of PEGAUNIHAN TECHNOLOGY MALAYSIA SDN. BHD.	

Title / Name	Nationality	Gender	On-board Date	Current Shareholding (Note 4)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions	Note
				Shares	%	Shares	%	Shares	%			
Vice President Tsung-Jen Ku Lai	R.O.C	Male	08/01/2008	822,278	0.03	6,991	0.00	-	-	Bachelor's degree in Industrial Engineering Tungshai University Associate Vice President of ASUS	Director of PEGATRON TECHNOLOGY SERVICE INC. Director of PEGATRON SERVICE SINGAPORE PTE. LTD. Director of PEGATRON SERVICE KOREA LLC. Chairman of AMA PRECISION INC. Director of PEGATRON SERVICE AUSTRALIA PTY. LTD.	
Vice President En-Bair Chang	R.O.C.	Male	02/01/2008	429,213	0.02	-	-	-	-	Master's degree in Industrial Design Pratt Institute Associate Vice President of ASUS	Director of KAEDAR TRADING LTD. Director of KAEDAR HOLDINGS LIMITED Chairman of SLITEK HOLDING LTD.	
Vice President Shih-Chi Hsu	R.O.C.	Male	01/17/2022	967	0.00	-	-	-	-	Bachelor's degree in Mechanical Engineering National Taiwan Institute of Technology Associate Vice President of ASUS	None	Note 1
Vice President Tian-Bao Chang	R.O.C	Male	08/01/2008	778,101	0.03	-	-	-	-	College degree in Transportation Management Chungyu Institute of Technology Senior Director of ASUS	Director of PROTEK (SHANGHAI) LTD. Director of POWTEK (SHANGHAI) LTD. Director of MAINTEK COMPUTER (SUZHOU) CO., LTD. Director of CASETEK COMPUTER (SUZHOU) CO., LTD. Director of COTEK ELECTRONICS (SUZHOU) CO., LTD. Director of CORE-TEK (SHANGHAI) LIMITED Director of CHONGQING ZUANSHUO TRADING CO., LTD.	
Vice President Chih-Hsiung Chen	R.O.C	Male	07/01/2010	635,609	0.02	400,000	0.02	-	-	Master's degree in Electrical Engineering Tufts University Vice President of ASUS	None	Note 2

Title / Name	Nationality	Gender	On-board Date	Current Shareholding (Note 4)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions	Note
				Shares	%	Shares	%	Shares	%			
Vice President Hsi-Wen Lee	R.O.C.	Male	08/01/2012	310,390	0.01	-	-	-	-	Master's degree in Mechanical Engineering, National Taiwan University Senior Director of ASUS	None	
Vice President Shaing-Shaing Wu	R.O.C.	Female	07/01/2014	1,027,000	0.04	-	-	-	-	Master's degree in Business Administration, University of St. Thomas Vice Chairman of OFCO Industrial Corp.	Director of KINSUS INVESTMENT CO., LTD. Director of ASUS INVESTMENT CO., LTD. Director of ASUSTEK INVESTMENT CO., LTD. Director of Esite Corporation. Supervisor of PT. PEGAUNIHAN TECHNOLOGY INDONESIA Supervisor of PEGATRON VIETNAM COMPANY LIMITED Supervisor of PEGATRON TECHNOLOGY HAI PHONG COMPANY LIMITED Director of Pegatron Venture Capital Co., Ltd.	
Vice President Chen-Yu Feng	R.O.C.	Male	08/01/2014	673,795	0.03	21,000	0.00	-	-	Master's degree in Computer Science, National Chiao Tung University Associate Vice President of Unihan Corp. Senior Director of ASUS	Director of Pegatron USA	
Vice President Ting-Pang Huang	R.O.C.	Male	08/01/2018	357,000	0.01	-	-	-	-	Bachelor's degree in Industrial Management Science, National Taiwan University of Science and Technology Deputy Director of ASUS	None	
Vice President Yi-Yung Wu	R.O.C.	Male	08/01/2020	140,028	0.01	-	-	-	-	Ph.D. of Power Mechanical Engineering, National Tsing Hua University Master's degree in Power Mechanical Engineering, National Tsing Hua University Section Manager of OES/ITRI Deputy Director of ASUS Senior Director of Unihan Corp.	Supervisor of KAI CHUAN Electronics (Chongqing) Co., Ltd. Director of Luxcase Precision Technology (YanCheng) Co., Ltd. Director of Zhangjiagang Dongbu High Technology Metal Products Co., Ltd.	

Title / Name	Nationality	Gender	On-board Date	Current Shareholding (Note 4)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Selected Current Positions	Note
				Shares	%	Shares	%	Shares	%			
Vice President Hsiang-Chieh Huang	R.O.C	Male	01/08/2024	1,006,739	0.04	-	-	-	-	Master Degree in Mechanical and Aerospace Engineering, University of California, Irvine Vice President of Chi Mei Communication Systems Master's degree in Management, Tamkang University Senior Associate Vice President of Kinsus Interconnect Technology Corp. Director of Starlink Electronics Corp.	Director of AMA PRECISION INC. Chairman and President of PEGATRON ELECTRONICS INC. Chairman of PEGATRON TECHNOLOGY TEXAS INC.	Note 3
Corporate Governance Officer Chieh-Tsung Chen	R.O.C	Male	06/21/2019	880,893	0.03	1,101,949	0.04	-	-	Master's degree in Accounting, National Taiwan University Chief Financial Officer of Kinsus Interconnect Technology Corp. Chief Accounting Officer of Casetek Holdings Limited Director of ASUS	Supervisor of ASUSPOWER INVESTMENT CO., LTD. Supervisor of ASUS INVESTMENT CO., LTD. Supervisor of ASUSTEK INVESTMENT CO., LTD.	
Chief Financial Officer Ju-Hui Hsieh	R.O.C	Female	09/01/2019	343,000	0.01	-	-	-	-		Supervisor of Pegatron Venture Capital Co., Ltd. Supervisor of AzureMoto Technology, Inc.	

Note 1: Mr. Shih-Chi Hsu resigned from his position effective on March 29th, 2024. Current shareholding updated to his resignation date.

Note 2: Mr. Chih-Hsiung Chen resigned from his position effective on January 1st, 2025. Current shareholding updated to his resignation date.

Note 3: Mr. Hsiang-Chieh Huang was appointed Vice President on August 1st, 2024.

Note 4: Current shareholding included the employee restricted stocks, which are under the custody of the Trust.

Title/ Name	Remuneration						Compensation Earned by a Director Who is an Employee of Pegatron or Its Consolidated Entities						Total remuneration (A+B+C+D+E+F+G) as a % of net income			Compensation paid to directors from non-consolidated affiliates	
	Base Compensation(A)		Severance Pay and Pensions(B)	Compensation to Directors(C) (Note)		Allowances(D)		Total remuneration (A+B+C+D) as a % of net income		Base Compensation, Bonuses, and Allowances (E)		Severance Pay and Pensions (F)		Employee Compensation (G)			
	From Pegatron	From all consolidated entities	From Pegatron	From all consolidated entities	From Pegatron	From all consolidated entities	From Pegatron	From all consolidated entities	From Pegatron	From all consolidated entities	Cash	Stock	From Pegatron	From all consolidated entities	Cash		Stock
Director HONG-YE Investment Co., Ltd. Rep: S.J. Liao	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above
Director E.L. Tung																	Same as Above
Independent Director C. Lin																	
Independent Director C. P. Hwang	0	0	0	0	33,000	33,000	0	0	33,000	33,000	0	0	0	0	0	33,000	0
Independent Director Michael Wang																33,000	0.20%
1. Describe the remuneration policy, system, standards, and structure for Independent Director. Also describe the connection between remuneration amount and the factors including responsibility, risk, and dedication of Independent Director: In accordance with Article 26-1 of Company's Articles of Incorporation, the remuneration to directors should not exceed 0.7% of the Company's annual profit. The allocation of remuneration should take into consideration the overall operation and performance of the Company, each director's degree of participation and responsibilities in the operation of the company, and the performance evaluation results from the Board and functional committee. 2. In addition to the above information, do directors provide any consultancy service to all consolidated entities and what is its remuneration in the most recent year: 0																	
Note: The amount stated above is on pro forma basis and not the actual remuneration paid to directors.																	

Note: The amount stated above is on pro forma basis and not the actual remuneration paid to directors.

Bracket	Name of Directors				
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)		
	The company	Companies in the financial report	The company	Companies in the financial report	
Below NT\$ 1,000,000	S.J. Liao	S.J. Liao	-	-	-
NT\$1,000,000(Included) ~ NT\$2,000,000(Excluded)	-	-	-	-	-
NT\$2,000,000(Included) ~ NT\$3,500,000(Excluded)	-	-	-	-	-
NT\$3,500,000(Included) ~ NT\$5,000,000(Excluded)	-	-	-	-	-
NT\$5,000,000 (Included) ~ NT\$10,000,000(Excluded)	-	-	-	-	-
NT\$10,000,000(Included) ~ NT\$15,000,000(Excluded)	Ted Hsu T.K. Yang DAI-HE Investment Co., Ltd. Rep.: S. Chi HONG-YE Investment Co., Ltd. Rep.: S.J. Liao H.T. Tung Peter Kuo E.L. Tung C. Lin C.P. Hwang Miachel Wang	Ted Hsu T.K. Yang DAI-HE Investment Co., Ltd. Rep.: S. Chi HONG-YE Investment Co., Ltd. Rep.: S.J. Liao H.T. Tung E.L. Tung C. Lin C.P. Hwang Miachel Wang	Ted Hsu T.K. Yang DAI-HE Investment Co., Ltd. Rep.: S. Chi HONG-YE Investment Co., Ltd. Rep.: S.J. Liao Peter Kuo E.L. Tung C. Lin C.P. Hwang Miachel Wang	Ted Hsu T.K. Yang DAI-HE Investment Co., Ltd. Rep.: S. Chi HONG-YE Investment Co., Ltd. Rep.: S.J. Liao E.L. Tung C. Lin C.P. Hwang Miachel Wang	
	Jason Cheng	Jason Cheng Peter Kuo	S.J. Liao H.T. Tung	S.J. Liao H.T. Tung	
	T.H. Tung	T.H. Tung	T.H. Tung Jason Cheng	T.H. Tung Peter Kuo	
	-	-	-	Jason Cheng	
	-	-	-	-	-
	13	13	13	13	13
NT\$15,000,000 (Included) ~ NT\$30,000,000(Excluded)	Jason Cheng	Jason Cheng Peter Kuo	S.J. Liao H.T. Tung	S.J. Liao H.T. Tung	
NT\$30,000,000 (Included) ~ NT\$50,000,000(Excluded)	T.H. Tung	T.H. Tung	T.H. Tung Jason Cheng	T.H. Tung Peter Kuo	
NT\$50,000,000(Included) ~ NT\$100,000,000(Excluded)	-	-	-	Jason Cheng	
Over NT\$100,000,000	-	-	-	-	-
Total	13	13	13	13	13

2.1.5.2 Compensation Paid to President and Vice President

Unit: NT\$ thousands

Title/Name	Salary(A)		Severance Pay and Pensions (B)		Bonuses and Allowances (C)		Employee Compensation (D)			Total remuneration (A+B+C+D) as a % of net income		Compensation paid to directors from non-consolidated affiliates
	From Pegatron	From all consolidated entities	From Pegatron	From all consolidated entities	From Pegatron	From all consolidated entities	From Pegatron		From all consolidated entities	From all consolidated entities		
							Cash	Stock			Cash	
CSO												
T.H. Tung												
Deputy CSO												
Jason Cheng												
Deputy Group CEO												
S.J. Liao												
President and Co-CEO												
Kuang-Chih Cheng												
President and Co-CEO												
Kuo-Yen Teng												
Senior Vice President												
Te-Tzu Yao												
Senior Vice President												
H.T. Tung												
Senior Vice President												
Chung Yu Huang	127,505	134,871	0	0	124,479	130,323	72,105	0	72,267	0	337,461	240
Senior Vice President and Co-Chief Technology Officer											1.92%	2.00%
Pei-Chin Wang												
Senior Vice President and Co-Chief Technology Officer												
Yean-Jen Shue												
Vice President and Co-Chief of Staff												
Chiu-Tan Lin												
Vice President and Co-Chief of Staff												
Ming-Tung Hsu												
Vice President												
Tsung-Jen Ku Lai												
Vice President												
En-Bair Chang												

Title/Name	Salary(A)		Severance Pay and Pensions (B)		Bonuses and Allowances (C)	Employee Compensation (D)				Total remuneration (A+B+C+D) as a % of net income		Compensation paid to directors from non-consolidated affiliates
	From Pegatron	From all consolidated entities	From Pegatron	From all consolidated entities	From Pegatron	From all consolidated entities	From Pegatron	Cash	Stock	From Pegatron	From all consolidated entities	
Vice President Shih-Chi Hsu	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above	Same as Above
Vice President Tian-Bao Chang												
Vice President Chih-Hsiung Chen												
Vice President Hsi-Wen Lee												
Vice President Shaing-Shaing Wu												
Vice President Chen-Yu Feng												
Vice President Ting-Pang Huang												
Vice President Yi-Yung Wu												
Vice President Hsiang-Chieh Huang												

Bracket	Name of President and Vice President	
	The company	Companies in the financial report
Below NT\$ 1,000,000	-	-
NT\$1,000,000(Included) ~ NT\$2,000,000(Excluded)	Shih-Chi Hsu	-
NT\$2,000,000(Included) ~ NT\$3,500,000(Excluded)		
NT\$3,500,000(Included)~ NT\$5,000,000(Excluded)	-	Shih-Chi Hsu
NT\$5,000,000(Included) ~ NT\$10,000,000(Excluded)	Tian-Bao Chang Chih-Hsiung Chen Yi-Yung Wu	Tian-Bao Chang Chih-Hsiung Chen
NT\$10,000,000(Included) ~ NT\$15,000,000(Excluded)	T.H. Tung Chung Yu Huang Yean-Jen Shue Chiu-Tan Lin Ming-Tung Hsu Tsung-Jen Ku Lai En-Bair Chang Hsi-Wen Lee Shaing-Shaing Wu Chen-Yu Feng Ting-Pang Huang Hsiang-Chieh Huang	T.H. Tung Chung Yu Huang Yean-Jen Shue Chiu-Tan Lin Ming-Tung Hsu Tsung-Jen Ku Lai En-Bair Chang Hsi-Wen Lee Shaing-Shaing Wu Chen-Yu Feng Ting-Pang Huang Yi-Yung Wu Hsiang-Chieh Huang
NT\$15,000,000(Included) ~ NT\$30,000,000(Excluded)	Jason Cheng S.J. Liao Kuang-Chih Cheng Kuo-Yen Teng Te-Tzu Yao H.T. Tung Pei-Chin Wang	S.J. Liao Kuang-Chih Cheng Kuo-Yen Teng Te-Tzu Yao H.T. Tung Pei-Chin Wang
NT\$30,000,000(Included) ~ NT\$50,000,000(Excluded)	-	Jason Cheng
NT\$50,000,000(Included) ~ NT\$100,000,000(Excluded)	-	-
Over NT\$100,000,000	-	-
Total	23	23

2.1.5.3 Employee Profit Sharing Granted to Management Team

Unit: NT\$ thousands

Title	Name	Stock (Fair Market Value)	Cash	Total	Ratio of Total Amount to Net Income (%)
CSO	T.H. Tung	0	78,265	78,265	0.46%
Deputy CSO	Jason Cheng				
Deputy Group CEO	S.J. Liao				
President and Co-CEO	Kuang-Chih Cheng				
President and Co-CEO	Kuo-Yen Teng				
Senior Vice President	Te-Tzu Yao				
Senior Vice President	H.T. Tung				
Senior Vice President	Chung Yu Huang				
Senior Vice President and Co-Chief Technology Officer	Pei-Chin Wang				
Senior Vice President and Co-Chief Technology Officer	Yean-Jen Shue				
Vice President and Co- Chief of Staff	Chiu-Tan Lin				
Vice President and Co- Chief of Staff	Ming-Tung Hsu				
Vice President	Tsung-Jen Ku Lai				
Vice President	En-Bair Chang				
Vice President	Shih-Chi Hsu				
Vice President	Tian-Bao Chang				
Vice President	Chih-Hsiung Chen				
Vice President	Hsi-Wen Lee				
Vice President	Shaing-Shaing Wu				
Vice President	Chen-Yu Feng				
Vice President	Ting-Pang Huang				
Vice President	Yi-Yung Wu				
Vice President	Hsiang-Chieh Huang				
Corporate Governance Officer	Chieh-Tsung Chen				
Chief Financial Officer	Ju-Hui Hsieh				

2.1.5.4 Compare and state the ratio of total remuneration paid to the Company's Directors, President and Vice Presidents by the company and the companies in the consolidated financial statements to net income in the past two years. Please also describe the policy, criteria, packages, and rules relating to the remuneration, as well as its relation to business performance and future risks.

Total remuneration paid by the Company and by all companies included in the consolidated financial statements for the most recent two fiscal years to directors, presidents and vice presidents of the Company are as follows:

Net Income of year 2023: NT\$15,712,958 thousand dollars

Net Income of year 2024: NT\$16,876,878 thousand dollars

NT\$ thousands; %

Year	Total remuneration paid to directors, presidents, and vice presidents		Ratio of total remuneration paid to directors, presidents, and vice presidents to net income (%)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
2023	463,368	511,926	2.95%	3.26%
2024	474,089	527,336	2.81%	3.12%

The ratio of remuneration paid to directors, presidents and vice presidents of the Company and the companies in the consolidated financial statements in the last two years to the net income was 2.95% and 3.26% in 2023 and 2.81% and 3.12% in 2024, respectively.

Pursuant to Article 14-6 of Securities and Exchange Act, our Board of Directors approved the establishment of Compensation Committee, appointment of committee members and related internal regulations on August 25, 2011. Since the establishment of Compensation Committee, members of the committee shall exercise the utmost good faith and perform the following duties:

- a. Prescribe and periodically conduct performance review and remuneration policy, system, standards, and structure for directors, supervisors, and managerial officers.
- b. Periodically evaluate and prescribe the remuneration of directors, supervisors, and managerial officers.

In accordance with Article 26-1 of the Company's Articles of Incorporation, the remuneration to directors should not exceed 0.7% of the company's annual profit. Reasonable remuneration should be given while taking into consideration the overall operation and performance of the Company, each director's degree of participation and responsibilities in the operation of the company, and the performance evaluation results from the Board and functional committee. The Compensation Committee will hold regular evaluations concerning the reasonability of the compensation policies. Furthermore, remunerations to the management team are determined based on their responsibilities, performance, and the industry compensation level. Whereas variable bonuses comprehensively take into consideration the operating performance of the Company and an individual's performance. The performance of an individual is

evaluated based on their profitability, growth, and operational efficiency.
Remuneration and dividend distribution of directors, supervisors, and managerial officers shall be proposed by the Compensation committee to Board of Directors for resolution.

2.2 Implementation of Corporate Governance

2.2.1 Board of Directors

A total of 7 (A) meetings of the Board of Directors were held in 2024. The directors' attendance status is as follows:

Title	Name	Attendance in person (B)	By Proxy	Attendance rate (%) 【B/A】	Remarks
Chairman	T.H. Tung	7	0	100.0%	Pegatron's 6 th session of Board of Directors was elected at 2022 Annual General Shareholders' Meeting. Tenure of the session is from 15 th June 2022 to 14 th June 2025.
Director	Jason Cheng	7	0	100.0%	
Director	T.K. Yang	7	0	100.0%	
Director	DAI-HE Investment Co., Ltd. Rep.: S. Chi	7	0	100.0%	
Director	HONG-YE Investment Co., Ltd. Rep.: S.J. Liao	7	0	100.0%	
Director	Ted Hsu	7	0	100.0%	
Director	M.D. Kuo	6	1	85.7%	
Director	H.T. Tung	7	0	100.0%	
Director	E.L. Tung	4	3	57.1%	
Independent Director	C.P. Hwang	7	0	100.0%	
Independent Director	C. Lin	6	1	85.7%	
Independent Director	Michael Wang	5	2	71.4%	

Remarks:
1. For resolution of agendas referring to Article 14-3 of Securities and Exchange Act, please refer to the Major resolutions of Board of Directors. There were no resolutions objected by independent directors in writing, on record or subject to qualified opinion in 2024.
2. There were no recusals of directors due to conflict of interest in 2024.
3. Measures taken to strengthen the functionality of the Board: The Board complies with the “Rules Governing the Conduct of Board Meetings” which has been established according to statutory regulations. Chief Internal Audit and Chief Financial Officer also report to the Board regarding the status of internal audit and finance and relevant reports are provided to the directors for their reference. External auditors have also reported to Board periodically. Moreover, the Board of Directors has fulfilled its goal of diversity. For more information, please refer to page 18-20.

2.2.2 Execution Status of Self Evaluation of Board

Pegatron has executed the 2024Y Board Evaluation in 1st quarter 2025 and reported the result of self-evaluation to Board of Directors on March 13th, 2025.

Evaluation Cycle	Evaluation Period	Evaluation Scale	Evaluation Approach	Evaluation Content	Evaluation Result
Once a year	2024.1.1 – 2024.12.31	Board of Directors (as a whole), Board members, Audit committee and Compensation committee	Self-evaluation of Board members, Board of Directors, Audit committee and Compensation Committee	Self-evaluation of Board members: 1. Familiarity with the goals and missions of the Company 2. Awareness of the duties of the director 3. Participation in the operation of the Company 4. Management and communication of internal relationship 5. The director's profession and continuing educations 6. Internal control Self-evaluation of Board of Directors: 1. Participation in the operation of the Company 2. Improvement of the quality of the board of directors' decision making 3. Composition and structure of the board of directors 4. Election and continuing education of the directors 5. Internal control Self-evaluation of	Self-evaluation of Board members: All Board members are actively engaged and have good interaction with management team. Self-evaluation of Board of Directors: The Board of Directors has complied with corporate governance. Self-evaluation of Audit and Compensation Committee: Compensation Committee: All members approve of the implementation and efficiency.

Evaluation Cycle	Evaluation Period	Evaluation Scale	Evaluation Approach	Evaluation Content	Evaluation Result
				Audit and Compensation committee: 1. Participation in the operation of the company 2. Awareness of the duties of the committee 3. Improvement of quality of decisions made by committee 4. Composition of the committee and election of its members 5. Internal control	Audit Committee: All members approve of the implementation and efficiency.

Note:

- (1) In accordance with Pegatron's latest "Rules for Board of Directors and Functional Committee Performance Assessments," the Company's board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years.
- (2) In 2023, Pegatron appointed Diwan & Company as external independent professional institution to execute performance evaluation of Board of Directors in 2022Y (2022.01.01 - 2022.12.31). The external evaluation report was presented to the Board meeting on April 18th, 2023. Diwan & Company has evaluated the composition, quality of the decision making, participation in the operation, election and continuing education and internal control of the Board of Directors and functional committees. Diwan & Company is not a major interested party of Pegatron, and its experts are not second-degree relative of directors. According to their report submitted on March 31st, 2023, the result of assessment is excellent, and it suggests : A. Increase the seat of independent director. B. Increase the diversity of board of directors. Pegatron will take these suggestions into consideration in next session of board of directors.

2.2.3 Audit Committee

A total of 6 (A) meetings of the audit committee were held in 2024. The independent directors' attendance status is as follows:

Title	Name	Attendance in person (B)	By Proxy	Attendance rate (%) 【B/A】	Remarks
Independent Director	C.P. Hwang	6	0	100.0%	Pegatron's 6 th session of Board of Directors was elected in

Independent Director	C. Lin	5	1	83.3%	2022 Annual General Shareholders' Meeting.
Independent Director	Michael Wang	4	2	66.7%	

Remarks:

- For resolution of agendas referring to Article 14-5 of Securities and Exchange Act, please refer to the note below. There are no agendas which were not approved by the Audit Committee but otherwise resolved by two thirds or more of all directors in 2024.
- There were no recusals of independent directors due to conflicts of interests in 2024.
Descriptions of the communications between the independent directors, the internal auditors, and the independent auditors, and Audit Committee's key tasks in 2024:
 - The Audit Committee convenes meetings with the Company's independent auditors and the head of internal audit to review major items such as operating results, financial statements, internal control, internal audit plan and its findings. In addition to the findings of internal audit presented by the internal audit department quarterly, the independent auditors also present the external audit findings and review of the Company's second quarter and fourth quarter financial results. Discussion and conclusion of above-mentioned items are recorded in the Audit Committee meeting minutes and resolutions will be reported to the directors in Board meetings periodically. The Company's head of internal audit and the independent auditors report to the independent directors solely at least once a year about the internal audit and financial statement audit matters. The auditors and the independent directors have an effective communication in the meeting.
 - Meeting agenda among independent directors, independent auditors, and the head of internal audit as below:

Date	Types of Meeting	Participant	Meeting Agenda	Resolution
2024/3/14	Closed Door Session	Head of internal audit	1. Review internal audit report 2. Review Statement of Internal Control of 2023	1. Independent directors have no other opinions. 2. Independent directors have no objection and submit the Statement to the board of directors for approval.
		Independent auditors	Review annual consolidated and non-consolidated financial statements, and auditors' audit findings for the full year of 2023	Independent directors have no objection and submit the financial statements to the board of directors for approval.
2024/5/10	Audit Committee	Head of internal audit	Review internal audit report	Independent directors have other opinions.
2024/8/13	Closed Door Session	Head of internal audit	Review internal audit report	Independent directors have no other opinions.
		Independent auditors	Review consolidated financial statements, and auditors' review findings for the second quarter of 2024	Independent directors have no objection and submit the financial statements to the board of directors for approval.
2024/11/13	Audit Committee	Head of internal audit	1. Review internal audit report 2. Review internal audit plan of 2025 3. Internal audit system amendment	1. Independent directors have no other opinions. 2.,3. Independent directors have no objection and submit the internal audit plan to the board of directors for approval.

- Moreover, in complying with the duties of Audit committee, it has supervised the fair expression of financial reports, the plan of issuing RSAs, the amendment of internal control system and audit system, the effective implementation of the internal control system, major investments related issues, the evaluation of independence and compensation of external auditors in this year.

Note: Resolution for agendas referring to in Article 14-5 of Securities and Exchange Act

Date	Agenda (Referring to Article 14-5 of Securities and Exchange Act)	Disagreements from Independent Directors	Responses to disagreements	Resolution Circumstance
2024.01.25	1. To invest subsidiary in Malaysia US\$12M. 2. To invest subsidiary PEGATRON Mexico S.A. de C.V. US\$75M.	None	None	Approved
2024.03.14	1. Business report and financial statements of year 2023 2. Earnings distribution of year 2023 3. To rent the factory and dormitory from subsidiary Pegavision Corporation 4. Pegatron's Internal Control System Statement of 2023Y 5. The evaluation report for the independence and suitability based on Audit Quality Indicators of external Auditor	None	None	Approved
2024.04.16	1. 2024Y employees' motivation program to issue 45,000,000 shares as employee restricted stock award	None	None	Approved
2024.05.10	1. The 1st quarter 2024 consolidated financial report	None	None	Approved
2024.08.13	1. The 2nd quarter 2024 consolidated financial report 2. To reduce the area that Pegatron has rented (factory and dormitory) from subsidiary Pegavision Corporation.	None	None	Approved
2024.11.13	1. The amendment to the Company's Internal control system 2. The amendment to the Company's internal audit implementation rules 3. The 3rd quarter 2024 consolidated financial report 4. The total compensation for external auditor in year 2024 5. The plan of internal auditing in year 2025 6. To invest subsidiaries Pegapower Investment Co., Ltd and Pegatron Investment Co., Ltd NT\$150M for each.	None	None	Approved

2.2.4 Status of Compensation Committee:

Pursuant to Article 14-6 of Securities and Exchange Act, listed companies shall establish a compensation committee. In 2022, after the election of new session of directors, the Compensation Committee comprised three independent directors, Mr. Michael Wang, Mr. C. Lin, and Mr. C.P. Hwang. Mr. Michael is the Chairman of the Compensation Committee. The Compensation Committee Charter is available on Market Observation Post System of Taiwan Stock Exchange.

2.2.4.1 Members of Compensation Committee:

As of 12/31/2024

Criteria		Professional Qualification and Experiences	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving a Member of Compensation Committee
Title	Name			
Independent Director (Chairman)	Michael Wang	Please refer to Page 17, the table 2.1.2	Please refer to Page 17, the table 2.1.2	2
Independent Director	C. Lin	Please refer to Page 17, the table 2.1.2	Please refer to Page 17, the table 2.1.2	0
Independent Director	C.P. Hwang	Please refer to Page 17, the table 2.1.2	Please refer to Page 17, the table 2.1.2	0

Tenure of the fifth session of Compensation committee is from 15th June 2022 to 14th June 2025. A total of 5 (A) meetings of the Compensation Committee were held in 2024. The status of attendance is as follows:

Title	Position	Name	Attendance in person (B)	By Proxy	Attendance rate (%) (B/A)	Remarks
Chairman (5 th Session)	Independent Director	Michael Wang	3	2	60%	Pegatron's 6th session of Board of Directors was elected in 2022 Annual General Shareholders' Meeting.
Member	Independent Director	C. Lin	4	1	80%	
Member	Independent Director	C.P. Hwang	5	0	100%	

Other Information to be disclosed:

1.

If Board of Directors did not adopt or revise the proposal made by the Compensation Committee, please specify the date, session, agendas and resolutions of the Board of Directors meeting and how the Company handled the proposal made by the Compensation Committee (If amount of the compensation approved by the Board of Directors is higher than that proposed by the Compensation Committee, please specify the reasons and differences in proposals.)
None.

2.

If any members of the Compensation Committee were against or reserved their opinions towards the resolutions, please specify the date, session, agendas, opinions of all members and how the opinions were handled.
None.

3.

According to the Article 6 of Pegatron Remuneration Committee Charter, the committee's duties are: (1) Establishing and periodically reviewing the performance evaluation for directors, supervisors and managerial officers, and the policies, systems, standards, and structures for their compensation. (2) Periodically assessing and setting the compensation for directors, supervisors, and managerial officers.

The Resolution for agendas relating to compensation in 2024:

Date	Agenda	Disagreements from Independent Directors	Responses to Disagreements	Resolution Circumstance
2024.01.25	1. The year-end bonus for managerial officers in year 2023.	None	None	Approved
2024.03.14	1. Appropriated remuneration of 2023Y for employees and directors.	None	None	Approved
2024.04.16	1. 2024Y employees' motivation program to issue 45,000,000 shares as employee restricted stock award	None	None	Approved
2024.08.13	1. Adjustment of managerial officers' salary in year 2024 2. Distribution of Directors' remuneration in 2023	None	None	Approved
2024.09.24	1. The Performance bonus for managerial officers in year 2024	None	None	Approved

2.2.5 Corporate Governance Implementation Status and Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”

Item	Implementation Status			Deviations and the reasons
	Y	N	Summary	
1. If the Company established and disclosed Corporate Governance Principles in accordance with Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies?	V		The Company established Corporate Governance Principles and disclosed them on the corporate website and Market Observation Post System.	None
2. Shareholding Structure & Shareholders' Rights (1) If the Company established internal procedures to handle shareholder suggestions, proposals, complaints, and litigation and execute accordingly?	V		(1) The Company established internal procedures and assigned designated departments to handle shareholder suggestions, proposals, complaints, and disputes. Shall there be any legal issue, our legal department and outside counsel will involve and handle the issues.	None
(2) If the Company maintained of a list of major shareholders and a list of ultimate owners of these major shareholders?	V		(2) The Company maintains a good relationship with major shareholders and keeps an updated list of the major shareholders.	
(3) If risk management mechanism and “firewall” between the Company and its affiliates are in place?	V		(3) The Company established appropriate internal policies and assigned designated personnel to handle risk management mechanism and “firewall” between the Company and its affiliates.	
(4) If the Company established internal policies that forbid insiders from trading based on non-disclosed information?	V		(4) The company has established "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles", "Codes of Ethical Conduct", "Procedures for Handling Material Inside Information" and "Procedures for Prevention of Insider Trading" to explicitly stipulate that the	

Item	Implementation Status			Deviations and the reasons
	Y	N	Summary	
			Company's directors, managerial officers and employees shall avoid conflicts of interest related to their duties and shall be prohibited from using or disclosing non-public information learned for insider trading. The above regulations are disclosed on the corporate website, and promotional materials are placed in the employee handbook within the internal system for employees' reference at any time. The Company provides information on the relevant regulations and promotional education to new directors and managerial officers when they take office. The Company amended "Corporate Governance Best Practice Principles" and "Procedures for Prevention of Insider Trading" at the board meeting on August 13, 2024. These amendments stipulate that directors and managerial officers are prohibited from trading their stocks during the closed period of 30 days prior to the announcement of the annual financial reports and 15 days prior to the announcement of the quarterly financial reports. Regarding the relevant closed periods of the announcement of the quarterly financial reports of 2024 and 2025, the Company notified directors and managerial officers (34 in total) to avoid violating the regulations on August 19, 2024. Additionally, a follow-up reminder was sent via email 7 days prior to closed periods, along with promotional materials regarding the relevant laws and regulations, examples, legal responsibilities and Q&A of insider trading.	

Item	Implementation Status			Deviations and the reasons
	Y	N	Summary	
3. Structure of Board of Directors and its responsibility (1) If the Board develop diversified policies, concrete management goal, and execute?	V		(1) Article 20 of the Company's Corporate Governance Principles stated that the Board shall consist of members from diverse background. Current Board members focuses on diversified professions, twelve directors include one female director, while taking into account the diversity of genders, professional skills and backgrounds. The members are elites of technology, financial, industrial, and academic areas, covering computer telecommunications, electrical engineering, electronic product applications, business management, biotechnology and medical care, media management, industrial economics, and other professional fields. They are generally equipped with the knowledge, skills, and competencies necessary to perform their duties. Please refer to "Diversity of Board Members." In the future, competent female director with qualification should be taken into consideration.	None
(2) If the Company established any other functional committee in addition to Compensation Committee, Audit Committee as required by law?	V		(2) The Company established Compensation Committee and Audit Committee and its policies and procedures. Apart from the above-mentioned committees, the Company has not established any other functional committee.	
(3) If the Company established methods and procedures to assess the performance of the Board and conduct assessment on annual basis? If the result of the assessment will be reported to the Board and taken into considerations for individual remuneration nomination purpose?	V		(3) The Company established methods and procedures for board of directors' performance assessments and conduct assessment on annual basis. The performance evaluation results in 2024 will be reported to the Board before the end of the first quarter of 2025. The Company's Compensation	

Item	Implementation Status			Deviations and the reasons
	Y	N	Summary	
(4) If the Company assess the independence of CPA periodically?	V		Committee takes all factors such as the performance evaluation results and participation in the operation of the Company, etc. into consideration when conducting remuneration evaluation on each Board member in the second half of each year. (4) Each March, the Company evaluates the independence and competence of CPA based on KPMG's Statement of Independence and items, mentioned in Note 1, stated in Article 47 of Certified Public Accountant Act and No.10 of The Norm of Professional Ethics for Certified Public Accountant. Since 2023, the Company has also referred to 13 indicators of the Audit Quality Indicators (AQIs) provided by KPMG as the basis for the evaluation of the appointment of CPAs. After comprehensive evaluations, the CPAs meet the standards of independence and suitability. The results of relevant evaluation have been approved by the resolution of the Audit Committee and the Board of Directors on March 14, 2024.	
4. If the Company had adequate number of corporate governance personnel and appoint a chief corporate governance officer overlooking corporate governance affairs including but not limited to handling matters relating to board meetings and shareholder meetings, assisting directors with legal compliance, preparing agendas, and producing minutes for board meetings and shareholder meetings?	V		In order to fulfill corporate governance and improve effectiveness of the board of directors, the Corporate Governance Officer was proposed and approved in the 5th session of Board of Directors at its 1st meeting on June 21, 2019. The Board appointed Mr. Chieh-Tsung Chen as the "Corporate Governance Officer." Mr. Chen has been in charge of related financial affairs, stock affairs, and corporate governance matters in listed company for more than three years. According to the Article 3-1 of the	None

Item	Implementation Status			Deviations and the reasons
	Y	N	Summary	
			Corporate Governance Best Practice Principles, the corporate governance affairs include at least the following items : 1. Handling matters relating to board meetings and shareholders meetings according to laws. 2. Formulating minutes of board meetings and shareholders meetings. 3. Assisting in onboarding and continuous development of directors 4. Furnishing information required for business execution by directors. 5. Assisting directors with legal compliance. 6. Reporting to the board of directors the results of examination as to whether the qualifications of independent directors at the time of their nomination and election and during their term of office conform to applicable laws and regulations. 7. Handling matters related to director changes. 8. Other matters set out in the articles of incorporation or contracts. The Corporate Governance Officer attended the training courses in accordance with Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers. Please refer to Note 2 for "The Corporate Governance Officer Training Records in 2024."	

Item	Implementation Status			Deviations and the reasons
	Y	N	Summary	
5. If the Company established communication channel with stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc) and disclosed key corporate social responsibility issues frequently enquired by stakeholders on the designated area of corporate website?	V		The Company set up Honest_Box@pegatroncorp.com on the designated area of the corporate website for communication with stakeholders. Designated personnel and contact information are available to handle all enquiries and respond to any key issues raised by stakeholders. Please refer to the Company's Sustainability report and corporate website for Issues of Concern and Communication Channel of stakeholders.	None
6. If the Company engaged professional transfer agent to host annual general shareholders' meeting?	V		The Company engaged Registrar & Transfer Agency Department of KGI Securities Co. Ltd. to host annual general shareholders' meeting.	None
7 Information Disclosure (1) If the Company set up a corporate website to disclose information regarding the Company's finance, business, and corporate governance? (2) If the Company adopted any other information disclosure channels (e.g., maintaining an English-language website, appointing designated personnel to handle information collection and disclosure, appointing spokespersons, webcasting investors conference, etc.)?	V V		(1) To ensure transparency of information, the Company set up Investor Relations section on the corporate website and disclose information regarding finance, business, and corporate governance. (2) In addition to the role of spokesperson, the Company also has designated departments to collect and disclose information. Information disclosed on the corporate website is presented in both Chinese and English, while quarter result and webcast of investor conference are available on the corporate website as soon as applicable.	(1) & (2) None
(3) If the Company disclosed its annual financial report within two months after year end and disclose its 1 st , 2 nd , 3 rd quarter financial reports and monthly revenue ahead of regulated disclosure date?	V		(3) Annual financial report, quarterly financial reports and monthly sales revenue are disclosed in a timely manner according to relevant government regulations.	(3) Since there is a large number of consolidated entities within the group, the Company is not able to disclose financial

Item	Implementation Status			Deviations and the reasons
	Y	N	Summary	
				reports and monthly revenue ahead of its regulated disclosure date.
8. If the Company had other important information to facilitate better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		1. Employee rights and wellness are stated in internal policies as required by relevant laws and regulations. Please refer to the "Employee Relations" of this annual report for employee rights and employee wellness. 2. The Company maintains good relationship with customers and suppliers and fulfills its duties as a responsible corporate citizen. 3. Internal control, auditing and self-evaluation procedures are in place. 4. The Company also purchases liability insurance for its directors. The amount and scope of insurance coverage are reported to the Board of Directors and are available on MOPS. 5. In 2024, the directors have completed the training courses in accordance with Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies. Please refer to "Board of Directors Training Record." 6. In the succession planning program, executives in Pegatron must be familiar with the operation of high-	None

Item	Implementation Status			Deviations and the reasons
	Y	N	Summary	
			tech industry and focus on industry long-term development. They lead through vision and values of Pegatron, and cultivate talents by providing opportunities, resources, and authorities to subordinates, and stimulate employees' passion for work and encourage them to achieve their full potential. A comprehensive development program for new business unit/ function unit managers will be initiated in 2024. The program will utilize assessment center and evaluation tools to provide participants with an in-depth understanding of their personal characteristics, strengths, weaknesses, and managerial capabilities. Subsequently, internal coaches, participants, and external consultants will collaborate to create a tailored Individual Development Program (IDP) that aligns with the organizational objectives. The high-level development plan comprises regular one-on-one consultations, group training courses, and periodic progress assessments, providing participants with diverse range of resources to successfully perform their current roles. Furthermore, to foster the growth of future business unit managers, key talents will be nurtured in the company's new product business unit, granting access to facilities and talents from research and development, design, and manufacturing, to carry out new product development and customer service, thereby enhancing their capabilities and readiness to become future business unit managers. The Company's Board of Directors focuses on diversified professions, while taking into account the diversity of gender, professional skills and industry experience in accordance with Procedures for Election	

Item	Implementation Status			Deviations and the reasons
	Y	N	Summary	
			of Directors. Several executives of the Company have taken over important positions of affiliated companies to be familiar with implementation of Board of Directors. For example, Mr. Jason Cheng, Vice Chairman and Deputy CSO, serves as the Chairman of AzureWave Technologies Inc. Mr. S.J. Liao, Deputy Group CEO, serves as the Chairman of Kinsus Interconnect Technology Corp. and has been elected the Company's juristic-person director in 2022 during the term of office. Mr. H.T. Tung, Senior Vice President, serves as the Chairman of ASRock Technology Inc. and has been elected the Company's natural-person director in 2022 during the term of office. Ms. Te-Tzu Yao, Senior Vice President, serves as the director of AzureWave Technologies Inc. Mr. Kuang-Chih Cheng, President and Co-CEO, serves as President and director of of AzureWave Technologies Inc. Meanwhile, in order to be familiar with implementation of Board of Directors and operations of affiliated companies, arrange several senior managers to attend the Board meetings. With their experiences and professions, the board of directors can be enriched with different views. Also, they gain various experiences integrating all kinds of resources of affiliated companies proficiently to develop capabilities of strategy formulation, decision making and crisis management and continue to create the dynamics for corporate sustainability development. Pegatron implements IDP (Individual Development Plan) for employees to facilitate the development of talent and enhance the competitive advantages and core competence of Pegatron. IDP enables the targets to understand the goal of	

Item	Implementation Status			Deviations and the reasons
	Y	N	Summary	
			development and combine the capabilities of development with the work. The progress and effectiveness of IDP are reviewed and tracked jointly by the supervisors and the targets. The supervisors may provide suggestions and adequate resources including training programs, job rotation, coaching, job following, etc. in order to help the targets build up required skills to make better business judgment and maintain effective business relationship with customers. 7. The company routinely reports on the Intellectual Property management plan to the board of directors, the latest reporting date is November 13, 2024. The plan list is as follow: (1) Numbers of patent applications, patent granted, patent maintenance and cost thereof. (2) As of October 20, 2024, we maintain 2,579 valid patents of various countries. (3) Confirm that the patent applications are consistent with the company's development and strategic direction and regularly evaluate whether patents are maintained to control costs.	
9. If the Company had a structure in place to manage risks associated with communication security, established communication security policy, its implementation plan, and invested resources in management of information security?	V		1. Cybersecurity management system We have introduced ISO/IEC 27001:2013 and conducts internal and third-parties audit annually. The certificate is examined every three years to maintain valid. 2. Cybersecurity management organization (1) We established cybersecurity management organization and appointed Chief Information Security Officer (CISO) as organizer. To make sure cybersecurity policies serve our promises toward	None

Item	Implementation Status			Deviations and the reasons
	Y	N	Summary	
			cybersecurity and sustainability, CISO ensures that cybersecurity policies suits company's strategies. (2) Cybersecurity department's supervisor serve as management delegator. To govern the cybersecurity affairs which includes policies proposal and executing, education, daily maintenances, early warning, intelligence gathering, disaster drills, incidents handling and internal audition. Furthermore, management delegator also reports to CISO for the execution effectiveness of previous tasks. (3) Summon a monthly meeting to update current cybersecurity posture and the execution effectiveness of cybersecurity tasks. (4) Convene an annual cybersecurity management reviewing meeting. To discuss the topic such as risk analysis, audition report, policy reviewing and the progress of the tasks. 3. Specific management measure We have enacted comprehensive regulations for cybersecurity and invest appropriate resource to support it. (1) Network Security: Implement NGFW, IPS and mail security portal to prevent cyber-attack and malicious mail. Implement network segmentation and enhance access control to optimize network flow and prevent Lateral Movements. (2) Endpoint Security: Using inventory management system to effectively seize the status of assets.	

Item	Implementation Status			Deviations and the reasons
	Y	N	Summary	
			Install anti-virus software to engage real-time protection, regular scanning and updating virus pattern. Restrict software installation and the usage of portable storage devices. (3) Data Security: Introduce DRM mechanism for protection and access control to protect confidential documents. Introduce encryption mechanism for data in-transit. (4) Security Awareness: Employees received information security training. Conduct Phishing mail drill regularly. (5) Cooperating with third-parties institution for cybersecurity evaluation Engage third-parties penetration test. By third parties scoring system, we establish full awareness of our cybersecurity. (6) Participating TWCERT/CC and High-Tech Cybersecurity Alliance. To exchange the trend and intelligence of the cybersecurity exposure. 4. Risk distribution We have invested in cybersecurity insurance for the cause of risk distribution. Being a valuable client, insurance also provide us the resource of cybersecurity expert all over the world to strengthen our capabilities to respond potential incidents. 5. There is not any cybersecurity incidents involving Pegatron Corporation	

Item	Implementation Status			Deviations and the reasons
	Y	N	Summary	
10. Any improvement made in accordance with the result of the most recent corporate governance evaluation conducted by TWSE? Any measures to be taken on the outstanding items?	V		The Company reported to the Board of Directors in January 2025 regarding the result of self-evaluation and the feasibility of its improvement plans to rectify non-compliance items under the commercial practices.	None

Note 1: Assessment items of accountant's independence

Assessment		Independence(Y/N)
1. CPAs have no direct or indirect financial interest relationship with the Company.		Y
2. CPAs have no financing or guarantee relationship with the Company or the Company's director.		Y
3. CPAs have not taken into account the possible loss of the client which may affect the audit work.		Y
4. CPAs have no close business relationship or potential employment relationship with the Company.		Y
5. CPAs have no contingent fees related to the Company's audit cases.		Y
6. The Company have not engaged the same CPA without replacement for 7 years consecutively.		Y
7. CPAs and members of the audit service team are not currently serving or have not served in the last two years as the Company's directors, managers, or the positions that significantly influence the audit.		Y
8. The non-audit service that the firm of CPAs offered to the Company have no direct influence on any important items of the audit case.		Y
9. CPAs have not mediated the trading of stocks or other securities issued by the Company.		Y
10. CPAs have not acted as a counsel of the Company or represented the Company in coordinating matters relating to conflicts with a third party...		Y
11. CPAs have no kinship with the Company's directors, managerial officers or personnel who have significant influence on the audit.		Y
12. No former partner of CPAs serves as a director, or manager of the Company or in a position having significant influence on the audit case within one year after relieved of his/her office.		Y
13. CPAs have not accepted valuable gifts or gratuity from the Company or its directors, supervisors, and managerial officers.		Y
14. CPAs have not accepted any inappropriate selection of accounting policies or inappropriate disclosure, or reduced the extent of work performed inappropriately, being pressured to reduce auditing fee.		Y

Assessment items of accountant's Suitability

Assessment	Suitability (Y/N)
1. CPAs have not been disciplined by the competent authority.	Y
2. The financial reports have been issued comply with the latest regulations governing the preparation of financial reports, accounting standards and relevant explanations of regulations from the competent authorities.	Y
3. The financial report for the first three quarters shall be completed within forty-five days after the end of the quarter, and the annual financial report shall be completed within three months after the end of the fiscal year.	Y
4. In case the financial report publicly disclosed have not been prepared in accordance with relevant laws and regulations and should be corrected.	Y
5. The Company has not been subject to any rectification or litigation by the competent authority due to the financial report.	Y
6. Provide the company's financial and tax consulting services from time to time.	Y

Note 2: The Corporate Governance Officer Training Records

Date	Institute	Course	Period (hours)
2024/07/03	Taiwan Stock Exchange Corporation	2024 Cathy sustainable finance and climate change Forum	6
2024/09/24	The Taiwan Corporate Governance Association	The roles of Directors and Supervisors in company's risk and crisis management	3
2024/10/04	Securities & Futures Institute	2024 prohibition against insider trading seminars	3
2024/10/28	Independent Director Association Taiwan	AI application in various industries-implementation practices and challenges from trends	3
2024/11/13	The Taiwan Corporate Governance Association	Trends and risk management of digital technology and artificial intelligence	3

2.2.6 Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Item	Implementation Status			Deviations and the Reasons
	Y	N	Summary	
1. If the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? If the board of directors authorized senior management to handle related matters under the supervision of the board?	√		The company's sustainable development activities are planned, operated, and executed by the PureCSR (PEGATRON Corporate Social Responsibility) committee, and the CEOs are authorized by the board of directors to be the Chairmen of the committee. Committee members include Chief Logistic Officer, HR & ADM Center, Procurement Center, Corporate Quality and Sustainability Development Center, Legal & IPR Center, MIS, Customer Service Business Unit, Financial & Accounting Center, and managers and representatives come from various business units and sites. The committee members identify interested parties according to their respective duties and respond to their concerns in their daily work. The PureCSR Steering Committee is responsible for coordinating cross-departmental issues, regularly reporting the implementation plan and performance to the CEOs and reporting to the board of directors at least once a year for supervision. On August 13, 2024, the annual sustainable development performance, stakeholder communication and response results, and risk management policies and identification results were reported to the board of directors. There are no doubts or suggestions for changes in the sustainable development indicators, risk management implementation.	None

Item	Implementation Status			Deviations and the Reasons
	Y	N	Summary	
2. If the Company conducted risk assessment on its business operation, social environment as and corporate governance based on the principle of materiality and established risk management policy or strategy accordingly?	V		The company has implemented risk assessments on environmental, social, and corporate governance issues based on the principle of materiality. The assessment boundaries are 15 factories with operational control, which are the same as the boundaries of the subsequent environmental and social issues in this table. (1) Risk assessment standards and procedures: The PureCSR Committee, through annual regular meetings, entrusts committee members and working groups of each unit to assess potential risks and emerging risks of the environment, society and corporate governance based on factors such as frequency of occurrence, degree of impact, and degree of control. The risk management process includes risk identification, analysis, evaluation, disposal, monitoring, reporting and disclosure. (2) Evaluation results and countermeasures: 9 risk issues are extracted as follows, and the complete content is disclosed in the sustainability report. A. Corporate Governance-Using internal information to gain improper benefits: Follow integrity policies and implement fraud prevention programs B. Information Security-Information leakage or intrusion: Account authority control, login restriction, multi-factor authentication C. Production Safety-Shortage of materials: Maintain more than two suppliers for each key component D. Environmental Protection-Hazardous substance discharge: Pre-exclusion of high-risk hazardous substances at design stage	None

Item	Implementation Status			Deviations and the Reasons
	Y	N	Summary	
			E. Community Impact-Impact on community development caused by business activities: Provide open channels to communicate with stakeholders F. Climate Change-Energy shortage: Equipment improvement and process optimization to improve production efficiency G. Labor Rights-Misuse of child labor: Identification card verification and internal audit inspection H. Responsible Sourcing-Purchasing unethical minerals: Encouraging smelters to attend responsible minerals assurance process I. Equality in The Workplace-Discrimination in the recruitment process: Anti-discrimination training for recruiters (3) Risk management strategy: The company adheres to the concept of sustainable operation, and through the establishment, implementation, and maintenance of a proactive risk management mechanism, it continuously grasps internal and external issues and environmental changes, implements operational impact analysis, and has the ability to respond to challenges in a timely manner. We realized the commitment of the company's sustainable operation and protect the best rights and interests of customers and stakeholders through self-examination and optimization of the company's resilience. (4) Reporting frequency and supervision to the board of directors: At least once a year. We reported to the board of directors on August 13, 2024. The board of directors has no doubt or suggestion for changes in the risk	

Item	Implementation Status			Deviations and the Reasons
	Y	N	Summary	
			identification results and response measures.	
3. Environmental Issues (1) If the Company established proper environmental or energy management system based on the characteristics of the industry where the Company belongs to?	V		(1) The company has established an environmental management system in accordance with the requirements of the ISO 14001 and passed third party certification. The certificate is valid from October 25, 2023, to October 24, 2026. The verification scope is Pegatron Technology Co., Ltd.	None
(2) If the Company endeavored to utilize resources more efficiently and utilized renewable materials which have a lower impact on the environment?	V		(2) The company improves energy efficiency by evaluating equipment operational efficiency, introducing energy saving technologies, and replacing high energy consumption equipment. In addition, non-productive power consumption is controlled, and power usage in daily operations is optimized through air-conditioning and lighting system management. The electricity saving target is to reduce electricity consumption per unit revenue by 25% in 2030 compared with that of 2021, and the base year data is 2.11 (GJ/million revenue). In 2024, a total of 12 equipment replacement projects have been implemented, resulted in a total energy saving of 15,036 MW and a reduction of carbon emissions of 8,069 tons of CO2e. In addition to improving its own energy efficiency, the company also takes reducing the environmental impacts of the entire product life cycle (including product design, raw material	

Item	Implementation Status			Deviations and the Reasons
	Y	N	Summary	
(3) If the Company assessed current and potential impact and opportunity of climate change on the Company's operation and take preventive measures?	V		usage, production process to waste disposal) as one of our main strategies. Under the premise of meeting customer product specifications and quality requirements, we maximize the selection of recycled materials with low environmental impacts. (3) The company uses the APS and NZE scenarios proposed by the International Energy Agency (IEA) and the SSP 1-1.9 and SSP 5-8.5 scenarios announced by the United Nations Intergovernmental Panel on Climate Change (IPCC) to complete the risk and opportunity assessment of climate change. The assessment results and response measures are summarized as follows: 1. Physical risks-Drought, heavy rain, typhoon, sea level rise, average temperature rise, etc. Response measures include: Formulate emergency response and post-disaster recovery plans in advance and do a good job of flood control and rush repair when disasters occur, and adjust the production schedule according to the level of risks or notify the customers of the impacted situation in time. 2. Transformation risks-carbon inventory requirements of laws and regulations, customer carbon reduction requirements, supply chain disconnection, management model transformation, etc.: Setting up Pegatron and supply chain low carbon transformation plan, and continuously monitoring the achieving progress of regulations and customer goals. In addition, a contingency plan for external supply interruptions has also been formulated by maintaining a number of potential suppliers.	

Item	Implementation Status			Deviations and the Reasons
	Y	N	Summary	
(4) If the Company monitored the amount of greenhouse emission, water usage and waste handling for the past two years and established corporate strategies on reduction of greenhouse gas emission, water usage and waste management?	V		3. Climate opportunities-Promote low-carbon transformation, increase low-carbon energy usage, material recycling, strengthen supply chain resilience, etc., We setup renewable energy procurement plans in advance and shape colleagues' awareness of energy conservation and carbon reduction internally. Also, we invest in the research and development of low carbon products and assist customers to obtain environmental labels.	
			(4) The greenhouse gas emissions, water consumption and waste output in the past two years are as follows, and the information covers sites which the company has operational control. The data has been confirmed by the ISO 14064 Verification Statement and AA1000 AS (2008) Assurance Statement issued by the verification body. The 2024 values in the table below have not yet been verified by a third party. The verified values will be updated in the 2024 sustainability report.	

Item	Implementation Status				Deviations and the Reasons	
	Y	N	Summary			
				2023	2024	
			Water Usage(m³)	4,441,337	2,359,193	
			Water Usage per revenue (m³/million NTD)	3.76	2.26	
				2023	2024	
			Hazardous waste output(tons)	1,899.11	1,689.48	
			non-hazardous waste output(tons)	51,979.47	37,945.09	
			Total waste output(tons)	53,878.58	39,634.57	
			Waste output per revenue (tons/million NTD)	0.046	0.038	
			The company takes energy saving and carbon reduction, greenhouse gas reduction, water reduction and other waste management into consideration, formulates management policies as follows, and implements relevant activities in accordance with this policy. 1. Abide by all environmental protection, labor, safety, and health laws. 2. Conserve all natural resources, and actively prevent pollution. 3. Reduce environmental impact and safety and health risks. 4. Satisfy customer requirements and become an entirely green enterprise. 5. Enable company-wide promotion of corporate social responsibility. 6. Promote program engagement of all employees and continuously improve it.			

Item	Implementation Status			Deviations and the Reasons
	Y	N	Summary	
			(1) Carbon reduction target: Reduce scope 1, 2 GHG emissions 42% and scope 3 GHG emissions 25% by 2030 from a 2021 base year. Also, we commit to reach net zero by 2050. The base year data is 506,129 (ton CO2e). Reduction measures include improving energy efficiency and purchasing renewable energy. (2) Energy saving goal: In 2030, the electricity consumption per unit of revenue will be reduced by 25% compared that with 2021. The base year data is 2.11 (GJ/million NTD). Reduction measures include replacing old equipment and promoting energy management.	
4. Social Issues (1) If the Company followed relevant laws, and internationally recognized human rights principles, and established appropriate management policies and procedures?	V		(1) The company follows the code of conduct of the Responsible Business Alliance and local labor related laws and regulations to formulate labor human rights requirements. At the same time, it supports and respects labor rights norms, including the International Labor Organization, the United Nations Global Compact, and the guiding principles of business and human rights. Human rights protection policies and management programs include the following: 1. Employee trainings and feedback channels: To promote and explain labor rights to new employees and provide a variety of employee feedback channels to collect employees' ideas, suggestions, and complaints, so as to respond to employee needs and make adjustments in real time.	None

Item	Implementation Status			Deviations and the Reasons
	Y	N	Summary	
(2) If the Company provide reasonable employee welfare (including compensation, paid leaves, other benefits, etc.) and adequately reflect company's operational result on their employees' compensation?	V		2. Risk assessment and internal and external audit: We assess and analyze human rights risks and improvement opportunities every year and conduct internal audits more than once per year to ensure that all management measures and implementation results follow human rights requirements. Internal audits have also been performed according to customer requirements and cooperates with RBA to complete the conformity assessment at least once a year to ensure that labor rights meet the requirements of customers and RBA. 3. Management review: At least once a year, senior executives review the human rights policy and the implementation effectiveness of the management plan.	
(3) If the Company provided safe and healthy working environment to employees and conducted relevant training on safety and health management to employees periodically?	V		(2) 1. The compensation, paid leaves, and benefits of the Company are complying with or better than the laws, for example, the Company offers 7 additional days of paid leave. 2. The Articles of Incorporation states the principle of accrued employee compensation. In addition, company operating results, team and individual work performance are appropriately reflected in employees' compensation (3) 1. The company promotes and creates a safe and healthy working environment through risk assessments, working environment improvements, daily inspections, and audits. We also provide health checks in compliance	

Item	Implementation Status			Deviations and the Reasons
	Y	N	Summary	
			with laws and regulations, and setup first responders and medical offices according to laws. In addition, we employ nursing staffs to engage in labor health services, and regularly implement safety and health education and trainings for employees to prevent occupational accidents. 2. The company has established an occupational safety and health management system in accordance with the requirements of ISO 45001 and passed third party certification. The certificate is valid from October 25, 2023, to October 24, 2026. The certification scope is Pegatron Technology Co., Ltd. 3. Total of 160 occupational accidents have occurred in 2024, accounting for 0.28% of the total number of employees. They were mainly traffic accidents. The data covers factories which the company has operational control. The 2024 data will be updated in the 2024 Sustainability Report after passing third party verification. Corrective and preventive measures have been formulated individually for occupational accidents, and the progress of handling and closing cases is tracked in the annual management review meeting. 4. In 2024, the number of fire incidents, casualties, and the ratio of casualties to total employees were all 0. In addition to formulating emergency response plans for fires, Pegatron established emergency notification mechanisms within each plant. Through regular drills and educational trainings, Pegatron aims to enhance the emergency response capabilities of response teams and raise awareness of hazards among all employees.	

Item	Implementation Status			Deviations and the Reasons
	Y	N	Summary	
(4) If the Company provided career planning, relevant training, and skill development for employees?	V		(4) In order to meet the strategy of talent nurturing and to build up a learning environment, Pegatron Group introduced "Individual Development Plan (IDP)" to help all employees to set their self-development plans according to the corporate and personal targets, and to implement the plan to become mature in their occupational field. Through IDP, supervisors can support corresponding resources and assistances in profession or work skills according to the employees' needs. Moreover, employees can set their own targets and develop skills by participating multidimensional learning activities.	
(5) If the Company followed relevant laws and regulations and international guidelines on consumer health and safety, customer privacy, marketing and labeling of products and services etc. and established relevant consumer and customer protection policy and grievance channel?	V		(5) 1. Consumer or customer rights protection policy: The company stipulates in the Sustainable Development Practice Principles that the company should follow relevant laws, regulations, and international guidelines regarding customer health and safety, and customer privacy is included in, and marketing and labeling of, its products and services and do not have deceptive, misleading, fraudulent or any other activities that may breach customers' trusts, or harm customers' and consumers' interests. 2. Complaint procedure: The Company provide a transparent and effective process for handling customers' complaints with fair and timely approach, and respect customers' rights of privacy indeed to protect their personal information through complying with laws and regulations related to the Personal Information Protection Act. And there is a procedure for how we can	

Item	Implementation Status			Deviations and the Reasons
	Y	N	Summary	
(6) If the Company established suppliers' management policy requesting suppliers to comply with relevant regulations on EHS and human rights issues and monitored suppliers' execution status.	V		handle a customer complaint. (6) The company has formulated the Supplier PureCSR Audit Management Procedure, which requires suppliers to fill in the questionnaire or participate in the audit. 1. New suppliers: Suppliers are required to sign the "PEGATRON Supplier Responsible Business Alliance Code of Conduct Agreement" stipulated by the company and fill in the New Supplier Self-Assessment Questionnaire. Questions in the questionnaire include whether ISO 14001/ISO 45001/ISO 14064-1 have been certified? How to avoid violate relevant economic/social/environmental laws and regulations? Have young workers or student workers been hired? or whether toxic chemicals or store flammable substances have been used or not? etc. 2. Existing suppliers: The company conducts online surveys or onsite audits for major suppliers every year. We have completed online surveys or onsite audits for 118 major suppliers in 2024. Suppliers are also encouraged to participate in RBA audits to check suppliers' sustainable performance from a third party's objective perspective.	
5. If the Company's sustainability report and other reports disclosing non-financial information prepared based on international recognized standard or guidelines and if the company obtain third party assurance or certification for the reports above?	V		1. The company releases its sustainability report every year with reference to the GRI Standard issued by the Global Sustainability Standards Board (GSSB), and publicly discloses it on the company's official website and the Market Observation Post System.	None

Item	Implementation Status			Deviations and the Reasons
	Y	N	Summary	
			2. The 2023 sustainability report has obtained the assurance statement issued by DNV, and the assurance standard is the core option of AA1000 AS (2008) and GRI standards. Financial data can be referred in financial reports issued by accountants.	
6. If the Company established any guideline of corporate sustainable development in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies"? The company formulated the "Sustainable Development Practice Principles" based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies". The fourth edition was approved by the board of directors in 2022 and publicly disclosed on the company's official website. The implementation status is consistent with the principle.				
7. Other material information to facilitate better understanding of the company's promotion of sustainable development: For the implementation and results of the company's sustainable development, please refer to the annual sustainability report and official website, and the Sustainable Development Practice Principles are published on the Major Internal Policies page. (1) Sustainable development implementation status and sustainable report: https://cht.pegatroncorp.com/csr/view/id/5 (2) Sustainable Development Practice Principles: https://cht.pegatroncorp.com/investorRelation/majorInternalPolicies				

2.2.7 Climate-Related Information of TWSE/TPEx Listed Company

2.2.7.1 Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities. 2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	1. Pegatron regards the board of directors as the highest governance unit for overseeing climate related risks and opportunities, and the PureCSR committee is responsible for the planning and implementation of climate change policy promotion and identify its risks and opportunities. The CEOs are authorized by the board of directors to be the Chairman of the committee. Committee members include Chief Logistics Officer, HR & ADM Center, Procurement Center, Corporate Quality and Sustainability Center, Legal & IPR Center, MIS, Customer Service Business Unit, Financial & Accounting Center, and managers and representatives of various business units and each site. The committee reports to the board of directors the identification results of climate related risks, opportunities, and response measures at least once a year. 2. The results of climate risk and opportunity identification and response measures are summarized below. For details, please refer to the 2024 Sustainability Report. Transition Risk/Business or Financial Impact: 1) Policies and regulations (short term)-Carbon inventory regulatory requirements: increased internal personnel costs and external inventory costs 2) Market (short term)-Customer demands for carbon reduction: purchasing renewable energy and certificate fees increase 3) Market (med term)-Management model transformation: purchase cost of energy saving equipment increases 4) Technology (long term)-Demand for low carbon products: increased R&D and management personnel costs 5) Market (long term)-Supply chain disconnection: capacity decline leads to a decrease in operating income Physical Risk/Business or Financial Impact: 1) Immediate-Drought: lower production resulting in lower operating income 2) Immediate-Rainstorm: Increase operating costs due to heavy rain: equipment loss leads to operational revenue decrease 3) Long term-Typhoon: production drop leads to reduce operating income 4) Long term-Sea level rise: factory relocation or purchase of flood protection equipment leads to cost increase 5) Long term-The average temperature rises: purchasing energy saving equipment leads to an increase in procurement cost Climate opportunity/business or financial impact:

Item	Implementation status									
	1) Energy source (short term)-Overall arrangement: purchase at a lower price to reduce operating costs 2) Resource Efficiency (short term)-Material recycling: selling or recycling materials reduces operating costs 3) Resilience (med term)-Strengthen supply chain resilience: ensure supply chain resilience to reduce variable costs 4) Products and services (long term)-Research and development of low carbon products: increased orders to increase operating income 5) Resilience (long term)-Promote low-carbon transformation: reduce energy consumption and reduce operating costs									
3. Describe the financial impact of extreme weather events and transformative actions.	3. The degrees of financial impacts of various extreme climate events and transition actions depend on the degree of climate change in the plant area and the intensity of requirements from customers or the government. Overall, the company needs to invest in additional management manpower, additional equipment and purchase of renewable energy to meet the needs of climate change and low carbon transformation.									
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	4. The PureCSR committee is responsible for the planning and implementation of climate risk and overall risk management mechanism and reports the identification results and response measures of climate change and other types of risks to the board of directors at least once a year.									
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	5. The climate scenarios, parameter assumptions and analysis results are described below. (1) Transformation Risks<table><tr><th>Scenarios</th><th>Parameters</th><th>Major Impacts</th></tr><tr><td>IEA APS (2022~2030)</td><td>Assuming that the carbon reduction policies currently enacted by all countries are achieved, the global carbon emissions in 2030 will approach the 2020 level</td><td>If the company's carbon emissions exceed the threshold required by the governments of various countries, it is necessary to pay carbon tax or carbon fee in 2030.</td></tr><tr><td>SBTi 1.5°C (2022~2030)</td><td>4.2% annual reduction in carbon emissions in scope 1 and 2 and Taiwan Renewable Energy</td><td>The company has committed to join SBTi in 2022. The carbon reduction targets set in accordance with climate scenarios will lead to an increase in the cost of purchasing renewable energy</td></tr></table>	Scenarios	Parameters	Major Impacts	IEA APS (2022~2030)	Assuming that the carbon reduction policies currently enacted by all countries are achieved, the global carbon emissions in 2030 will approach the 2020 level	If the company's carbon emissions exceed the threshold required by the governments of various countries, it is necessary to pay carbon tax or carbon fee in 2030.	SBTi 1.5°C (2022~2030)	4.2% annual reduction in carbon emissions in scope 1 and 2 and Taiwan Renewable Energy	The company has committed to join SBTi in 2022. The carbon reduction targets set in accordance with climate scenarios will lead to an increase in the cost of purchasing renewable energy
Scenarios	Parameters	Major Impacts								
IEA APS (2022~2030)	Assuming that the carbon reduction policies currently enacted by all countries are achieved, the global carbon emissions in 2030 will approach the 2020 level	If the company's carbon emissions exceed the threshold required by the governments of various countries, it is necessary to pay carbon tax or carbon fee in 2030.								
SBTi 1.5°C (2022~2030)	4.2% annual reduction in carbon emissions in scope 1 and 2 and Taiwan Renewable Energy	The company has committed to join SBTi in 2022. The carbon reduction targets set in accordance with climate scenarios will lead to an increase in the cost of purchasing renewable energy								

Item	Implementation status		
		Feed-In Tariff Prices: NT\$2.1~7.4/kWh	and replacing energy-saving equipment.
	IEA NZE (2022~2050)	Reaching net zero emissions by 2050	If net zero emissions are to be achieved, other carbon reduction measures must be included in addition to energy conservation, which will increase the investment budget for other carbon reduction projects.
	Physical Risks		
	Scenarios	Parameters	Major Impacts
	SSP 1-1.9 (2081~2100)	Global average annual temperature +1.0 ~ +1.8 °C The global sea level rose by 0.28 to 0.55 meters Taiwan's annual maximum number of consecutive rainless days increased about 0.4% The intensity of the largest single- day rainstorm in Taiwan increased by about 15.3% Global average annual temperature +3.3 ~ +5.7 °C The global sea level rises by 0.63 ~ 1.01 meters The number of consecutive days without rainfall in Taiwan has increased by about 12.4% The intensity of the largest single- day rainstorm in Taiwan increased by about 41.3% The proportion of strong typhoon will increase by 50%	1) Temperature rising: Will lead to increased energy use in the plant area. 2) Sea level rising: Some factories at lower altitudes may be flooded, and it is necessary to install flood control equipment or relocate the factories. 3) Drought: Since the main type of water use is general water use, a lack of water resources will lead to a stagnation of operations. 4) Rainstorm: The increase in the intensity of heavy rain in a single day will require the purchase of flood control equipment and setup emergency response plans in poorly drained areas. 5) Typhoon: The proportion of strong typhoons has increased significantly, which may cause obstruction of material and product transportation or production interruption.

Item	Implementation status
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	6. In response to transformation risks, the company has developed a low carbon transition plan for the group and the supply chain, which includes the company's energy saving and carbon reduction target setting, promotion of energy saving and carbon reduction measures, and plans to lead subsidiaries and supply chains to perform greenhouse gas inventory and implement energy management systems...etc. In order to prevent physical risks, each factory formulates its emergency response plan, and the response measures are based on the environmental conditions of the area where the factory is located. Climate related indicators and goals including: (1) Carbon reduction target: Reduce scope 1, 2 GHG emissions 42% and scope 3 GHG emissions 25% by 2030 from a 2021 base year and reach net zero by 2050. The base year data is 506,129 (ton CO₂e). Reduction measures include improving energy efficiency and purchasing renewable energy. (2) Energy saving goal: In 2030, the electricity consumption per unit of revenue will be reduced by 25% compared that with 2021. The base year data is 2.11 (GJ/million NTD). Reduction measures include replacing old equipment and promoting energy management.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	7. The Company has not implemented internal carbon pricing.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	8. The company's carbon reduction goal is "Reduce scope 1, 2 GHG emissions 42% and scope 3 GHG emissions 25% by 2030 from a 2021 base year and reach net zero by 2050." In 2024, the scope 1 and 2 greenhouse gas emissions are 158,266.16 (ton CO₂e), which is 68.73% lower than the 506,129 (ton CO₂e) in 2021, achieving a phased carbon reduction Target.
9. Greenhouse gas inventory and assurance status along with reduction targets, strategies, and specific action plans (separately filled in sections 1-1 and 1-2).	9. The company has started to carry out the greenhouse gas inventory from 2009 and completed the greenhouse gas verification of the previous year before the end of June every year. To be in line with the schedule of the third party, the company will disclose the 2023 greenhouse gas verification situation in this annual report. For the 2024 greenhouse gas inventory and verification information, please refer to its 2024 Sustainability Report.

2.2.7.1.1 Last Two Fiscal Years Greenhouse Gas Inventory and Assurance Status

Basic information of the company ☒ Capital of NT\$10 billion or more, iron and steel industry, or cement industry ☐ Capital of NT\$5 billion or more but less than NT\$10 billion ☐ Capital of less than NT\$5 billion	Minimum required disclosure under the Sustainable Development Roadmap for TWSE/TPEx Listed Companies: ☒ Inventory for parent company only ☐ Inventory for all consolidated entities ☒ Assurance for parent company only ☐ Assurance for all consolidated entities
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2023 Greenhouse Gas Inventory

Scope 1	Total emissions (tons CO ₂ e)	Intensity (tons CO ₂ e/NT\$ 1 million)	Data coverage	Assurance scope	Assurance body	Assurance standard	Assurance statement
Parent Company	386.90	0.0003	The data covers the parent company (Pegatron Corporation) and 115 affiliated enterprises consolidated in the 2023 annual report.				As greenhouse gas assurance opinions is not obtained by the printing date of the annual report, the full assurance information will be disclosed in the sustainability report.
Taiwanese subsidiary (28 companies)	17,719.50	0.33					
Chinese subsidiary (27 companies)	33,355.69	0.03					
American subsidiary (13 companies)	21.98	0.001					
European Union subsidiary (2 companies)	62.81	0.01					
Subsidiaries in other countries (45 companies)	8,221.46	0.04					
Total	59,768.33	0.05					
Scope 2							
Parent Company	26,269.02	0.02					
Taiwanese subsidiary (28 companies)	302,124.65	5.65					
Chinese subsidiary (27 companies)	238,954.74	0.24					
American subsidiary (13 companies)	902.44	0.04					
European Union subsidiary (2 companies)	1,483.17	0.24					
Subsidiaries in other countries (45 companies)	45,352.92	0.25					
Total	615,086.94	0.48					

2024 Greenhouse Gas Inventory

Scope 1	Total emissions (tons CO ₂ e)	Intensity (tons CO ₂ e/NT\$ 1 million)	Data coverage	Assurance scope	Assurance body	Assurance standard	Assurance statement
Parent Company	1,458.64	0.0014	The data covers the parent company (Pegatron Corporation) and 118 affiliated enterprises consolidated in the 2024 annual report.				As greenhouse gas assurance opinions is not obtained by the printing date of the annual report, the full assurance information will be disclosed in the sustainability report.
Taiwanese subsidiary (30 companies)	21,303.83	0.34					
Chinese subsidiary (25 companies)	11,322.63	0.02					
American subsidiary (12 companies)	302.76	0.010					
European Union subsidiary (4 companies)	54.63	0.01					
Subsidiaries in other countries (47 companies)	2,070.60	0.01					
Total	36,513.09	0.05					
Scope 2							
Parent Company	22,531.41	0.02					
Taiwanese subsidiary (30 companies)	301,822.10	4.78					
Chinese subsidiary (25 companies)	108,599.11	0.22					
American subsidiary (12 companies)	1,142.58	0.04					
European Union subsidiary (4 companies)	2,190.33	0.40					
Subsidiaries in other countries (47 companies)	64,027.20	0.31					
Total	500,312.74	0.63					

2.2.7.1.2 Greenhouse gas reduction targets, strategies, and action plans

- (1) Base year: The base year is 2021, and the scope 1 and 2 greenhouse gas emissions in this year are 506,129 (tons CO₂e)
- (2) Reduction target: Reduce scope 1, 2 GHG emissions 42% and scope 3 GHG emissions 25% by 2030 from a 2021 base year and reach net zero by 2050.
- (3) Strategies and action plans: Replace old equipment, optimize engineering technology, adjust management methods, establish a digital management system, and increase the use of renewable energy
- (4) Achievement of reduction targets: Greenhouse gas emissions in 2024 was 158,266.126 (tons of CO₂e), a 68.73% decrease from the base year greenhouse gas emissions of 506,129 (tons of CO₂e). The carbon reduction target has been achieved.

2.2.8 Implementation of Ethical Corporate Management Best Practice Principles:

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
1. Ethical Corporate Management Policy (1) If the Company established ethical corporate management policy approved by the Board and specified procedures in its internal policies and external document? If the Board of Directors and the management team committed to enforce such policies rigorously and thoroughly?	V		(1) The Board of Directors approved Ethical Corporate Management Policy and Codes of Ethical Conduct on Nov 10, 2014. Both policy and code of conduct include Ethical Corporate Management Policy is clearly stated in the internal policy and external documents. Board of Directors and management team are fully committed to implement such policies rigorously and thoroughly on internal management and external business dealings.	None
(2) If the Company executed any measures to prevent unethical conduct and clearly prescribed the specific ethical management practice including operational procedures, guiding principles, penalties, and grievance channels? If the Company reviewed the execution of these measures periodically and revised the measures where necessary.	V		(2) The Company established and stipulated preventive measures of unethical conduct, penalties in the Code of Business Ethics and Business Gifts and Entertainment Policy. All employees shall follow these guiding principles with integrity, confidentiality, and respect.	
(3) If the Company established a system to periodically evaluate business activities which are possibly at a higher risk of being involved in an unethical conduct and if relevant prevention policy covering business activities specified in the second paragraph of Article 7 of Ethical Corporate Management Best Practice Principles for TWSE/GTSE Listed Companies established thereof?	V		(3) The Company adopted preventive measures against business activities within the business scope which are possibly at higher risks of being involved in an unethical conduct.	
2. Implementation of Ethical Corporate Management (1) If the Company checked whether the respective counterparty holds any record of unethical misconduct and if the contract terms required the compliance of	V		(1) Prior any business engagement, the Company checks the counterparty's legitimacy and record of unethical conduct. All vendors are required to sign "Statement of	None

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
ethical corporate management policy? (2) If the Company set up a unit, under the direct supervision of the Board of Directors, to handle the implementation and supervision of ethical corporate management as well as prevention of unethical conduct and reported to the Board of Directors periodically (annually)?	V		Integrity,” which stipulated the contractual liability for violation of ethical conduct. (2) The Company values the great significance of integrity and ethical business conduct. Therefore HR&ADM Center, Legal & IPR Center, Audit Office, Stock Affairs Office and relevant departments have been assigned to establish Ethical Corporate Management Policy and its prevention system, which requires the procurement center, and all other employees follow ethical policies under any business engagement. Any significant violations and findings will be reported to the Board of Directors annually. Implementation of Ethical Corporate Management in 2024 was reported to the Board of Directors on November 13, 2024. Please refer to Note 1 for “The implementation in 2024.”	
(3) If the Company established a policy on prevention of conflict of interests, provided appropriate reporting channel and executed rigorously and thoroughly?	V		(3) The Company established measures to prevent conflict of interests and an appropriate reporting channel is provided to report any potential risks of conflict of interest.	
(4) If the Company established an effective accounting system and internal control system and if internal auditing department formulated auditing plan based on the result of risk evaluation on unethical conduct and audited the compliance of prevention plan or authorized external accounting firm to conduct auditing?	V		(4) The Company established an accounting system and internal control system to evaluate business activities within the business scope which are possibly at a higher risk of being involved in an unethical conduct. Internal Audit would plan its annual audit scope based on the assessment of risks and report to the Board of Directors.	

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
(5) If the Company organized training and awareness programs on ethical corporate management to internal and external parties?	V		(5) The Company presents Ethical Corporate Management during new employee orientation. In 2024, 569 employees attended the course and around 142.25 hours spent on hosting this introductory course. Shall there be any enquiries about the course, please contact Mr. Bau at David_Bau@pegatroncorp.com.	
3.Implementation of whistleblowing system (1) If the Company established a whistleblowing and reward system? Upon receiving a reported case, is there dedicated personnel handling the reported case?	V		(1) The Company set forth penalties for violation of ethical conduct and "Procedures for Handling Unethical Conduct Reporting Cases." There is whistle-blowing mailbox (Honest_Box@pegatroncorp.com) and hotline (+886-2-5563-1275) posted in the corporate internal and external websites for reporting of any violations. Internal Audit Office will be the dedicated department of handling the reported cases.	None
(2) If the Company established standard operational procedures and relevant information confidentiality policy for investigation of reported cases and recommendation of preventive measures?	V		(2) A. The standard operation procedures for handling reported cases, the proceeding action after the investigation and the content of the reported case are handled in confidentiality are set forth in "Procedures for Handling Unethical Conduct Reporting Cases." B. Operational procedures: a. Except the cases that are lack of information to investigate, the dedicated department shall report to the chairman based on the validated fact after completing the essential investigation. Information shall be reported to the board of directors if involving a director / a senior executive or any serious ethical conduct violation or significant damage to the Company occurred.	

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
(3) If the Company established any measures for protecting whistleblowers from inappropriate disciplinary actions?	V		b. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation. c. With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence. The company shall take appropriate disciplinary actions depending on the severity of the event. C. Confidentiality policy: The Company assures whistleblower of the confidentiality, providing protection to whistleblower and personnel involved in the investigation against any unfair retaliation or treatment. (3) The Company set forth "Procedures for Handling Unethical Conduct Reporting Cases" and assures whistleblower of the confidentiality, providing protection to whistleblower and personnel involved in the investigation against any unfair retaliation or treatment.	
4. Information Disclosure (1) If the Company disclosed ethical corporate management policy and its status of implementation via corporate website or Market Observation Post System?	V		(1) Ethical corporate management policy was disclosed on the corporate website and Market Observation Post System. The Company also set up a designated area on the corporate website to promote ethical business conduct and implement measures such as declarations of ethical business conduct made by management team	None

Items	Implementation Status			Non-implementation and its reason(s)
	Y	N	Summary	
5. If the Company established any guideline of ethical business conduct in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and please state, the implementation status of the guideline and any reasons for non-implementation?			and the emphasis on disciplines and honor. The content of the website is updated from time to time.	
6. If any other information that helped to understand the operation of ethical business conduct and its implementation. (i.e., Declarations, trainings, and conventions held with vender to promote ethical business conduct)?				

Note1: The implementation in 2024 is as follows:

Suppliers	All suppliers are required to sign a "Statement of Integrity" which stipulated the contractual liability for the violation of ethical conduct. 2,817 of 2,903 Suppliers signed "Statement of Integrity", the signing rate is 97.04%. In 2024, 126 of 173 new suppliers signed a "Statement of Integrity", the signing rate is 72.83%.
Training	The Company presents about 'Ethical Corporate Management' during new employee orientations. 569 new employees in 2024 attended the course and around 142.25 hours were spent on hosting this introductory course.
Commitment	All employees of Pegatron and 569 new employees in 2024 "signed Acknowledgement of Honesty, Integrity and Confidentiality."
Disseminate	The Company sets up a designated area on the corporate website to promote ethical business conduct and implement measures such as declarations of ethical business conduct made by the management team. The content of the website is to be updated from time to time.

2.2.9 Other Important Information Regarding Corporate Governance: None.

2.2.10 Internal Control System:

- Declaration of internal control: Please refer to page 85.
- If the Company is requested by the SEC to retain CPA's service for examining internal control system, the Independent Auditor's Report must be disclosed: None.

Pegatron Corporation
Statement of Internal Control System

Date: March 13, 2025

Based on the findings of self-assessment, Pegatron Corporation states the following with regard to its internal control system in 2024

1. Pegatron is fully aware that establishing, operating, and maintaining an internal control system are the responsibilities of its Board of Directors and management. The aim of the internal control system is to provide reasonable assurance to effectiveness and efficiency of operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of financial reporting and compliance with of applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can only provide reasonable assurance of accomplishing the aforementioned three objectives. Moreover, the effectiveness of an internal control system may be subject to changes of environmental or circumstances. Nevertheless, the internal control system of Pegatron contains self-monitoring mechanism and Pegatron takes corrective actions whenever a deficiency is identified.
3. Pegatron evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control System by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five constituent elements of internal control based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communications, and (5) monitoring activities. Each component further contains several items. Please refer to the Regulations for details.
4. Pegatron has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the self-assessment mentioned in the preceding paragraph, Pegatron believes that, as of December 31, 2024, its internal control system (including its supervision and management of subsidiaries), as well as understanding the degree of achievement of its objectives concerning operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of financial reporting, and compliance with the applicable laws, regulations and bylaws, were effective in design and operation, and reasonably assured the achievement of the above-stated objectives.
6. This Statement will be integral part of Pegatron's Annual Report for the year 2024 and Prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Law.
7. This Statement has been passed by the Board of Directors in their meeting held on March 13, 2025, with zero of twelve attending directors expressing dissenting opinions, and all affirming the content of this Statement.

Pegatron Corporation

T.H. Tung
Chairman



Kuang-Chih Cheng
President and Co-CEO



Kuo-Yen Teng



2.2.11 Major Resolutions of Shareholders' Meeting and Board Meetings

2.2.11.1 Major Resolutions of Shareholders' Meeting and its Implementation Status:

Pegatron's 2024 Annual General Shareholder Meeting was held on June 14, 2024. At the meeting, shareholders presented in person or by proxy approved the following agendas:

(1) The 2023 Business Report and Financial Statements

(2) The proposal of 2023 Earning Distribution

Implementation status : Ex-dividend record date was on July 3, 2024. Cash dividend date was distributed on July 18, 2024, and cash dividends per share was NT\$4.00058413.

(3) Adoption of the Issuance of Employee Restricted Stocks Awards

Implementation status : The Company submitted the Registration to FSC for issuance 45,000,000 shares and it was effective on September 10, 2024.

2.2.11.2 Major Resolutions of Board Meetings

Date	Major resolutions	Disagreements from Independent Director	Responses to disagreements
01.25.2024	● Approved to invest subsidiary in Malaysia US\$12M. ● Approved to invest subsidiary PEGATRON Mexico S.A. de C.V. US\$75M. ● Approved the year-end bonus for managerial officers in year 2023.	None	None
03.14.2024	● Approved the appropriated remuneration of 2023Y for employees and directors. ● Approved 2023Y business report and financial statements. ● Approved earnings distribution of year 2023. ● Approved to rent the factory and dormitory from subsidiary Pegavision Corporation. ● Approved Pegatron's Internal Control System Statement of 2023Y. ● Approved the evaluation report for the independence and suitability based on Audit Quality Indicators of external Auditor. ● Approved the scheduling of 2024 Annual Shareholders' Meeting.	None	None
04.16.2024	● Approved 2024Y employees' motivation program to issue 45,000,000 shares as employee restricted stock award. ● Approved to revise the scheduling of 2024 Annual Shareholders' Meeting.	None	None
05.10.2024	● Approved the 1st quarter 2024 consolidated financial report.	None	None
08.13.2024	● Approved Pegatron's 2023 Sustainability Report. ● Approved the 2nd quarter 2024 consolidated financial report. ● Approved to reduce the area that Pegatron has rented (factory and dormitory) from subsidiary Pegavision Corporation. ● Approved to release the prohibition on managerial officer Mr. Kuo-Yen(Johnson) Teng from participation in competitive business. ● Approved the adjustment of managerial officers' salary in year 2024. ● Approved the distribution of Directors' remuneration in 2023.	None	None
09.24.2024	● Approved the amendment to the "Issuance Rules of Employee Restricted Stock Awards for Year 2024". ● Approved the performance bonus for managerial officers in year 2024.	None	None
11.13.2024	● Approved the amendment to the Company's Internal control system. ● Approved the amendment to the Company's internal audit implementation rules . ● Approved the 3rd quarter 2024 consolidated financial report. ● Approved the total compensation for external auditor (KPMG) in year 2024.	None	None

	● Approved the plan of internal auditing in year 2025. ● Approved to invest subsidiaries Pegapower Investment Co., Ltd and Pegatron Investment Co., Ltd NT\$150M for each. ● Approved to release the prohibition on managerial officer Mr. Kuang-Chih(Gary) Cheng from participation in competitive business.		
01.17.2025	● Approved the year-end bonus for managerial officers in year 2024.	None	None

2.2.12 Major Issues of Record or Written Statement Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors in 2024 and to the date of the annual report: None.

2.3 Information Regarding CPA Fees

Unit: NT\$ thousands

CPA Firm	CPA	Auditing Period	Auditing Fees	Non-Auditing Fees	Total	Remark
KPMG	Shih-Chin Chih	Jan 1, 2024 ~ Dec 31, 2024	11,430	4,905	16,335	Non-auditing services include R&D investment tax credit, master file, CBC report and tax consultant.
	Chun-Kuang Chen	Jan 1, 2024 ~ Dec 31, 2024				

information on audit fees in terms of amount, proportion, and reasons if the amount of audit fees decreased by 10% from the previous year: None.

2.4 Information on Change of CPA: None

2.5 If the chairman, president, and financial or accounting manager of the Company who had worked for the independent auditor or the related party in the most recent year, the name, title, and the term with the independent auditor or the related party must be disclosed: None.

2.6 Information on Net Change in Shareholding and Net Change in Shares Pledged by Directors, Department Heads and Shareholders of 10% Shareholding or More:

2.6.1 Information on Net Change in Shareholding

Title	2024(Note 1)		01/01/2025-02/28/2025(Note 1)	
	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman and CSO T.H. Tung	-	-	-	-
Vice Chairman and Deputy CSO Jason Cheng	(40,000)	-	-	-
Director Ted Hsu	-	-	-	-
Director and Senior Vice President H.T. Tung	-	-	-	-
Director Peter Kuo	-	-	-	-
Director T.K. Yang	-	-	-	-
Director HAI-HE Investment Co., Ltd Rep: S. Chi	-	-	-	-
Director S. Chi	-	-	-	-
Director HONG-YE Investment Co., Ltd. Rep: S.J. Liao	-	-	-	-
Director and Deputy Group CEO S.J. Liao	-	-	-	-
Director E.L. Tung	-	-	-	-
Independent Director C. Lin	-	-	-	-
Independent Director C.P. Hwang	-	-	-	-
Independent Director Michael Wang	-	-	-	-
Shareholder of 10% shareholding or more Asustek Computer Inc.	-	-	-	-
President and Co-CEO Kuang-Chih Cheng	-	-	-	-
President and Co-CEO Kuo-Yen Teng	(24,000)	-	-	-
Senior Vice President Te-Tzu Yao	(415,000)	-	-	-
Senior Vice President Chung Yu Huang	(339,000)	-	(210,000)	-
Senior Vice President and Co-Chief Technology Officer Pei-Chin Wang	(45,000)	-	-	-

Title	2024(Note 1)		01/01/2025-02/28/2025(Note 1)	
	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Senior Vice President and Co-Chief Technology Officer Yean-Jen Shue	(22,000)	-	-	-
Vice President and Co-Chief of Staff Chiu-Tan Lin	(90,000)	-	-	-
Vice President and Co-Chief of Staff Ming-Tung Hsu	(56,000)	-	-	-
Vice President Tsung-Jen Ku Lai	(400,000)	-	-	-
Vice President En-Bair Chang	(97,000)	-	-	-
Vice President Shih-Chi Hsu (Note 2)	-	-	-	-
Vice President Tian-Bao Chang	(26,000)	-	(20,000)	-
Vice President Chih-Hsiung Chen (Note 2)	-	-	-	-
Vice President Hsi-Wen Lee	(120,000)	-	(4,000)	-
Vice President Shaing-Shaing Wu	-	-	2,000	-
Vice President Chen-Yu Feng	-	-	-	-
Vice President Ting-Pang Huang	(113,000)	-	-	-
Vice President Yi-Yung Wu	(85,000)	-	(20,000)	-
Vice President Hsiang-Chieh Huang (Note 3)	-	-	-	-
Corporate Governance Officer Chieh-Tsung Chen	-	-	-	-
Chief Financial Officer Ju-Hui Hsieh	(30,000)	-	-	-

Note 1: Holding Increase (Decrease) included employee restricted stocks are under the custody of the Trust.

Note 2: Holding Increase (Decrease) of 2024 is from January 1st, 2024 to his resignation Date.

Note 3: Holding Increase (Decrease) of 2024 is from the on-board date to December 31, 2024.

2.6.2 Information of Shares Transferred: None.

2.6.3 Information of Equity Pledged: None.

2.7 The Relations of the Top Ten Shareholders as Defined in the Finance Standard Article 6:

Name	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangement		The relationship between any of the Company's Top Ten Share holders		Remarks %
	Shares	%	Shares	%	Shares	%	Name	Relation	
Asustek Computer Inc.	448,506,484	16.84	-	-	-	-	Jonney Shih	Chairman of Asustek Computer Inc.	-
T.H. Tung	94,792,309	3.56	6,074,490	0.23	-	-	-	-	-
Fuh Hwa Taiwan Technology Dividend Highlight ETF	78,501,000	2.95	-	-	-	-	-	-	-
Yuanta/P-shares Taiwan Dividend Plus ETF	73,851,845	2.77	-	-	-	-	-	-	-
Yuanta Taiwan Value High Dividend ETF	70,282,000	2.64	-	-	-	-	-	-	-
Jonney Shih	67,032,290	2.52	-	-	-	-	Asustek Computer Inc.	Chairman	-
Ted Hsu	56,353,713	2.12	-	-	-	-	Asustek Computer Inc.	Vice Chairman	-
Morgan Stanley & Co. International Plc	48,805,258	1.83	-	-	-	-	-	-	-
Labor Pension Fund (The New Fund)	45,531,200	1.71	-	-	-	-	-	-	-
Cathay United Bank in Custody for Infinity No. 1 Company Investment Account	38,506,000	1.45	-	-	-	-	-	-	-

2.8 Long-Term Investment Ownership

Long-Term Investment	Ownership by Pegatron (1)		Direct/Indirect Ownership by Directors and Management (2)		Total Ownership (1) + (2)	
	Shares	%	Shares	%	Shares	%
Asuspower Investment Co., Ltd.	932,845	100%	-	0%	932,845	100%
Asus Investment Co., Ltd.	979,255	100%	-	0%	979,255	100%
Asustek Investment Co., Ltd.	951,278	100%	-	0%	951,278	100%
Pegapower Investment Co., Ltd.	250,000	100%	-	0%	250,000	100%
Pegatron Investment Co., Ltd.	250,000	100%	-	0%	250,000	100%
Unihan Holding Ltd.	170,110	100%	-	0%	170,110	100%
AMA Precision Inc.	33,500	100%	-	0%	33,500	100%
AzureWave Technologies, Inc.	35,750	23.43%	13,697	8.98%	49,447	32.41%
Pegatron Holding Ltd.	991,906	100%	-	0%	991,906	100%
Pegatron USA, Inc.	50	100%	-	0%	50	100%
Pegatron Holland Holding B.V.	-	100%	-	0%	-	100%
Casetek Holdings Limited (Cayman)	-	100%	-	0%	-	100%
Pegatron Service Australia Pty, Ltd.	6,000	100%	-	0%	6,000	100%
PT. Pegaunihan Technology Indonesia	40	99.9975%	-	0.0025%	40	100%
Pegatron Technology Hai Phong Company Limited	-	100%	-	0%	-	100%
Pegatron Vietnam Company Limited	-	60%	-	40%	-	100%
Pegatron Technology India Private Limited	1,099,890	99.99%	110	0.01%	1,100,000	100%
Pegatron Electronics India Private Limited	49,995	99.99%	5	0.01%	50,000	100%
Pegatron Technology Texas Inc.	-	100%	-	0%	-	100%
Pegatron Electronics Inc.	5	100%	-	0%	5	100%
PEGAUNIHAN TECHNOLOGY MALAYSIA SDN. BHD.	28,320	100%	-	0%	28,320	100%
PEGATRON Mexico, S.A. DE C.V.	-	15.62%	-	84.38%	-	100%

3. Capital and Shares

3.1 Capital and Shares

3.1.1 Type of Stock

As of 03/07/2025

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Share	2,663,177,103	336,822,897	3,000,000,000	Listed

3.1.2 Share Capital

As of 03/07/2025

Month/ Year	Par Value (NTD)	Authorized Capital		Paid-in Capital		Remark		
		Shares (1,000)	Amount (NT\$1,000)	Shares (1,000)	Amount (NT\$1,000)	Sources of Capital	Capital Increased by Assets Other than Cash	Date of Approval and Document No.
03/2024	10	3,000,000	30,000,000	2,664,224	26,642,241	Cancelling employee restricted stocks of NT\$1,218 thousand	-	Note 1
06/2024	10	3,000,000	30,000,000	2,663,979	26,639,794	Cancelling employee restricted stocks of NT\$2,447 thousand	-	Note 2
09/2024	10	3,000,000	30,000,000	2,663,777	26,637,766	Cancelling employee restricted stocks of NT\$2,028 thousand	-	Note 3
11/2024	10	3,000,000	30,000,000	2,663,188	26,631,881	Cancelling employee restricted stocks of NT\$5,885 thousand	-	Note 4
02/2025	10	3,000,000	30,000,000	2,663,177	26,631,771	Cancelling employee restricted stocks of NT\$110 thousand	-	Note 5

Note 1: 03/05/2024 Jin So Son Tzi No. 11330032470

Note 2: 06/03/2024 Jin So Son Tzi No. 11330087510

Note 3: 09/20/2024 Jin So Son Tzi No. 11330159960

Note 4: 11/29/2024 Jin So Son Tzi No. 11330208030

Note 5: 02/26/2025 Jin So Son Tzi No. 11430021750

3.1.3 Information for Shelf Registration: None.

3.1.4 List of Major Shareholders

Record Date : 07/03/2024

Shareholder's Name	Shareholding	
	Shares	Percentage
Asustek Computer Inc.	448,506,484	16.84
T.H. Tung	94,792,309	3.56
Fuh Hwa Taiwan Technology Dividend Highlight ETF	78,501,000	2.95
Yuantai/P-shares Taiwan Dividend Plus ETF	73,851,845	2.77
Yuantai Taiwan Value High Dividend ETF	70,282,000	2.64
Jonney Shih	67,032,290	2.52
Ted Hsu	56,353,713	2.12
Morgan Stanley & Co. International Plc	48,805,258	1.83
Labor Pension Fund (The New Fund)	45,531,200	1.71
Cathay United Bank in Custody for Infinity No. 1 Company Investment Account	38,506,000	1.45

3.1.5 Dividend Policy and Execution Status

3.1.5.1 Dividend Policy Stipulated in the Company's Articles of Incorporation

The dividend policy in the Company's Articles of Incorporation is stated as below:

Article 28: When it is determined that the Company has earnings for a fiscal year, the earnings shall firstly be appropriated to profit-seeking enterprise tax payable and make up the losses of previous years. Then, the Company shall provide 10% of the remaining earnings as the legal reserve if there is any remaining amount, unless such legal reserve has amounted to the paid-in capital, and then set aside the special reserve in accordance with the requirements under the laws and regulations or of the competent authorities.

The remaining and the accumulated undistributed earnings of previous years may then be distributed or kept after the board of directors has made proposal of earnings distribution, and the distributable dividend and bonus may be paid in issuing new shares after a resolution has been adopted by special resolution of shareholders' meeting.

According to Article 240, paragraphs 5 of Company Act, the distributable dividends and bonus in whole or in part or the legal reserve and capital reserved in whole or in part which are brought in Article 241, paragraphs 1 of Company Act may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Article 28-1: The distribution of the dividends of the Company will be coordinated with the surplus

of that year based on the principle of stabilization. Considering rapid changes occurring in the industry where the Company operates and potential funding needs to support long term business strategy, the Company established a balanced dividend policy. If the Company would set aside dividend under Article 28, the amount shall not be lower than 10% of distributable surplus of the fiscal year, and the cash dividend would be at least ten percent (10%) of the total dividend in the shareholders bonus to be distributed.

3.1.5.2 Proposed Dividend Distribution

The Board approved the proposal for 2024 dividend distribution at its meeting on March 13, 2025. The proposal will become effective according to the relevant regulations, upon the approval of shareholders at the Annual General Shareholders' Meeting on June 6, 2025.

Unit: NT\$

Items	Amount	
	Subtotal	Total
Beginning Retained Earnings	-	46,632,043,805
Add: Net Profit After Tax	-	16,876,877,686
Add: Remeasurement of Defined Benefits Plans	-	14,356,335
Add: Disposal of equity investment measured at fair value through other comprehensive income		744,604,492
Add: Reversal of special reserve	-	6,984,734,287
Minus: Expiration of Restricted Stock to Employees	-	(30,668,749)
Distributable Net Profit	-	71,221,947,856
Minus: 10% Legal Reserve	-	(1,760,516,976)
Minus: Cash Dividend	-	(11,984,263,214)
Unappropriated Retained Earnings	-	57,477,167,666

3.1.5.3 Explanation of Expected Significant Changes in Company's Dividend Policy: None.

3.1.6 Impact to 2024 Business Performance and EPS resulting from Stock Dividend Distribution: Not Applicable.

3.1.7 Compensation to Employees and Remuneration to Directors:

3.1.7.1 Compensation to employees and remuneration to directors stipulated in the Company's Articles of Incorporation

In Company' Articles of Incorporation provides that:

Article 26-1: When it is determined that the Company has profit for a fiscal year, the Company shall appropriate the employees' and directors' remuneration according to the following sequence. But, in the case that the Company still has retained losses, the Company should appropriate sufficient amount for making up the losses of previous year and then appropriate according to the following

sequence:

1. At least 7% of the profit shall be allocated as the remuneration of employees, which may be paid in cash or in the form of shares, and qualified employees of the parent and subordinate companies, who meet qualification requirements, may be included. The qualification requirements shall be determined by the board of directors.

2. At most 7‰ of the profit shall be allocated as directors' remuneration.

In this article, the "profit" means the net profit before tax, employees' remuneration and directors' remuneration.

3.1.7.2 Accounting treatment applied to the difference between actual and estimated compensation to employees and remuneration to directors.

Shall there be any difference between the actual amount of compensation and remuneration approved by Annual Shareholders' Meeting and that of the estimation, it will be deemed as the changes in accounting estimates and will be recognized in the profit and loss account of the distributing year.

3.1.7.3 Remuneration distribution to employees in 2024 resolved by the Board of Directors

a. Proposed remuneration to employees and remuneration to directors.

	Amount (NT\$)
Remuneration to Employees	1,741,000,000
Remuneration to Directors	174,000,000

b. Proposed stock-based remuneration to employees as a percentage of total employee remuneration and of net income from standalone financial report:

No stock-based remuneration was distributed in 2024.

3.1.7.4 Distribution of remuneration to employees and remuneration to directors in 2023 resolved by the Annual Shareholders Meeting on June 14, 2024

	Amount (NT\$)
Remuneration to Employees	1,533,000,000
Remuneration to Directors	153,000,000

Above cash bonus and compensation, being approved by the Board, has been expensed under the Company's 2023 income statements. There is no difference between the amounts approved in the shareholders' meeting and those of the estimation recognized in the financial statements.

3.1.8 Buyback of Common Stock: None.

3.2 Issuance of Corporate Bond:

As of 03/07/2025 ; Unit: NT\$

Type of Corporate Bonds	Domestic Unsecured Bond (108-1)
Issuance Date	2019/06/13
Denomination	NT\$1,000,000
Offering Price	At Par
Total Amount	NT\$8,500,000,000
Coupon	Tranche A: 0.85% p.a. Tranche B: 0.95% p.a.
Tenure & Maturity Date	Tranche A: 5 years Maturity: 2024/06/13 Tranche B: 7 years Maturity: 2026/06/13
Guarantor	None
Trustee	Taipei Fubon Commercial Bank Co., Ltd
Underwriter	Yuanta Securities Co., Ltd
Legal Counsel	Hui-Chi Kuo
Auditor	Kuo-Yang Tseng / Chi-Lung Yu
Type of Corporate Bonds	Domestic Unsecured Bond (108-1)
Repayment	Bullet
Outstanding	NT\$2,500,000,000
Redemption or Early Repayment Clause	None
Covenants	None
Credit Rating	twAA- (Taiwan Ratings Corporation, 01/21/2025)
Other Rights of Bondholders 1. Amount of Converted or Exchanged Common Shares, GDRs, or Other Securities 2. Conversion Right	1. Not applicable 2. None
Dilution Effect sand Other Adverse Effects on Existing Shareholders	None
Custodian	None

Type of Corporate Bonds	Domestic Unsecured Bond (109-1)	Domestic Unsecured Bond (109-2)	Domestic Unsecured Bond (110-1)
Issuance Date	2020/10/21	2021/01/08	2021/12/02
Denomination	NT\$1,000,000		
Offering Price	At Par		
Total Amount	NT\$5,000,000,000	NT\$3,500,000,000	NT\$8,900,000,000
Coupon	0.65% p.a.	Tranche A: 0.43% p.a. Tranche B: 0.58% p.a.	Tranche A: 0.56% p.a. Tranche B: 0.65% p.a.
Tenure & Maturity Date	5 years Maturity: 2025/10/21	Tranche A: 5 years Maturity: 2026/01/08 Tranche B: 7 years Maturity: 2028/01/08	Tranche A: 5 years Maturity: 2026/12/02 Tranche B: 7 years Maturity: 2028/12/02
Guarantor	None		
Trustee	Taipei Fubon Commercial Bank Co., Ltd		
Underwriter	Hua Nan Commercial Bank, Ltd.	Hua Nan Commercial Bank, Ltd.	Yuanta Securities Co., Ltd
Legal Counsel	Hui-Chi Kuo		
Auditor	Kuo-Yang Tseng / Chi-Lung Yu		
Type of Corporate Bonds	Domestic Unsecured Bond (109-1)	Domestic Unsecured Bond (109-2)	Domestic Unsecured Bond (110-1)
Repayment	Bullet		
Outstanding	NT\$5,000,000,000	NT\$3,500,000,000	NT\$8,900,000,000
Redemption or Early Repayment Clause	None		
Covenants	None		
Credit Rating	twAA- (Taiwan Ratings Corporation, 01/21/2025)		
Other Rights of Bondholders 1. Amount of Converted or Exchanged Common Shares, GDRs, or Other Securities 2. Conversion Right	1. Not applicable 2. None		
Dilution Effect and Other Adverse Effects on Existing Shareholders	None		
Custodian	None		

3.3 Preferred Shares (with stock option): None.

3.4 Issuance of Global Depositary Receipts:

As of 03/07/2025

Date of Issuance			August 9, 2010
Item			
Date of issuance (Process)			08/09/2010
Location and Issuance and Trade			Luxemburg Stock Exchange
Total Amount			Non applicable
Unit Price (in NT\$ per GDS)			NT\$37.70
Total Issuance			12,163,804
Source of Common Stock Registration			One GDS stands to five common shares of Pegatron
Total Marketable Security Shares Recognized			Stands for 60,819,020 common shares of Pegatron
Rights and Obligations of GDR Holders			Same as those of common share holders (See Deposit Agreement and Custody Agreement for Details)
Trustee			Non applicable
GDR Institute			Citibank N.A.
Depositary Institute			Citibank Taiwan Limited
Outstanding GDSs (as of December 31, 2024)			225,107 GDRs
Issuance and Expense Amortization throughout the Issuance Period			Annual listing fees and accountant fees were borne by Pegatron
GDR Agreement and Depositary Agreement			See Deposit Agreement and Custody Agreement for Details
Market Price per unit (US\$)	2024	Max.	US\$18.50
		Min.	US\$12.80
		Average	US\$15.25
	As of March 07, 2025	Max.	US\$15.00
		Min.	US\$13.60
		Average	US\$14.54

3.5 Employee Stock Option: None.

3.6 Employee Restricted Stocks

3.6.1 Issuance of Employee Restricted Stocks

As of 02/28/2025

Type of Restricted Shares	First Grant of 2020	Second Grant of 2020
Approval Date by the Authority and total number of shares	2020/08/12 / 60,000,000	
Grant Date	2020/12/08	2021/06/11
Number of Employee Restricted Stock Granted	52,411,000	7,574,000
Number of Employee Restricted Stock still available for Issuance	0	
Price of Issuance	NT\$10	
Percentage of Employee Restricted Stocks to Outstanding Common Shares	1.97%	0.28%
Conditions for Exercise of Employee Restricted Stocks	Company Performance Criteria: It shall conform with the Criteria of Earnings Per Share ("EPS") and Return on Equity ("ROE") below. - Earnings Per Share ("EPS") : On the date RSAs are scheduled to be vested, the average EPS based on the financial statements of recent three years is higher than the average EPS or median of average EPS of the peer group. - Return On Equity("ROE") : On the date RSAs are scheduled to be vested, the average ROE based on the financial statements of recent three years is higher than the average ROE or median of average ROE of the peer group. - The Peer group set forth in the two preceding paragraphs includes HON HAI Precision Industry Co., Ltd., Quanta Computer Inc., Compal Electronics Inc., Wistron Corp. and Inventec Corporation. - EPS set forth in the first paragraph refers to the basic earnings per share of the consolidated statements of comprehensive income of the consolidated financial statements audited by CPA. ROE set forth in the second paragraph refers to the comprehensive income divided by average shareholder's equity, based on the consolidated financial statements or non-consolidated financial statements audited by CPA. When ROE calculated is higher than either one of the two performance criteria, RSAs will be vested. Employee Performance Criteria : - Upon the first anniversary of receiving RSAs, employees can exercise 25% of RSAs, provided the employees fulfill the requirements specified in the annual appraisal of that year and have not violated any statutory laws and/or any of the following internal policies and regulations such as employment contract, no disclosure agreement, company code of conduct, behavior of business ethic and conduct. - Upon the second anniversary of receiving RSAs, employees can exercise 25% of RSAs, provided the employees fulfill the requirements specified in the annual appraisal of that year and have not violated any statutory laws and/or any of the following internal policies and regulations such as employment contract, no	

Type of Restricted Shares	First Grant of 2020	Second Grant of 2020
	disclosure agreement, company code of conduct, behavior of business ethic and conduct. c. Upon the third anniversary of receiving RSAs, employees can exercise 25% of RSAs, provided the employees fulfill the requirements specified in the annual appraisal of that year and have not violated any statutory laws and/or any of the following internal policies and regulations such as employment contract, no disclosure agreement, company code of conduct, behavior of business ethic and conduct. d. Upon the fourth anniversary of receiving RSAs, employees can exercise the remaining 25% of RSAs, provided the employees fulfill the requirements specified in the annual appraisal of that year and have not violated any statutory laws and/or any of the following internal policies and regulations such as employment contract, no disclosure agreement, company code of conduct, behavior of business ethic and conduct.	
Limitations to the Rights of Employee Restricted Stocks	a. Before fulfilling the vesting conditions, the restricted shares under the custody shall not be sold, pledged, transferred, and gave as gifts to others or any other means of disposal. b. Voting rights: To be conducted by the Trust in accordance with the relevant laws and regulations.	
Custody of Employee Restricted Stocks	A total of 55,000 shares delivered to the Trust	A total of 1,670,500 shares delivered to the Trust
Procedures for Non-Compliance of the Conditions	The Company can buy back and cancel all restricted stocks from any employee who received restricted stocks but fail to comply with the conditions.	
Number of Employee Restricted Stocks Bought Back (Note 1)	4,946,703	2,325,750
Number of Employee Restricted Stocks Free from Custody	47,409,297	3,577,750
Number of Employee Restricted Stocks under Custody	55,000	1,670,500
Number of Employee Restricted Stocks under Custody to Outstanding Common Shares (%)	0.00%	0.06%
Impact on Shareholders' Equity	A. Potential expense: The number of restricted stocks proposed at 2020 Annual General Shareholders' Meeting is 60,000,000 shares at NT\$10 as issuance price. The Company shall evaluate the fair value of the stocks on the issuance date and accrue relevant cost over the issuance period. The potential expense incurred is estimated at NT\$2,320,794 thousands. In accordance with the conditions for exercising restricted stocks set forth in the preceding paragraph, the annually expensed amount was NT\$256,305 thousands, NT\$973,188 thousands, NT\$614,728 thousands, NT\$249,231 thousands and NT\$221,688 thousands in 2020, 2021, 2022, 2023 and 2024 respectively. The annually expensed amount is estimated at NT\$5,654 thousands in 2025. B. Potential impact to dilution of earnings per share (EPS) and other factors that may affect shareholder's equity: Potential dilution of EPS based on the existing outstanding ordinary shares of 2,663,169,603 shares, is estimated at NT\$0.10, NT\$0.37, NT\$0.23, NT\$0.09, \$0.08 and NT\$0 in 2020, 2021, 2022, 2023, 2024	

Type of Restricted Shares	First Grant of 2020	Second Grant of 2020
	and 2025 respectively. Since the potential impact to EPS is limited, we do not expect any material impact to shareholders' equity.	

3.6.2 Information on Name of Managers and Top 10 Employees obtaining Employee Restricted Stocks

As of 02/28/2025; Unit: Shares; %, NT\$

Position	Title	Name	Number of Employee Restricted Shares	Number of Employee Restricted Stocks to Outstanding Common Shares	Free from the Trust				Under the Trust			
					Number of Employee Restricted Stocks Free from Custody	Price of Issuance	Total Amount of Issuance	Number of Employee Restricted Stocks Free from Custody to Outstanding Common Shares (%)	Number of Employee Restricted Stocks under Custody	Price of Issuance	Total Amount of Issuance	Number of Employee Restricted Stocks under Custody to Outstanding Common Shares (%)
Management Team	CSO	T.H. Tung										
	Deputy CSO	Jason Cheng										
	Deputy Group CEO	S.J. Liao										
	President and Co-CEO	Kuang-Chih Cheng										
	President and Co-CEO	Kuo-Yen Teng										
	Senior Vice President	Te-Tzu Yao										
	Senior Vice President	H.T. Tung										
	Senior Vice President	Chung Yu Huang										
	Senior Vice President and Co-Chief Technology Officer	Pei-Chin Wang										
	Senior Vice President and Co-Chief Technology Officer	Yean-Jen Shue										
	Vice President and Co-Chief of Staff	Chiu-Tan Lin										
	Vice President and Co-Chief of Staff	Ming-Tung Hsu	11,110,000	0.42%	10,750,000	10	107,500,000	0.41%	360,000	10	3,600,000	0.01%
	Vice President	Tsung-Jen Ku Lai										
	Vice President	En-Bair Chang										
	Vice President	Tian-Bao Chang										
	Vice President	Chih-Hsiung Chen (Note1)										
	Vice President	Hsi-Wen Lee										
	Vice President	Shaing-Shaing Wu										
	Vice President	Chen-Yu Feng										
	Vice President	Ting-Pang Huang										
	Vice President	Yi-Yung Wu										
	Vice President	Hsiang-Chieh Huang										
	Corporate Governance Officer	Chieh-Tsung Chen										
	Chief Financial Officer	Ju-Hui Hsieh										

Note 1: Retired from his position.

Position	Title	Name	Number of Employee Restricted Shares	Number of Restricted Employee Shares to Outstanding Common Shares	Free from the Trust			Under the Trust			
					Number of Employee Restricted Stocks Free from Custody	Price of Issuance	Total Amount of Issuance	Number of Employee Restricted Stocks under Custody	Price of Issuance	Total Amount of Issuance	Number of Employee Restricted Stocks under Custody to Outstanding Common Shares (%)
Employee	Associate Vice President	Wei-Kang Wang	3,306,000	0.12%	3,185,750	10	31,857,500	120,250	10	1,202,500	0.00%
	Associate Vice President	Yu-Heng Lu (Note 2)									
	Associate Vice President	Wei-Pang Lee									
	Associate Vice President	Yi-Hsin Lee (Note 2)									
	Associate Vice President	Ching-Ru Wu									
	Associate Vice President	Yen-Jen Lin									
	Associate Vice President	Kuo-Jung Hsu									
	Associate Vice President	Shing-Jung Kuo (Note 2)									
	Associate Vice President	Li-Ling Chao									
	Associate Vice President	J-Sheng Tsai									
	Associate Vice President	Che-Yen Lai									

Note 1: Employees who granted the same number of options are being listed.

Note 2: Retired or resignation from his position.

3.7 Status of New Shares Issuance in connection with Mergers and Acquisitions:

Not Applicable.

3.8 Financing Plan and Implementation

Up to the last quarter before the printing of the financial statements, outstanding equity issuance or marketable security subscription or the completed equity issuance or subscribed marketable security without success: Not Applicable.

4. Overview of Business Operation

4.1 Business Activities

4.1.1 Business Scop

4.1.1.1 Operating Scope

The Company offers a wide range of electronics products in computing, communications, and consumer electronics segments, including Notebook PCs, Desktop PCs, Motherboards, Server, Cable Modems, Set-top Boxes, Smartphones, Game Consoles, Tablets, IoT Devices, Wearable Devices, Smart Home Devices, Automotive Electronics, etc. The Company also engages in development, design and manufacturing of peripherals and components of the above-mentioned products. In addition to the well diversified product portfolio, the Company also places great emphasis on development of both software and hardware technologies to provide customers with total solutions and high value-added services.

4.1.1.2 Breakdown of Sales by Major Products

Unit: NT\$ thousands; %

Major Product	2023		2024	
	Amount	%	Amount	%
3C Products	1,201,193,224	95.58	1,059,502,940	94.15
Other	55,590,170	4.42	65,845,577	5.85
Total	1,256,783,394	100.00	1,125,348,517	100.00

4.1.1.3 Product Lines

Computing Product

- a. Notebook PCs
- b. Desktop PCs
- c. Motherboards
- d. Server

Communication Product

- a. Cable modems
- b. Set-top boxes
- c. Smartphones
- d. Switches
- e. Router
- f. Gateway

- g. 5G O-RAN

Consumer Electronics and Other Product

- a. Tablets
- b. Game consoles
- c. Wearable devices
- d. Smart home devices
- e. Automotive electronics

4.1.1.4 Product (Service) Development

- a. The consumer system (laptops/2-in-1s/Mini PC) is designed to support different operating systems using platforms such as Intel Lunar Lake, Twin Lake, Alder Lake, Arrow Lake, Raptor Lake Refresh and AMD Ryzen AI series, and ARM based CPU, as well as next-generation platforms. It is customized to meet market demands, incorporating features tailored for various needs including gaming, content creation, and portability. Additionally, it integrates the nVidia RTX 50xx series GPU to align with market requirements.
- b. Commercial and educational laptops are designed to primarily utilize platforms such as Intel Arrow Lake, Intel Lunar Lake, Raptor Lake Refresh, Twin Lake, Alder Lake-N and next-generation platform products, as well as ARM architecture.
- c. Developing advanced e-bike micro modules: IoT tracker, Micro-wave radar and smart motor controller, which can allow rider to easily enjoy riding even under challenge scenario .
- d. The first“MIT”intelligent multi-wavelength medical beauty picosecond laser device: Picosecond laser is a non-invasive micro-plastic surgery approach and is the mainstream of overall medical beauty industry. PEGATRON plans to develop laser professional technical capabilities and combine its existing electromechanical integration advantages to cultivate medical device design and manufacturing capabilities through this plan.
- e. Develop a multi-functional handheld beauty device that integrates RF (Radio Frequency), Pulsed Waves, EMS (Electrical Muscle Stimulation) and electrical signals with combined waveforms. The device is also equipped with red LED light, a cooling chip, and a vibrator, working in conjunction with the electrical signals mentioned earlier to enhance the absorption and penetration of skincare serums. This promotes skin brightening, hydration, and nourishment while also providing cooling therapy, vibration massage, pore tightening, and skin firming effects.
- f. Developing a high-speed 10Gb Ethernet gateway and vehicle-to-vehicle

communication controller for cars, equipped with dual 5G MIMO antennas and dual Wi-Fi 6E networks, to serve as a central domain controller connecting various networks inside and outside the vehicle, and to provide internet services for autonomous vehicles. It supports functions such as eCall (emergency assistance), remote diagnosis and control of vehicle malfunctions, fleet management, and real-time driving information. The critical networks comply with ASIL B to ensure safe and reliable communication between electronic devices inside the car, making autonomous driving safer and more convenient. This new type of controller integrates high-speed digital imaging, ToF (Time-of-Flight) camera, and audio input, combined with in-car cameras, in-car array microphones, and in-car speakers, providing voice interaction for autonomous vehicles.

- g. We have developed 60KW wall-mounted DC charging piles with built-in wireless technologies such as Wi-Fi, NFC, and BT. These charging piles use RTOS operating system and support the ISO15118 communication protocol, with built-in OCCP 1.6 (and 2.0.1 in developing) cloud control interface. They support various charging protocols such as CCS1, CCS2, providing charging services for electric vehicles of different specifications. With our self-developed APP and algorithm, intelligent features such as power sharing can be easily configured to reduce the cost of power capacity expansion and additional power capacity installation. Multiple charging piles can be installed in the same field to provide charging services for multiple users. The OCCP cloud control platform supports billing and charging systems, enabling remote management of charging piles.
- h. Developing an automotive communication platform of rack-mounted high-performance computing by upgrading the car's communication backbone to the Zonal architecture. Multiple automotive ethernet T1 ports, providing intelligent wire harness routing to enhance transmission speed up to 2.5Gb, effectively suppress signal noise and EMC interference, reduce wiring weight for longer mileage, and simplify vehicle manufacturing process and ease of post-sale maintenance. The central high-performance computing is designed in an innovative rack module, reducing the overall size of the unit. Water cooling technology is introduced to meet the high-performance computing's heat dissipation requirements.
- i. Developing an intelligent cockpit for electric buses, with the on-board computer using the QNX, automotive safety real-time operating system (RTOS). The system includes three display screens: the left screen provides a touch interface for driver operations, the middle screen displays driving information such as speed and ADAS, and the right screen displays blind spot images, panoramic images, and in-car images. The on-board computer receives signals from the vehicle's CAN

system, integrating and displaying information from eight ADAS subsystem to provide an integrated, safe, and convenient human-machine interface (HMI) for the driver.

- j. Developed a new generation of eight models of business wireless network Wi-Fi 6E IP-Phone. The series models can choose single/dual display screen, monochrome/color display screen, wired ETHERNET/wireless Wi-Fi network function, with antibacterial shell material, two highly versatile USB-C peripheral expansion interfaces, multiple power supply methods USB-C, POE, PWR ADAPTOR, HEADSET/HANDSET/HANDS-FREE phone call mode, and energy effective display surrounded system status indicator.
- k. Development outdoor wireless energy saving IP65 with dual mode visions at low light environment camera. It has intrusion and moisture protection with solar panel and changeable Lithium battery, 4 microphones that support ANC and AI noise reduction for specific audio pattern, and object detection via PIR/Radar/CV fusion sensor.
- l. Developed lightweight, comfortable, and fully functional of Qualcomm SAR1130 standalone AR glasses that weigh similarly to sunglasses and are suitable for all-day wear. With AI intelligent voice function, you don't need to manual operation, just need to ask about the weather, traffic conditions, contact friends, take photos, or answer calls. Through the built-in integrated microphone and speaker combination, just touch the temple or give a voice command to have instant recording translation service, which means that people from different countries and speaking different languages can know the translated results immediately. With dual stereo speakers, the innovative surround sound auditory experience allows users to enjoy music. Equipped with a 12-megapixel camera, you can take and share high-quality photos and videos with friends. It has a teleprompt function, which is convenient for users need to give speeches or briefings. It can operate for 8 hours after a full charge.
- m. Developed IP65 dustproof and waterproof 2K high-definition Wireless smart doorbell. Equipped with a 2K high-definition ISP chipset, it can record 2K@24FPS high-definition images and transmit them via wireless network. Using a 180-degree FOV ultra-wide-angle camera, you can see people from head to toe. In addition to presenting detailed images during the day, at night, the infrared black and white mode can be used to identify visiting guests. Built-in microphone and speaker, support real-time two-way talk with visitors. Built-in PIR object detection function, when people, cars or animals were detected, the phone will receive a notification.

Equipped with WiFi 6 function, users can check the door status in real time through their mobile phones no matter where they are, enjoying smart and convenient home security. The product contains a rechargeable battery with a battery life of up to 5 months.

- n. Developed 360-degree 2K high-definition indoor camera. Equipped with a 2K high-definition ISP chipset, it can record 2K@24FPS HDR high-definition images. The product supports 360-degree rotation, so when the user is not at home, he can see the entire home through the mobile phone. When the camera is not in use, it can be hidden in the body with one click to ensure the user's privacy. In terms of sound, the built-in microphone and speaker not only have the function of two-way talk, but also support T3/T4 alarm and glass breaking sound recognition and use a high-power speaker to emit a high-decibel alarm sound. At the same time, WiFi sensing technology is used to detect people and objects to achieve Home Security function. It also supports WiFi 6E for real-time image and data transmission and supports Thread to establish a dedicated network to connect IoT devices at home to realize Smart Home.
- o. Continuously develop high speed and low latency networking products, enhance our capability in wireless, optical communication and edge computing system integration. We will be able to fulfill the AI and digital transformation market demand, using our energy saving and green design for a sustainable earth.
- p. Development of 25G PON enterprise modems with SFP28 transceiver port and 10G LAN port, using NRZ line code, providing bi-directional data transfer. With 1286nm (TEC(Thermoelectric cooler))/1300nm on the Tx, providing 25G high speed FTTH services. Achieving higher speed and bandwidths with low delay, proving green light to new generation AR, VR and AI applications.
- q. Developing the latest generation of DOCSIS 4.0 broadband network technology, integrating 2.5Gbps/10Gbps Ethernet Local area network ports, to enhance high-speed network throughput. DOCSIS 4.0 technology supports up to 10 Gbps speeds downstream capacity and up to 6 Gbps upstream capacity, easily allowing multiple cable modems having symmetric services over HFC networks. As future applications are developed that benefit for higher upstream speeds, such as interactive video conferencing, remote learning, health care applications, IoT and virtual reality, the ability to offer symmetric speeds.
- r. Development of 10G PON Enterprise Modems, combining PON modems and ARouter, that comes with 10G LAN Port, VOIP and IOT. Applying the latest Wi-Fi technology WIFI-7(802.11be) with Tri-Band (2.4G/5G/6G).10G PON modems and

High-speed WAN along with latest Wi-Fi technology WIFI-7 is a revolutionary development. High Speed throughput and high bandwidth, providing more capability and stability for internet activities like 4K/8K, online VR meetings, Remote- office, Cloud computing, online games etc.

- s. Developing FWA 5G NSA/SA dual mode CPE, backwards compatible to 4G network. This product with 8 antenna supports 4x4MIMO and carrier aggregation, WIFI7 tri-band, 10Gbps ethernet, also equipped with VOLTE to provide better voice quality. The speed of 5G internet is 10~100 times faster than 4G internet, and the latency is also much lower. It is suitable for 4K resolution live sport game broadcast, 8K high resolution video streaming, AR, VR application and 5G telesurgery, telemedicine.
- t. Developing a 5G surround view 360-degree camera, support Real-time extended Reality Multimedia (RXRM), it utilizes 5G's low-latency features to transmit high-definition 4K@30fps images in real time, built-in 4 radio microphones to create spatial sound effects, and support multiple independent devices can watch panoramic content at the same time. Its body is IP67 waterproof rated, which can be installed in harsh industrial environments, and includes a built-in battery for drone-mounted monitoring.
- u. Developing a new generation of Wi-Fi 7 tri-band (2.4G/5G/6G) 802.11be EHT wireless access point. It adopts the latest generation chipsets, which provides up to 40 Gbps wireless peak rate and 10G LAN/WAN Ethernet ports and supports VoIP functions simultaneously. The WIFI7 offers the new features as 320MHz channel bandwidth, Multi-Link-Capabilities and 4K QAM modulation. The targeted use cases for this device allow users to enjoy high speed, low latency, and MLO for the most demanding applications in Augmented Reality (AR), full-immersion Virtual Reality (VR), gaming, and more.
- v. The High-performance, low-power, multi-node series servers (MS301/302 models) based on the new generations of Intel® Xeon® and AMD EPYC™ 9005 processor architectures. This series of servers are versatile solutions designed to support a wide range of applications, including high-performance computing, gaming, and storage. Their multi-functional design ensures flexible deployment across different environments, adapting seamlessly from 19" to 21" ORv3 racks. These systems, complied with DC-MHS specifications (support DC-SCM module, OCP3.0 NIC), and support hardware RoT for protection of platform firmware, are built to meet the evolving needs of modern data centers.
- w. 2U 2-Node, AMD EPYC™ 9005 2-Socket solutions (MS303-4A1). The server

MS303-4A1 is an OCP ORv3 compliant liquid-cooled server with an ORv3 busbar clip for 48VDC power delivery. It comes equipped with 2x E1.S ports, 8x NVMe SSDs (E3.S), 2x PCIe5.0 LP slots, and 4x OCP3.0 slots for each node. MS303-4A1 has more flexible expansion slots and SSDs, making it suitable for deployment as a computing server for various cloud computing applications.

- x. High-density and high-efficiency storage server capable of accommodating 112 3.5-inch hard drives - Dino. Main development items include: (1) Developing a 5U high-capacity data storage unit using Intel Eagle Stream CPU, with a maximum TDP support of 300W. (2) Supports up to 112 3.5-inch CMR/SMR/HAMR HDDs. (3) Supports 2 HBA cards. (4) Compatible with SAS, and SATA hard drives.
- y. High-performance, low-power graphics acceleration processing server based on the new generation NVIDIA MGX™ 2U chassis hardware architecture and Intel Xeon® 6 processors - AS205-2T1 GPU Server. It supports up to 4x NVIDIA H100 NVL GPU or 4x NVIDIA L40S GPU. The AS205-2T1 is designed to meet the rigorous needs of AI, graphics, image processing, and digital twin applications.
- z. Large Language Model (LLM) Training and Inference with the PEGATRON's Rack-scale AI Server solutions (RA4401-72N1) The RA4401-72N1, build with NVIDIA GB200 NVL72 system architecture, is an advanced server system utilizing the NVIDIA Blackwell GPUs. In total, up to 72 Blackwell GPUs can be deployed in the RA4401-72N1 rack and fully connected via the NVIDIA NVLink® backplane. It offers a high-performance, liquid-cooled, rack-scale solution tailored for demanding LLM training and inference workloads. This innovative AI server includes NVIDIA BlueField®-3 DPU, providing cloud network acceleration, robust security measures, and flexible GPU compute options for large-scale AI environments. Furthermore, the system incorporates Axiado's BMC modular solution, providing enhanced security and modular management of the compute nodes, ensuring a streamlined and secure operation.
- aa. 4U 8x GPU server solutions (AS400-2A1) This innovative 4U GPU server, built with NVIDIA MGX™ 4U reference architecture, is engineered to revolutionize how businesses manage complex tasks. Equipped with 2-Socket AMD EPYC™ 9005 processor, 8x NVIDIA H200 NVL GPU or 8x NVIDIA B100 NVL Tensor Core GPU, the AS400-2A1 delivers exceptional AI and graphics performance, making it ideal for demanding applications such as AI training, LLM training/inference, and high-performance computing. Additionally, the AS400-2A1 is future-proof, offering compatibility with upcoming GPUs, ensuring long-term flexibility and adaptability in its design.

- bb. Energy-efficient dual-Central Processing Unit (CPU) multi-functional server with CXL memory sharing technology - Mack. Main development items: a 2U general-purpose server system development, supporting 2 x dual-slot Nvidia GPU.
- cc. The AI Intelligent-based Remote Cabinet Monitoring and Prophetic Warning Fault Prevention Software Management System - Holley. Main development items: Remote intelligent CDU (Cooling Distribution Unit) control and management system, targeting a dissipated power of 65K W.
- dd. PEGATRON is engaged in the development of LiDAR technology and products. We primarily focus on the advancement of semi-solid-state LiDAR, which incorporates two-dimensional scanning technology, combined with lasers and SPAD sensors to form the system architecture. This technology offers the advantages of compact size, high resolution, and superior stability. In addition to its application in ADAS systems for autonomous vehicles, it can also be deployed in commercial Smart City solutions, AGVs, drones, and robotics. By integrating more precise and stable sensors into these products, we aim to expand their applications and enhance their overall value.
- ee. Android rugged handheld device, based on Qualcomm QCS6490 and Sierra 4G module, with LTE functionality and obeys Google Required Freeze (GRF) compliance.
- ff. Using TI AM6254 as the hardware platform and Yocto OS as the operation system platform, develop a wireless router with multiple wireless communication technologies support such as Wi-Fi, BLE, Matter, Thread, ZigBee, Z-Wave and Wi-SUN.
- gg. The spherical panoramic camera is suitable for innovative and diverse applications such as smart factories and smart cities. It can realize multi-point jump inspection between different spherical panoramic cameras. Managers and customers can complete all-round management without having to enter the site in person to maintain the safety of operators and greatly reduce manpower requirements.
- hh. Develop high-end camera systems, especially hybrid optical zoom lenses for high-end commercial drones, for application in special fields such as detection and remote sensing; initially study related business opportunities and growth forecasts, and then study related optical lens and sensor technology development and breakthrough innovations.
- ii. Developing PEGAAi AI Agent platform, by integrating large language models (LLM) and flexible workflows. The AI agents created by PEGAAi Platform is capable of

automatically understanding and handling complex requests, providing real-time support in various business environments.

- jj. Develop PEGAVerse Physical AI, enhancing the integration capabilities of digital twins through reinforcement learning, large language models (LLM), and fine-tuning techniques. By training in a virtual environment to improve the capabilities of products or equipment, it can be realized in the real world, thereby enhancing the development efficiency of products and equipment.
- kk. Development of key technologies for Anti-Drone designed based on Software-Defined Radio, including jamming, GPS spoofing, remote wireless control and passive detection.
- ll. Developed the first AI mini computer, using Linux operating system, with WiFi 7/BT5.4 wireless communication capabilities in a full metal case environment.
- mm. Integrating WiFi 6E/7 multi-antenna design, efficient cooling module vent structure and all-metal back cover laptop development project.
- nn. The non-invasive emotion regulation device combines multimodal data analysis, large-scale language model (LLM) and generative AI technology to achieve instant and personalized mental health support. It can be used in multiple scenarios and achieve dynamic music generation with a matching degree of 95% with the user's psychological state. In the future, it will cooperate with medical institutions to verify its psychological regulation level in clinical treatment and enhance its application value in mental health management solutions.
- oo. Multi-Stream Conferencing Network Integration Technology: We've developed an innovative multi-stream conferencing network integration technology that enhances video processing capabilities through proprietary AI functions. This structured segmentation ensures the efficiency and stability of UVC multi-device connections. The main screen interface is designed to include both panoramic and individual participant streams, ensuring clear visibility of all attendees in the conference room. Additionally, each video feed is distinctly labeled with remote device names, facilitating seamless communication and source identification.
- pp. Quadruped Robot for Search, Rescue and Inspection: PEGATRON proudly introduces our first quadruped robot, which integrates AI, advanced sensing technology, and high-performance motion control to achieve exceptional mobility and environmental adaptability. Capable of navigating rugged terrains, stairs, and slopes, the quadruped robot is well-suited for inspection, security, disaster response, and logistics operations. Through a multi-modal sensing system, it can

perceive its surroundings, autonomously plan movement routes, and transmit real-time data remotely, significantly improving operational efficiency and safety. Furthermore, we offer an open API and customizable modules to enable enterprise clients to develop tailored applications, unlocking greater commercial value.

- qq. To develop 5GNR with WIFI 6 twelve antennas FWA products. 5G NR has eight planar antennas, four of which are broadband and omnidirectional. And four planar antennas are directional, the radiation pattern supports n77/n78/n48 bands in front/back/left/right mode. The four WIFI 6 antennas also meet correlation requirements on FCC, allowing users who use wireless connections smooth on the 5G network and achieve low latency/high-speed transmission on 5G applications.
- rr. Develop O-RU based on Maxlinear Sierra SoC platform, comply O-RAN category A, split 7.2a. Obey 3GPP 5G NR Support 8T8R, 40W(46dBm)/per-channel .

4.1.2 Industry Overview

4.1.2.1 Progress and Development of the Industry

a. Computing Industry

Based on IDC statistics, the total PC shipments (including laptops, desktops, and workstation computers) in 2024 grew by approximately 0.8% compared to the previous year, mainly benefiting from some enterprises beginning to transition to Windows 11. However, geopolitical and macroeconomic uncertainties continue to impact business spending and consumer confidence. Looking ahead to 2025, growth momentum in major PC markets (such as Japan, the United States, and Canada) will still be driven by the end-of-service for Windows 10 by year-end. The education sector will also face the replacement period for laptops shipped during the pandemic. Additionally, IDC expects AI PCs to continue growing and estimates the compound annual growth rate (CAGR) for AI PC shipments from 2023 to 2028 will be 42.1%. Industry observations suggest that as more software integrates AI functions and various AI applications emerge, enterprises will increasingly utilize AI technology to enhance productivity, further promoting AI PC development. IDC estimates that PC shipments in 2025 will continue to grow year-on-year by approximately 4.3%, and the compound annual growth rate (CAGR) for PCs from 2023 to 2028 will be 1.5%.

In terms of server-related products, industry observations indicate that in 2024, expected growth in server spending will mainly come from large service providers' deployment of AI accelerated computing. However, some enterprises will also be restrained in server investments due to weak economic conditions. Looking ahead, global economic conditions still require continuous observation, but in the medium to long term, AI applications will continue to drive server development. Growth opportunities are expected to come from cloud and digital service demands, edge computing deployment, analytics, and AI/ML platform demand. As the lead times for specific components continue to improve, it will help widespread access to accelerated computing servers. IDC estimates that global server spending in 2025 will rise year-on-year by approximately 14.2%, and the compound annual growth rate (CAGR) for global server spending from 2023 to 2028 will be 11.4%.

b. Communication Industry

According to IDC's research, the global shipment of smartphones in 2024 is approximately 1.24 billion units, an increase of 6.2% compared to the previous year's

1.16 billion units. This growth is mainly due to the better-than-expected performance in emerging markets and the demand for upgrades and replacements in developed regions. The market expects that although key markets are still affected by macroeconomic factors, smartphones remain essential in daily life, and promotional activities will continue to drive the demand for upgrades. Moreover, the penetration rate of 5G smartphones is also continuously increasing, estimated to reach a market share of 66.4% in 2024 and climb to 85.6% by 2028. IDC predicts that the overall average selling price (ASP) of smartphones will decline at an average annual rate of 1.1%, reaching USD 423 by 2028. The main reasons for this decline are the decreasing prices of 5G smartphones and the more affordable prices of foldable phones. IDC estimates that the shipment of smartphones will reach approximately 1.32 billion units by 2028, with a compound annual growth rate (CAGR) of about 2.6% from 2024 to 2028.

IDC forecasts that the commercial application of 5G will become more widespread in 2025, and operators will begin to recover their investments in 5G. Industry observations show that operators have started to customize 5G network infrastructure based on different application needs to improve usage efficiency. They are also forming alliances to set standards, simplifying software and application development specific to 5G. This will allow the high bandwidth, low latency, and high connection density features of 5G to be integrated across operators. In the medium to long term, the establishment of technical standards for the Internet of Things (IoT) will make 5G applications more widespread, and private 5G networks in certain industries will have development opportunities. However, overall, it is still affected by high costs and the difficulty of achieving investment returns in the short term.

c. Consumer Electronics Industry

Our company's consumer electronics products mainly include tablets, game consoles, and IoT-related products. According to IDC data, global tablet shipments reached approximately 141 million units in 2024, a growth of about 9.8% compared to 2023. This growth was mainly driven by lower baseline and related product updates from the previous year. Looking ahead to 2025, the market is expected to show optimistic prospects with economic recovery, inventory normalization, new product releases, and major update cycles. Industry observations suggest that new business scenarios will help long-term development of tablet demand, though short-term effects could be impacted by deflation in the Chinese market and budget squeezing from PCs during the Windows 11 transition period. IDC estimates that the

overall compound annual growth rate (CAGR) for tablet shipments from 2023 to 2028 will be around 1.8%.

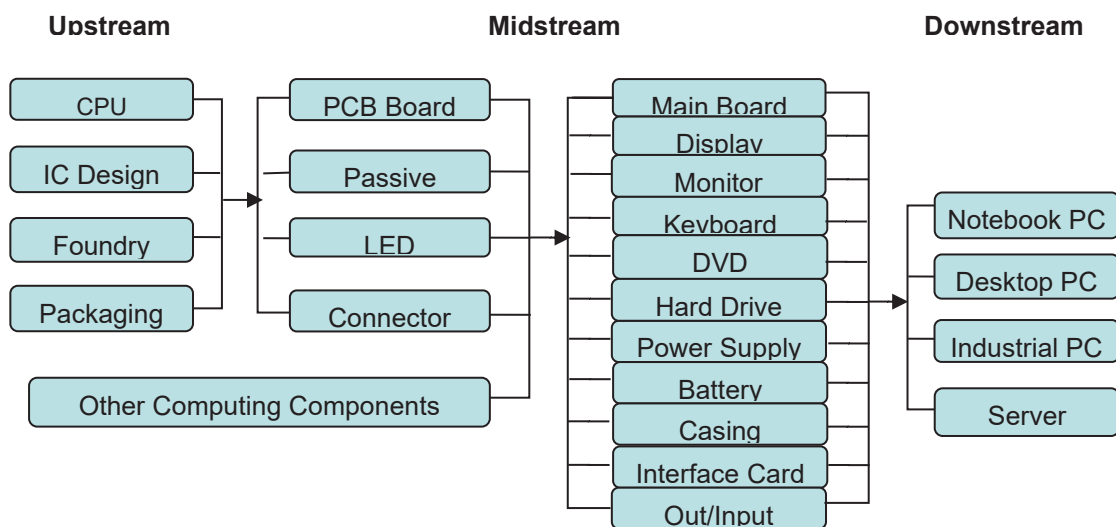
According to IDC data, global home video game console shipments are expected to decline by 27% in 2024 compared to the previous year, mainly due to the drop in Switch shipments. However, shipments are expected to grow by 25% in 2025, benefiting from the launch of Nintendo's Switch 2 in the first quarter of 2025, marking the beginning of the tenth generation of game consoles. Although PS5 and Xbox Series X/S series may also release more powerful updated models, IDC currently believes Sony and Microsoft will not launch the next generation of game consoles until 2028. Industry expectations suggest that increased hardware supply for PS5 and stable demand, as well as broader interest in hardware and game content for Xbox, Nintendo, and PlayStation, will drive growth in the coming years, though tariff policies and regional conflicts should be continuously monitored for negative impacts. IDC estimates that the overall compound annual growth rate (CAGR) for global home game console shipments from 2023 to 2028 will be around -1.2%.

According to IDC statistics, global IoT (Internet of Things) spending reached approximately USD 880.1 billion in 2024, growing by about 10.5% compared to the previous year. Industry observations suggest that data collection is essential for AI development and edge device applications, and IoT devices are crucial for collecting and integrating data. The market expects IoT technology to drive the development of emerging technologies, helping companies undergo digital transformation through cross-departmental IoT solution integration and establish data for AI model training to enhance automation. IDC estimates that the overall compound annual growth rate (CAGR) for global IoT (Internet of Things) spending from 2023 to 2028 will be around 10.1%.

Furthermore, regarding the global electric vehicle (EV) market, the overall market continues to grow, albeit at a slower rate with significant regional variations, driven by the electrification, connectivity, and sharing of the automotive industry. Digitimes statistics indicate that global EV sales reached approximately 17.23 million units in 2024, with a year-on-year growth rate of 25.5%. The market penetration rate was about 19.2%, with China's EV market sales increasing by 39.7%, benefiting from government subsidies and the launch of more diversified and affordable models. In Europe and the US, the growth rates were -2.7% and 7.7%, respectively, mainly influenced by reduced EV subsidies and insufficient charging infrastructure. Digitimes observes that the growth rate of the global EV market will further slowdown

in 2025, with an expected year-on-year growth rate of 18.8%, though it will still exceed the overall automotive market growth. Favorable factors for EV market development include subsidy policies from various countries, strict carbon emission standards, and strategic adjustments by car companies. The global market penetration rate is expected to reach approximately 22.4%, though attention should be paid to factors like global tariff trade, inflation pressure, and car loan interest rates.

4.1.2.2 Correlation of the Upper-stream, Mid-stream and Down-stream of the Industry



After decades of development of the computing industry in Taiwan, the relationships among upstream, midstream, and downstream sectors have become highly correlated. While it is evident that bigger suppliers are expanding over the years, it has been difficult for smaller suppliers to survive in the industry.

4.1.2.3 Trends of Product Development

In recent years, the development trends of electronic products have been driven by the widespread construction of global networks, the rise of AI technology, the promotion of ESG policies, and changes in consumer behavior. The overall market continues to evolve toward high performance, low power consumption, intelligentization, and environmental protection. In terms of mobile devices, such as laptops, tablets, and smartphones, in order to meet the needs of modern people for mobility and performance, these products are gradually realizing features like thinness, long battery life, and high-speed connectivity. Additionally, AI computing capabilities are being incorporated to support more intelligent functions. The new generation of mobile

processors not only focus on performance but also integrate NPU (Neural Processor Units) to enhance the application experience of generative AI, especially driven by Copilot+ PC and Apple M series chips, leading to overall device upgrades. With the rise of global environmental awareness, major tech companies are also beginning to use more eco-friendly materials and recycled materials in end devices and gradually emphasize the recyclability and repairability of devices to reduce electronic waste.

Wearable devices and consumer electronics have gradually transformed in the post-pandemic era, emphasizing health monitoring, smart assistants, and instant interaction capabilities. Supported by 5G and millimeter-wave technology, wearable devices such as smartwatches and glasses can provide more accurate physiological data monitoring and offer instantaneous recommendations through voice and environment perception enhanced by generative AI technology, strengthening the intelligent living experience. The technological advancements also contribute to the rise of smart cities and smart manufacturing, promoting the integration of smart home devices like air conditioners, cameras, lighting systems, towards AIoT development, particularly under the popularization of the Matter protocol, enabling seamless interconnectivity across brand devices.

In terms of cloud and high-performance computing, the rapid rise of generative AI has become a major driving force, prompting cloud service providers and data centers to accelerate the construction of servers and computing architectures. To cope with the high-density computing required for AI training and reasoning, NVIDIA, AMD, and Intel have successively launched AI server-specific GPU/CPU platforms, and cloud service providers are actively deploying AI servers and AI-as-a-Service solutions. Furthermore, the industry is gradually adopting liquid cooling and immersion cooling systems to address high power consumption and heat dissipation challenges, while incorporating modular and energy-saving designs to comply with global ESG trends, expected to continuously drive the growth of the server and storage equipment market.

On the other hand, the automotive electronics and electric vehicle industries continue to grow under the global promotion of carbon reduction and environmental protection policies. Although hybrid electric vehicles (HEV) currently dominate the market, with the gradual improvement of infrastructure related to battery electric vehicles (BEV), their future penetration rate is expected to significantly increase. Additionally, vehicle networking and autonomous driving technologies benefit from the high speed and low latency characteristics of 5G, significantly enhancing vehicle safety, instant response, and interconnected capabilities, further stimulating end-market demand. Automotive chips are also evolving towards high integration and multifunctionality, emphasizing AI-driven, autonomous driving, and OTA update capabilities.

Overall, the future development of electronic products is gradually transforming from single-function devices to AI-centric, multi-device integration and sustainable energy-oriented intelligent living systems, expected to drive another wave of growth momentum for computing, communications, and consumer products in the medium to long term.

4.1.2.4 Market Competition

Currently, the competitive landscape in the computing, communication, and consumer electronics markets is characterized by high integration and dynamic adjustment due to rapid changes in global supply chains and market demands. In the OEM manufacturing ecosystem, the assembly outsourcing model previously dominated by Taiwan is gradually facing challenges from non-Taiwanese manufacturers. These manufacturers not only focus on upstream component arrangements but also actively extend downstream to complete machine manufacturing and ODM/EMS outsourcing, making the overall industry competition increasingly fierce. In this competitive environment, OEM manufacturers with economies of scale and comprehensive vertical integration capabilities are more favored by international brand customers. Besides the advantages of large-scale manufacturing, manufacturers are also transforming into solution providers, enhancing software and hardware integration, industrial design, and product development capabilities, thereby increasing product added value and gross profit margins.

At the same time, global political and economic uncertainties, such as inflation pressures, supply chain bottlenecks, energy crises, and geopolitical conflicts, persist, making global brand customers pay more attention to their OEM partners' risk control and flexibility in response. Therefore, the ability to quickly adjust production capacity and continuously optimize production efficiency and cost control in response to demand changes has become another key to maintaining competitive advantage for OEM manufacturers. Furthermore, as brand manufacturers not only require manufacturing efficiency but also hope their OEM partners can help expand global sales channels and support product localization, ODM/EMS manufacturers need to further enhance their global operational layout and collaborative design capabilities to support brand strategies comprehensively. The rise of the Design Manufacturing Service (DMS) model also makes OEM manufacturers with innovative design, customized development, and system integration capabilities more likely to establish long-term cooperative relationships with international giants.

The company currently adopts the ODM/EMS outsourcing model for its three main product categories (computing, communication, and consumer electronics), assisting

brand customers in improving production efficiency and simultaneously increasing global distribution channels while continuously reducing costs. With the strength of large-scale production capabilities, flexible supply chain management, innovative research and development, and global layout, it is expected to maintain high competitiveness and expand market share while strengthening cooperation with brand customers.

4.1.3 Research and Development

4.1.3.1 Research and Development Expense in Recent Year

Unit: NT\$ thousands; %

Items	2023	2024
R&D Expense (A)	15,888,696	16,125,076
Net Revenue (B)	1,256,783,394	1,125,348,517
(A)/(B) %	1.26	1.43

4.1.3.2 Research and Development Accomplishments in the Recent Year

Year	Achievement in Research and Development
2024	1. Develop consumer AI laptops with Intel Lunar Lake, Arrow Lake and Raptor Lake Refresh combining with the nVidia RTX 40xx series, develop commercial military-grade AI-connected laptops with Intel Arrow Lake and AMD Ryzen 804x, develop Chromebook with Intel Twin Lake, as well as ultra-thin concept laptops with AI applications . 2. Develop a high-speed triple-module 4G wireless communication and in-vehicle Ethernet gateway, providing car networking services such as eCall (emergency assistance calls), remote diagnosis and control of malfunctions, fleet management, and real-time driving information. It also serves as a hub for connecting various domains of electronic controllers within the vehicle network, ensuring secure and reliable communication between electronic devices in the vehicle, thus enhancing driver safety. 3. Develop an 11KW AC electric vehicle charging pile system with built-in Wi-Fi, NFC, Bluetooth, WWAN, and other wireless technologies, based on the NXP i.MX1050 platform and utilizing FreeRTOS as the system platform. Develop charging protocols such as J1772, CCS1/2, to accommodate various specifications of electric vehicles for charging. The entire series of ASUS charging pile systems supports the OCPP open charging protocol, enabling backend system management, remote real-time monitoring of charging stations, and integration with OSCP open smart charging protocol systems, facilitating the establishment of a faster charging operation ecosystem for operators. 4. Development Real-time Extended Reality Multimedia provides truly immersive, real-time experiences 5G mobile networking 8K 360° video

	and spatial 3D audio camera. It is IP67 rating intrusion/moisture protection with an embedded battery, 4 cameras, 4 microphones, Bluetooth5.3, Wi-Fi 6, Power over Ethernet, a gyroscope, a compass, can work in harsh environment. 5. Development outdoor dual wireless (Wi-Fi+Sub-G) energy saving IP65 with dual mode visions, siren tone enhancement camera. It has intrusion and moisture protection with changeable battery, 2 microphones that support ANC and AI noise reduction for specific audio pattern, and object detection via PIR sensor. 6. Developing newest Qualcomm SAR1130P platform AR glasses. Using AR waveguide optical display, dual-eye screens, 3 degrees of freedom (3DOF) head pose detection, ambient light sensing, P-sensor proximity detection, camera for photography and recording, touchpad interface, dual SPK speakers, four MIC audio inputs, Wi-Fi 7, and Bluetooth. With a full charge, estimation up to 8 hours of AR scene exploration. 7. Developing the latest generation of DOCSIS 4.0 Cable modem. DOCSIS 4.0 technology supports up to 10 Gbps speeds downstream capacity and up to 6 Gbps upstream capacity, easily allowing enhance high-speed network throughput. 8. Developed 25G SFP28 optical transceiver using BIDI design and can be applied from DU to RRU to meet 5G markets. 9. Developed WiFi-6E dual-band and tri-band (2.4G/5G/6G), 802.11ax high-speed wireless network sharing devices. These antennas are designed using dual-band and tri-band structures with high isolation capabilities to provide high-speed, secured, and reliable wireless network connections. 10. Developed a miniaturized Plug-and-Play 5G dual Power Delivery USB dongle which is for surveillance cameras 、Robotics 、automated guided vehicle 、long distance unattended station 、XR 、AR 、VR and MR device. 11. Developing a video bar conference system in Aspeed ATS1230 SOC, it contains auto framing and speaker tracking AI system that enables an user friendly smart video conferencing environment. 12. Developing an IP66 rated industrial camera in Aspeed ATS1230 + 1220 SOC with POE design and includes both mic and buzzer built in. Its target application is set on production floor and allows user to have access to 360-degree surveillance needs remotely. 13. Developing ruggedized tablet of Intel 12th Alder Lake platform running Windows 10/11 Professional operating system with integrated barcode scanner and Wi-Fi 6E, as well as 5G connectivity. IP65 & C1D2 rating. 14. Developing semi-rugged commercial Android tablet with a built-in barcode scanner on Qualcomm QC4490 platform capable of Wi-Fi 6 and 5G Sub-6 wireless communication in IP65 rating. 15. Developed & Completed series of 2U 2-Node 1-socket Servers with the Intel® Xeon® 6 and AMD EPYC™ 9005 processor solutions, to meet Cloud Service Providers requirement for high compute, on-line gaming, web server applications. Supports both DDR5(6400MT/s) and MCR(8000MT/s). Supports PFR4.0 compliant PROT module. Support modular design: Following OCP DC-MHS spec to design “M-SDNO Mainboards”, “DC-SCM module”, and “OCP3.0 slot. “M-SDNO
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	Mainboards” can be sold separately to specific customers. 16. Developing large-scale rack-level, up to 72 GPUs rack server systems, based on NVIDIA GB200, GB300 NVL72 GPU architecture solutions. Up to 72 Blackwell GPUs can be deployed in the rack and fully connected via the NVIDIA NVLink® backplane. For networking, it using NVIDIA BlueField®-3 DPUs and CX-7 network adapters, providing cloud network acceleration, robust security measures, and flexible GPU compute options for large-scale AI environments. 17. Developing comprehensive rack-level liquid-cooling solutions for 2U2N 2-socket server rack systems, and GB200/GB300 NVL72 LLM AI rack server systems. Up to 250KW per rack. 18. Developing 8U or 10U, HGX 8-GPU Servers, including NVIDIA Scale-up HGX H200/B200/B300 GPUs and AMD MI325/350/355 GPUs solutions...The 2-socket of Intel® Xeon® 6 and AMD EPYC™ 9005 processor solutions are the options for these GPU servers. 19. Developing MGX 2U, 4U, 4 or 8-GPU AI Server, following NVIDIA MGX modular design architecture... Including NVIDIA Scale-out HGX B200/B300 GPU Cards. The 2-socket of Intel® Xeon® 6 and AMD EPYC™ 9005 processor solutions are the options for these GPU servers. 20. Developed 5U system architecture, one computing node in 1U area, up to 1 Intel Sapphire Rapids / Emerald Rapids CPU 、 8 DDR5 RDIMMs 、 112 SATA/SAS HDDs 、 2 M.2 SSD 、 2 U.2 SSD 、 3 PCIe Gen5 Slots 、 1 OCP3.0 Slot per one computing node, it can be swapped and repaired in front side ; design 112 3.5-inch HDD storage devices and hot-plug feature (including SSD) in 2U~5U area, up to SAS4 24Gb/s and SATA3 6Gb/s and backward compatible, to meet big data storage requirements. Besides, keep high performance computing and system reliability, there are two 2000W PSUs with redundant design in rear side. Using DDR5 RDIMM with speed 6.4Gbps, enhanced double speed than DDR4 RDIMM. All NVMe and PCIe Slot support to PCIe Gen5(32Gbps) high transmission, enhanced 50% than PCIe Gen4 (16Gbps), and also design Broadcom SAS4 Margay Expander (24Gb/s), enhanced double speed than SAS3 Expander (12Gb/s). 21. Developing the Jimbo, a Nvidia MGX 2U AI inference server. It's a new generation artificial intelligence system using Grace-Hopper superchip, supports 480GB LPDDR5x (CPU) and 96GB HBM3e (GPU) memory. The modular architecture provides extremely high flexibility and scalability for current and future GPUs, DPUs and CPUs. Supports Nvidia's new data switch (Spectrum-X), in line with the application trend of the next generation CSP. High-speed network transmission is achieved through Nvidia BlueField-3 DPU and Connect-X 7 NIC interconnection. Providing Improved AI workload performance with tightly integrated CPU and GPU. 22. Developing a 2U server “Mack”: 2U general-purpose server system development, supporting 2 x dual-slot Nvidia GPU, each GPU card can support a maximum TDP of 350W. Using the Intel Birch Stream-SP platform Granite Rapid and Sierra Forest CPU to develop a 2U single-node high-speed computing server for cloud-native applications. Each node can support 2 CPUs, with a CPU core count of 144 and a TDP of 350W. Develop modules that support PFR4.0 information security protection, which can be used in other projects in
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	the future. Develop 3.5" SAS/SATA HDD Backplate. 23. 5G mobile hotspot based on Qualcomm SDX75 platform, obeys 3GPP Rel-17 spec and has passed GCF and PTCRB conformance certification . 24. Project TAME, the investment in Taiwan's localized sovereign AI plan, promotes the formation of a generative AI application ecosystem for local industries in Taiwan, including electronics manufacturing and semiconductors. It aims to establish the necessary data and mechanisms for evaluating and training large language models, and to develop the traditional Chinese large language model Llama-3-Taiwan-70B. 25. The PEGEVERSE platform, created by the integration of new technologies such as LLM, AI, and Omniverse, allows users to enhance product development and factory operation efficiency through the PEGEVERSE platform, and further improve the factory's autonomous operation capabilities. 26. Hearing aid noise reduction and scene recognition algorithms. The noise reduction algorithms constructed with time-frequency domain characteristics, which can effectively retain human voice information. Through the scene recognition algorithm that analyzes environmental sounds in real time, it can effectively distinguish conversation needs in different scenarios, such as offices, restaurants, and roadsides, and let hearing aid equipment with timely adjustment of parameter settings to improve the sound quality of each scene. 27. The behavioral pattern recognition technology of physiological signals. it uses multimodal AI fusion methods to simultaneously analyze PPG, GSR, SKT signals, breaking through the limitations of traditional single signal analysis. The accuracy can reach 90%, far exceeding the industry's single signal monitoring technology. It can be subsequently applied to smart healthcare, smart driving, personalized recommendations and other fields. 28. Developing a PIR Motion test automated laboratory and uses the PIR Robot to measure the PIR Sensor signal fed back by the dynamic heat. This significantly reduces human interference and labor consumption, and achieve accurate, automated, and unmanned laboratories. 29. Develop a new antenna design architecture for the "industry's first enhanced front-sensing NFC security function and WiFi-7 high-speed transmission" required for efficient all-metal back cover devices. It uses NXP PN560's NFC chip and an independent SE security chip. By using Qualcomm FastConnect 7800 (WiFi 7) system single package (SiP) chip to enable an NFC antenna design with integrated touch display window and integrated all-metal back cover narrow frame WiFi 7 wide-band antenna design. It has the advantage of low electromagnetic wave absorption rate and other innovative features. It is the first new design developed in the world. 30. The Ku band phased array for LEO user terminal, key technologies include fine-tuning antenna elements, calibration, beam steering control, satellite tracking algorithm, circuit designs of RF front-end, up-down converter and antenna control unit. A self-developed algorithm can be used for satellite beam steering, gimbal system control of dish antennas, and drone tracking. Customized verification services are available upon request for wireless performance evaluation such as antenna gain, Tx EIRP, Rx G/T, beam steering, beam resolution and
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	meet specifications for EVM/ACPR. Ready to provide clients with the most comprehensive and integrated satellite terminal design, as well as the required testing and verification services. 31. The 10.1" rugged tablet is equipped with Intel's 14th generation Meteor Lake CPU. It supports WiFi 6E and 5G network conditions when used in the Windows 10/11 operating environment. It is externally waterproof and dustproof up to IP65 conditions and complies with the industrial requirements of North American AT&T and Verizon telecom operators. 32. AI 360-Degree Video Conferencing System with Cascade Video Streaming: Our Cascade Video Streaming Technology enables the seamless integration of two independent conferencing devices with distinct viewpoints. These devices are assigned Master and Slave roles, where the Slave unit transmits its audio and video data via Ethernet to the Master. The Master device then aggregates and processes its own and the Slave's media streams using AI-powered facial recognition and Direction of Arrival (DoA) technology. The final output is an intelligently restructured, full-screen video feed, ensuring an enhanced conferencing experience. 33. Power System for Electric Logistics Vehicles: We developed a cutting-edge power conversion system for electric logistics vehicles, featuring a 3-in-1 high-power silicon carbide (SiC) motor controller that integrates motor, gearbox, and inverter technologies. We have also secured the opportunity to co-develop a standardized EV platform, targeting 5-ton logistics vehicles with the inverter is provided by Pegatron. 34. Charging Station AI Customer Service Robot System: We've implemented an AI-powered customer service robot into our cloud-based smart charging station management system by integrating LLM and AI agent technologies. Using tool calling, planning, and reasoning frameworks, the system dynamically adapts to user demands, providing real-time issue resolution for EV charging users while optimizing manpower efficiency. Additionally, it enhances the user experience by making the charging process more engaging and interactive. 35. Successfully develop a planar antenna with gain more than 6dBi and beamwidth cover 150 degrees, suitable for indoor RU/Small cell deployment in various field. 36. V1.5, an Android smart watch, is developed with Qualcomm wearable device platform SDW5100 with mobile communication of LTE cat1 (Band2/4/12/13/17/66), wireless connectivity of WiFi 5 and BT 5.0 and GPS. The watch is equipped with a health module providing accurate personal health tracking of your vitals including SpO2, pulse rate and relative hydration along with recovery and sleep indexes 37. The new generation of TWS BT5.3 true wireless Bluetooth earbuds features OTC HA (Over-the-Counter Hearing Aids) functionality. It integrates various multimedia and advanced technological features into the earbuds' charging case, offering a lightweight design with enhanced comfort and competitiveness.
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4.1.4 Long-Term and Short-Term Business Development Plans

4.1.4.1 Short-Term Business Development Plan

- a. To increase market competitiveness, maintain operation sustainability and pursue higher annual revenue growth by lean operation management and effective manufacturing process.
- b. To improve the efficiency of logistic management by reducing logistic cost and shortening product delivery time.
- c. Based on the product mix to approach different markets with different strategies. For mainstream products, the aim is to increase value-added services and versatility of the products with industrial design and new technologies, to become the market leader by developing leading products with innovative technology and expertise in the market. As for low-cost products, the Company endeavors to provide products with lower manufacturing cost to fulfill consumers' needs.
- d. To strengthen the relationship with existing customers, promote benefits of vertical integration within group and provide total solutions to customers.
- e. Improve production capacity utilization and ensure that the pace of production capacity expansion is consistent with the company's growth rate.

4.1.4.2 Long-Term Business Development Plan

The Company intends to enhance product mix and strengthen the factors that drive revenue growth. The development plan includes the following strategies:

- a. Customer Service Strategy
 - To strengthen the customer relationship and provide services in product planning, research and development, and manufacturing.
 - To complete the deployment of global sales network and provide comprehensive after sales services to customers.
- b. Manufacturing Strategy
 - To continuously promote the LSS project and improve the quality and efficiency at all levels.
 - To enhance vertical as well as horizontal integration and streamline group resources in related components, products, and services.
 - To expand manufacturing footprint globally and fulfill customers' requirements by offering various multiple manufacturing locations.
 - To continuously invest in automation equipment to reduce the reliance on labor and improve product quality.
- c. Product Development Strategy
 - Leveraging our core technology of computing products, consumer electronics

and communication products, and combining integration capabilities in software and hardware, in order to provide customers high value-added product design, research and development, manufacturing and other related technical support.

- To invest in key components based on major product development trends, and to strengthen the competitive advantage of the core assembly business.
- To proactively develop material and technologies that are environmentally friendly and that comply with green product and other relevant environmental protection regulations.

4.2 Market and Sales Overview

4.2.1 Market Analysis

4.2.1.1 Sales (Service) Regions

Unit: NT\$ thousands; %

		2023		2024	
		Amount	%	Amount	%
Domestic		84,777,999	6.75	99,686,767	8.86
Export	Asia	60,511,053	4.81	65,311,269	5.80
	Europe	576,734,903	45.89	461,316,144	40.99
	America	474,747,645	37.77	441,741,725	39.25
	Others	60,011,794	4.78	57,292,612	5.10
	Subtotal	1,172,005,395	93.25	1,025,661,750	91.14
Total		1,256,783,394	100.00	1,125,348,517	100.00

4.2.1.2 Market Share

According to market research, notebook PC ODM/EMS companies in Taiwan accounted for 127 million units of notebook PCs in 2024, around 72% of total global shipment volume. This included 44.46 million units from Quanta, 30.04 million units from Compal, 18.02 million units from Wistron, 11.85 million units from Inventec and 8 million units from Pegatron. Notebook PCs manufactured by Pegatron accounted for 4.56% of worldwide volume.

4.2.1.3 Market Demand, Supply and Growth

According to market research (Global Market Insight), the EMS market will continue to grow steadily in the coming years, with an expected compound annual growth rate of 5.1% by 2034. The primary growth drivers include the expansion of the electric vehicle market, the proliferation of consumer electronics, the electronification of industrial automation and medical equipment, and the demand for computational devices and

services driven by AI technology. Regionally, the Asia-Pacific region (China, Taiwan, South Korea) continues to dominate the market with its mature supply chain experience, while North America and Europe are accelerating the return of high-end electronics and automotive electronics in the EMS industry due to supply chain restructuring and changes in national trade policies. Taiwanese manufacturers rely on their excellent cost control, manufacturing technology, global regional production flexibility, and competitive advantages, combined with logistics conditions, research and development innovation, marketing, and management integration services. Additionally, the introduction of smart manufacturing technologies and the promotion of green manufacturing have become important development directions for Taiwanese EMS manufacturers to enhance competitiveness.

Looking ahead, in terms of our three major product lines, the computing products faced global economic downturn impacts in 2024. However, thanks to the sales momentum of new products launched by customers and some AI PC demand, the overall shipping situation grew slightly year-on-year. Industry-wide, it is expected that with the economic recovery in 2025 and the end of Windows 10 support at the end of the year, the commercial PC market will be supported by a wave of machine replacements and growth. We have begun to see various brand manufacturers launching AI PC-related products, which has partly driven seasonal market demand. It is expected that the actual application of AI PCs by brand manufacturers will become more extensive, bringing indispensable convenience to consumers, thereby increasing the popularity of AI PCs and boosting terminal market demand.

The consumer electronics products produced by our company mainly include tablets, game consoles, and IoT-related products. In the past year, consumer electronics were greatly affected by the economic situation. However, in the medium to long term, to meet office needs, shipments of commercial and detachable tablets could become another demand opportunity. Regarding game consoles, Sony and Microsoft respectively released new products at the end of 2020. Given the long lifecycle characteristics of these products, it is expected that when the economy recovers, the shipping performance will have the opportunity to grow compared to this year, driven by the launch of different game software or specification updates by brand customers. As for IoT-related products, the market is still expected to continue to stabilize overall smart home device performance, driven by continuous innovations in related terminal applications and more diversified value-added services.

In terms of communication products, the global smartphone market is expected to accelerate the replacement of 5G smartphones under the focus of brand manufacturers shifting to 5G smartphones in the medium to long term. Mobile network operators are also gradually expanding 5G coverage, and the penetration rate of LTE/5G networks

is increasing year by year. In terms of network communication, besides 5G and WiFi7 technologies continuing to drive terminal demand, infrastructure in many emerging countries is also steadily progressing, which is expected to drive the growth of demand for network communication products simultaneously.

4.2.1.4 Competitive Advantages

a. Experienced R&D Team

In addition to R&D Center within the Company, there are also designated research and development engineers in each product category. As of the date of this annual report, total research and development engineers reached 5,046. The leading research and development engineers in each product development have more than 15 years of experience in the relevant fields.

b. Comprehensive Manufacturing Locations

Suzhou, Shanghai, and Chongqing in China, USA, Juarez in Mexico, Ostrava in the Czech Republic, Indonesia, Vietnam, Malaysia, and India and Taoyuan in Taiwan, to fulfill the needs of global customers at different regions.

c. Diversified Product Portfolio and Customer Based

The Company emphasizes on design capabilities, manufacturing excellence and service quality, and our major customers are well known global brand companies in the computing, communication, and consumer electronics markets. In addition to our diversified product portfolio, the Company also has in-depth knowledge of the products to provide services to various types of customers.

d. Global Logistics Capabilities

The Company has manufacturing sites and service & repair stations across Europe, North America, Australia, and Asia. One of the most important advantages of Pegatron is the effective management of global logistics based on the long-term experience providing prompt services across different time zones to meet customers' needs.

e. Professional Management Team

The management team consists of highly regarded senior professionals in the industry with more than 20 years of experience in the founding and managing of Asustek. One of the essential factors to the Company's sound development is the unspoken consensus and successful collaboration among the members of the management team after the long-term and stable working relationship.

f. Innovation Capabilities

With outstanding design capabilities and effective manufacturing capacity, the Company is able to design products based on customers' requirements and shorten products' time to market. The Company has in-depth study of special material and

is able to offer various selections of material with cost-effective options. The industrial design team, after years of experience, has won numerous international awards. It is evident that the capability of producing innovative designs is one of the core competitive advantages of the Company.

g. Comprehensive Vertical Integration

We are dedicated to developing vertical integration. With our capabilities and expertise in working with a wide range of materials—from traditional metal stamping and plastic injection to newer light metal technologies—we can fulfill our customers' diverse needs and product design requirements, enhancing our ability to offer competitive one-stop-shopping solutions. By focusing on vertical integration, we aim to secure larger cost advantages and shorter time-to-market, helping us win new manufacturing mandates from major OEM/brand customers.

4.2.1.5 Advantages, Disadvantages, and its Responsive Strategies

Advantages

a. Strong marketing attraction for fully the developed electronics industry in Taiwan

The computing industry in Taiwan has experienced numerous transformations and has fully developed over time. With the evenly developed industry and excellent collaboration among each supply chain, the computing industry in Taiwan is a strong marketing attraction and has become the global procurement center for computer, consumer electronic and communication products.

b. Matured electronics components industry and stable supply of key components in Taiwan

In the recent years, key components, such as chipset and PCB and other electronic products have become more competitive at the global level. Comprehensive development of the component industry is one of the key factors for the prosperity of the electronics industry in Taiwan.

c. Integration of software and hardware systems help create growth momentum in the electronics industry

In addition to the excellent capability in hardware design, the Company strives to provide integrated solutions to customers by continuously investing in research and development of key technologies in hardware and software design as well as its applicable operating systems. With the capabilities in software and hardware integration, the Company is able to tap into this trend and turn the opportunities into a growth momentum.

d. Excellent capabilities in research & development and innovative industrial design

The Company has an excellent research and development team, who is fully dedicated to product development and innovative industrial design. As a result, the Company is able to launch new models before its peer companies. In addition to the corporate perspective technology office, there are also designated R&D units within each business unit, which helps shorten production cycle and keep the Company a step ahead of its peer companies in this competitive environment.

e. Comprehensive after sales service network

The Company provides consistent after sales services and quality assurance to global customers via service & repair stations across Europe, America, Australia, and Asia.

Disadvantages

a. Declined gross margin due to severe pricing competition

The competition in the computing industry is intense due to the low entry barrier that attracts a large number of competitors. Furthermore, with the products becoming more matured over time, product supply has been higher than its demand. Product differentiation has also gradually diminished, which may also lead to a decline of gross margin.

b. Profit margin impact by fluctuation of foreign exchange rates

Most of the Company's products are exported and is highly exposed to the fluctuation of foreign exchange rates which may have direct impact to the Company's profit margin.

c. Increase of manufacturing costs by potential labor shortage and higher acquisition cost of land

The Company has increased the usage of automation for majority of products in an effort to reduce the reliance on labors. However, certain manufacturing processes are still conducted manually. As the issues of labor shortage gradually surfaced over recent years, labor compensation has increased dramatically, which increases the manufacturing cost and affects the Company's competitiveness in the global market.

Responsive Strategies

- a. Enhance research and development capability and manufacture high value-added products.
- b. Enforce cost control and inventory management and maximize production efficiency by increasing automation.

- c. Maximize the hedging effect by balancing the position in foreign and local currencies.
- d. Invest in automation equipment to reduce the reliance on labor and improve product quality.
- e. Allocate labors across manufacturing sites appropriately and minimize the impact of labor shortage.
- f. Adjust global manufacturing footprint, reduce impact from trade dispute and improve overall production efficiency.

4.2.2 Application of Major Products

a. Computing Products

Notebook PCs, desktop PCs, servers, and other information electronic products that are mainly used for word processing, information management, typesetting, industrial design, presentation, statistical analysis, multimedia application, and data computing and storage etc.

b. Communication Products

Communication products can be used for individual communication, internet communication, wire, and wireless internet access.

c. Consumer Electronics Products

Products that can be used for entertainment and smart home connectivity, such as tablets, game consoles, smart home security systems, etc.

d. Vehicle Products

Products that can be used for traditional vehicle & electric vehicle, such as infotainment, Telematics Control Unit, Car Computer, ECU & wall charger, etc.

4.2.3 Supply of Major Material

Major Raw Materials	Source of Supply	Supply Situation
Chipset	X Company 、H Company	Stable
Display	X Company 、J Company	Stable
System Module	X Company 、Z Company	Stable
Mechanical Parts	X Company 、T Company	Stable
CPU	J Company 、Z Company	Stable

Note: Partial major materials are purchased by major customers and resell to the Company for manufacturing and system assembly. Therefore, partial source of supply is from major customers.

4.2.4 Major Customers with over 10% Net Sales and Suppliers with over 10% Net Purchases of the Last Two Fiscal Years

4.2.4.1 Major Suppliers of the Last Two Fiscal Years

Unit: NT\$ thousands

Item	2023				2024			
	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
1	X Company (Note1)	571,409,093	56.61	None	X Company (Note1)	549,757,211	56.94	None
2	J Company (Note 1)	99,819,749	9.89	None	Z Company (Note 1)	68,765,659	7.12	Shareholder
3	Z Company (Note 1)	56,514,163	5.60	Shareholder	J Company (Note 1)	67,262,054	6.97	None
	Others	281,691,728	27.90	-	Others	279,665,571	28.97	-
	Net Total Purchases	1,009,434,733	100.00	-	Net Total Purchases	965,450,495	100.00	-

Note 1: In 2023 and 2024, the Company purchased (raw) material via major customers.

Note 2: Increase and decrease of the amount was due to business demand.

4.2.4.2 Major Customers of the Last Two Fiscal Years

Unit: NT\$ thousands

Item	2023				2024			
	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
1	A Company	732,256,963	58.26	None	A Company	667,767,666	59.34	None
2	B Company	189,287,841	15.06	None	B Company	115,308,179	10.25	None
	Others	335,238,590	26.68	-	Others	342,272,672	30.41	-
	Net Total Sales	1,256,783,394	100.00	-	Net Total Sales	1,125,348,517	100.00	-

Note: Increase and decrease of the amount was due to business demand.

4.3 Status of Employees

Status of employees over the past two years and up to the date of the report

Year		2023	2024	As of 03/07/2025
Number of Employees	Others	3,979	3,471	3,425
	R&D	3,748	3,859	3,877
	Total	7,727	7,330	7,302
Average Age		39.2	40.0	40.2
Average Years of Service		8.7	9.7	9.7
Education	Ph.D.	0.36%	0.48%	0.51%
	Master's Degree	36.20%	39.50%	39.69%
	Bachelor's Degree	53.06%	51.71%	51.66%
	Senior High School	9.28%	7.27%	7.12%
	Below Senior High School	1.10%	1.05%	1.03%

Note: Based on Pegatron Corporation only. For information of other listed subsidiaries, please refer to their annual report.

4.4 Expenditure on Environmental Protection

Total amount of loss (including penalty and violation of environmental laws and regulations) paid for environmental pollution and stated any responsive actions and potential expenditure

For the most recent year ended on the publication date of the annual report, the Company did not incur any loss or receive any significant penalty for environmental pollution. (Significant penalty means the penalty amount of that case is over NT 1,000,000.) Environmental aspects are identified and managed under an environmental management system. The management system is certified according to the international standard ISO14001 (Environmental Management System). There are designated personnel within the company who oversee environmental protection which is in compliance with the legal requirements. Waste handling and disposal, wastewater management, environmental testing and chemicals management have been conducted and controlled according to management procedures. Furthermore, we entrust a 3rd party to measure the concentration of the emissions and discharges to eliminate environmental pollution and ensure the compliance with relevant legal regulations. In order to meet the international regulations and customer requirements, the company implements IECQ QC 080000 (Hazardous Substances Process Management System) to ensure the compliance of its products. Suppliers are requested to sign agreement, provide material testing reports and guarantee that their products do not contain any environmental hazardous substance. Our major expenditure on environmental protection includes the costs of pollution control, waste disposal, environmental testing, inspections of hazardous chemicals on products,

environmental management system certification, hiring of dedicated professionals, environmental trainings, and other relevant activities, etc.

4.5 Employee Relations

4.5.1 Employee's Welfare and Benefit

a. Employee welfare and benefit

Both the Company and Pegatron Employee Welfare Committee provide employee's welfare and benefit. Corporate benefit program offers the employees group insurance, travel insurance on business trips, etc. Moreover, our leave and attendance rules abide local regulations as a baseline with possible leniency. On the other hand, benefits from Pegatron Employee Welfare Committee includes birthday gift, festival bonuses, meal subsidy, recreational gift voucher, reunion day, family day, summertime entertainment voucher, etc. The details of employee's welfare and benefit will be announced through announcement, company website, and email.

b. Training program

We place great emphasis on career planning and talent development for employees by encouraging employees to attend internal and external training programs. Internal training programs include courses for core competency and professional competency development to enhance employees' capabilities, while external training programs include seminars or conferences organized by external parties that provide excellent training opportunities for employees. We have around 160,000 training hours in 2024. The average training hour is above 26 hours per employee.

Resources of Learning	Description
New employee orientation	- Corporate introduction, corporate culture, and online orientation programs, HSF, and Occupational Safety & Health Programs are included to help new employees know about Pegatron and adapt to the new work environment. - In order to help new employee be familiar with the environment and the internal procedures quickly, each new employee may have one mentor.
Core competency training	We plan training programs of each level's employees based on their competencies.
Management training	We plan management training programs such as new manager orientation based on roles and responsibilities of supervisors.
Professional competency training	Each unit plans professional competency training programs based on needs of professional knowledge and skills.
Trainer's training	In order to pass down the internal knowledge, trainer's training is held regularly. Both e-learning and classroom trainings are provided.
General lecturer training	Includes art, living, and management lectures.
Pega e-library	Offers employees over one thousand books to borrow and read.

c. Retirement system

Pegatron's retirement policy is in accordance with the provisions in the Labor Standards Law and Labor Pension Act of the Republic of China.

d. Employee rights

The Company always emphasizes employee benefits as well as harmonious labor relations, and we highly value employees' opinions and feedback, which can be submitted via employee mailbox, conferences, and emails. Employees can fully express their opinions, raising any labor issues to promote and maintain a positive labor relationship.

e. Employees code of conduct

Pursuing sustainable corporate development and embracing integrity is our highest guiding principle, and the Company has established Business Ethic Guidelines. Based on the Business Ethic Guideline, employees are required to strictly follow the moral standards and advocate honesty, integrity, and confidentiality to protect the rights of the Company and shareholders enhancing the Company's competitiveness.

4.5.2 Any current or potential loss resulting from labor disputes and prevention actions for the past year and as of the date of this annual report.

There have not been any material losses resulting from major labor disputes for the past year and as of the date of this annual report.

4.6 Management of Information Security

a. Corporate Information Security Governance Organization

To fulfill the demands for our customers and achieve corporate sustainability, Pegatron Corporation established information security organization to unify the making and execution of policies along with risk assessment, internal audit, and regulatory compliance. The planning and execution of information security operations with the implementation of information security policies include the following:

- Review issues relate to information security.
- Interdepartmental coordination and integrations.
- Ensure that goals and policies of information security meet the strategy of organization.
- Maintenance and management of information security.
- Emergency incidents response.
- Audit of information security.

b. Information Security Policy

Pegatron Corporation has issued information security policies to regulate and clarify the process of operations.

The policy includes below domain:

Information security organization and responsibilities, Personnel safety and management, Information assets management, Physical and environmental security management, Communication and Operations Management, Network security management, System access control, System development and maintenance, Business continue management, Internal audit.

c. Corporation information security management and improvements.

To effectively implement information security managements, we have passed the ISO/IEC 27001:2013 certification in May 2019. Based on the PDCA cycle, we regularly review operations, assess the risk, conduct Business Continuity Planning drill and internal audit, etc.

d. Specific management solutions.

High-Availability: We have built additional server room; its infrastructures are also based on the concept of High-Availability to prevent single point of failure. Aside from physical facilities, the structure of its core networks and external connections are also based on the same concept of High-Availability.

Network Security:

- Implement NGFW, IPS and mail security portal to prevent cyber-attack and malicious mail.
- Implement network segmentation and enhance access control to optimize network flow and prevent Lateral Movements.

Endpoint Security

- Using inventory management system to effectively seize the status of assets.
- Install anti-virus software to engage real-time protection, regular scanning and updating virus pattern.
- Restrict software installation and the usage of portable storage devices.

Data Security:

- Introduce DRM mechanism for protection and access control to protect confidential documents.
- Introduce encryption mechanism for data in-transit.

Security Awareness:

- Employees receive information security training.
- Conduct Phishing mail drill regularly.

e. Risk distribution

We have invested in cybersecurity insurance for the cause of risk distribution from 2022. Being a valuable client, insurance also provide us the resource of cybersecurity expert all over the world to strength our capabilities to respond potential incidents.

f. Major information security incidents:

There have been no major information security incidents in recent years and till this document was printed.

4.7 Important Contracts

As of 03/07/2025

Agreement	Counterparty	Period	Major Contents	Restrictions
Software Purchase Agreement	NEC Taiwan Ltd	03/07/2012 ~ to date	Purchase of SAP software	None
License Agreement	SAP Taiwan Co., Ltd.	03/07/2012 ~ to date	License of SAP software	None
Investment Agreement	Lizhen Precision Intelligent Manufacture (Kunshan) Co., Ltd. et al.	06/28/2024	Bring in the strategic investor for business collaboration	None
Investment Agreement	Taipei Fubon Commercial Bank Co., Ltd. (Taipei Fubon Bank)	06/07/2024	Purchase the 10 years or above cumulative subordinated corporate bonds of Fubon Life Insurance Co., Ltd.	None
Lease Agreement	PEGAVISION CORPORATION	04/01/2024 ~ 03/31/2026	Lease the building from PEGAVISION as the factory.	None
Lease Agreement	TUNG WEI CONSTRUCTION CO., LTD	10/16/2020 ~ 12/31/2025	Lease the building from TUNG WEI as the factory.	None
Lease Agreement	Koo Foundation Sun Yat-Sen Cancer Center	01/01/2020 ~ 12/31/2027	Lease the building from Koo Foundation as the office	None
Lease Agreement	CMP Development Limited	01/16/2022 ~ 05/31/2027	Lease the building from CMP Development as the office	None
Software Purchase Agreement	Acer e-Enabling Service Business Inc.	12/01/2022 ~ 12/30/2025	Purchase of Microsoft operating system and the related software	None
License Agreement	Microsoft Ireland Operations Limited.	12/01/2022 ~ 11/30/2025	License of Microsoft Office system and the related software	None
Lease Agreement	Suzhou DTW Warehouse Co., Ltd.	01/01/2024 ~ 12/31/2024	Lease the hub for product storage	None

Note: Based on Pegatron Corporation only. For information of other listed subsidiaries, please refer to their annual report.

5. Review of Financial Position, Management Performance and Risk Management

5.1 Analysis of Financial Status – Consolidated

Unit: NT\$ thousands; %

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	514,817,271	420,400,900	94,416,371	22.46%
Funds & Investments	58,165,281	36,220,532	21,944,749	60.59%
Property, plant and equipment	79,016,943	75,303,420	3,713,523	4.93%
Intangible Assets	283,682	238,264	45,418	19.06%
Other Assets	22,468,948	24,906,081	(2,437,133)	(9.79%)
Total Assets	674,752,125	557,069,197	117,682,928	21.13%
Current Liabilities	386,056,991	282,255,608	103,801,383	36.78%
Long-term Liabilities	29,417,583	39,170,272	(9,752,689)	(24.90%)
Other Liabilities	17,578,067	14,025,550	3,552,517	25.33%
Total Liabilities	433,052,641	335,451,430	97,601,211	29.10%
Capital stock	26,631,771	26,642,241	(10,470)	(0.04%)
Capital surplus	84,898,529	84,195,646	702,883	0.83%
Retained Earnings	92,030,517	85,082,010	6,948,507	8.17%
Other Adjustments	38,138,667	25,697,870	12,440,797	48.41%
Total Stockholders' Equity	241,699,484	221,617,767	20,081,717	9.06%
Analysis of changes in financial ratios:				
1. Current Assets: The increase is due to increase in accounts receivable.				
2. Funds & Investments: The increase is due to increase in investments accounted for using equity method.				
3. Current Liabilities: The increase is due to increase in accounts payable.				
4. Long-term Liabilities: The decrease is due to decrease in bonds payable.				
5. Other Liabilities: The increase is due to the increase of deferred income tax liabilities.				
6. Other Adjustments: The increase is due to the increase of exchange differences on translation of foreign statements.				

- **Effect of change on financial condition:**

No significant changes on the Company's financial condition.

- **Future response actions:** Not applicable.

5.2 Analysis of Operating Results - Consolidated

Unit: NT\$ thousands; %

Item \ Year	2024	2023	Difference	
			Amount	%
Net Sales	1,125,348,517	1,256,783,394	(131,434,877)	(10.46%)
Cost of Sales	1,079,315,725	1,210,677,036	(131,361,311)	(10.85%)
Gross Profit	46,032,792	46,106,358	(73,566)	(0.16%)
Operating Expense	33,532,206	31,353,700	2,178,506	6.95%
Results from operating activities	12,500,586	14,752,658	(2,252,072)	(15.27%)
Non-operating Income and Expenses	14,723,762	9,554,595	5,169,167	54.10%
Profit Before Tax	27,224,348	24,307,253	2,917,095	12.00%
Income Tax Expense	8,070,844	6,894,460	1,176,384	17.06%
Profit for the year	19,153,504	17,412,793	1,740,711	10.00%
Other Comprehensive Income (loss)	11,631,331	505,275	11,126,056	2201.98%
Total Comprehensive Income	30,784,835	17,918,068	12,866,767	71.81%
Analysis of changes in financial ratios:				
1. Non-operating Income and Expenses: The increase is due to the increase of other gains.				
2. Other comprehensive income: The increase is due to the increase of exchange differences on translation of foreign statements.				

5.3 Analysis of Cash Flow

5.3.1 Cash Flow Analysis for the Current Year – Consolidated

Unit: NT\$ thousands; %

Item \ Year	2023	2024	Difference	
			Amount	%
Cash flows from operating activities	87,378,597	55,948,228	(31,430,369)	35.97
Cash flows from investing activities	(20,799,762)	(21,266,473)	(466,711)	2.24
Cash flows from financing activities	(48,649,193)	(20,418,395)	28,230,798	58.03
Analysis of changes in 2024 cash flow:				
1. Net cash inflow from operating activities: Mainly due to profit making and changes in operating assets and liabilities.				
2. Net cash outflow from investing activities: Mainly used in acquisition of property, plant and equipment.				
3. Net cash outflow from financing activities: Mainly due to repayments of corporate bonds.				

5.3.2 Remedy for Cash Deficit and Liquidity Analysis:

In light of positive cash flows, remedial actions are not required.

5.3.3 Cash Flow Analysis for the Coming Year: Not applicable.

5.4 Major Capital Expenditure Items: None.

5.5 Investment Policy in the Last year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year

The Company's long-term investment accounted for under equity method are mostly for strategic investments. In 2024, the investment income under the equity method reached NT\$ 7,750,885 thousand dollars, which increase by 6.8% as compared to the previous year, primarily due to improvements in the operating efficiency of mainland China and overseas subsidiaries. Going forward, the Company will continue focusing on strategic investment and carefully assessing the financial risks and investment returns in order to maximize the value for the Company.

5.6 Analysis of Risk Management

5.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation of Corporate Finance, and Future Response Measures

(1) Interest Rate

The Company's interest rate risks mainly arise from the short-term loans made from banks and the short-term capital management for working capital needs. In order to reduce the risks of interest rates, especially relating to bank loans, the Company contacts banks on the regular basis, studies the trend of interest rate and negotiates for the best interest rate for the Company. As for short-term capital management, the Company mainly invests in financial instruments of fixed deposit, which not only

secures the capital but also reduces associated risks.

(2) Foreign Exchange Rate

The Company adopts a prudent approach towards foreign exchange strategy. Since the Company's sales and purchases are denominated mainly in US dollars, the risks are naturally hedged. However, significant changes in foreign exchange rate may cause adverse impact to the financial conditions of the Company (i.e. the depreciation of USD), the responsive measures to potential foreign exchange risk are taken as follows:

- a. Collecting market information for analysis and risk evaluation, contacting banks on a regular basis to be fully aware of the trend of foreign exchange rate, and adjust the exposure positions of foreign currency financial assets and financial liabilities to reduce exchange rate risks.
- b. Securing reasonable profits by taking foreign exchange into consideration when providing quotations for sales.

(3) Inflation

According to the statistics released by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, the annual growth rate of the Consumer Price Index and Producer Price Index increased by 2.18% and 1.36% respectively in 2024. As the annual growth rate of the Consumer Price Index has declined comparing to the previous year, inflation is expected to gradually slow down and will not have a significant impact on the Company's financial result of 2024. The Company observes the changes of market price at all times and adjusts selling price or inventory levels when necessary.

5.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-Risk, High-Leverage Investment, Loaning or Endorsement Guarantees and Derivatives Transactions

(1) High-Risk, High-Leverage Investment

In 2024 and as of the date of this annual report, the Company has not conducted any high-risk and/or high-leverage investment.

(2) Loaning or Endorsement Guarantees

The Company conducts loaning or endorsement guarantees according to the internal policy "Procedures for Loaning of Funds and Making of Endorsements / Guarantees." Procedures and risk evaluation are conducted in accordance with this policy.

(3) Derivatives Transactions

The Company did not conduct any derivative transactions in 2024. Shall such needs arise due to business operation, the transaction will be processed in accordance with the Company's internal policy "Procedures for the Acquisition and Disposal of Assets."

The derivative transactions conducted by the Company's subsidiaries are for hedging purpose. For non-hedging transactions, subsidiaries will handle cautiously.

5.6.3 Future Research & Development Projects and Corresponding Budget

The Company focuses on the development of products that are integrated with high added value based on the Company's product roadmap. Going forward, it is estimated that around NT\$11.3 billion will be spent on product research and development and pursuing leading position in core business by controlling factors such as talent, capital, technology, etc.

5.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

The Company complies with regulations associating with corporate governance, company law, security law and other important sources of regulations. In addition, the Company also monitors material changes in governing regulations and laws and be fully aware of the changes in the markets. In 2024 and as of the date of this annual report, there were no such risks to the Company.

5.6.5 Effects of and Response to Changes in Technology (including Risk of Information Security) and in Industry Relating to Corporate Finance and Sales

The Company pays attention to the changes in technologies and in industry at all times to be fully aware of the market trend and evaluate any potential impact on the operations of the Company. No material changes of technologies have brought any adverse impact to the financial conditions of the Company.

The Company established an information security management organization to identify and control information security risks to protect information assets from various security threats. Currently, the risks identified are under control and no material impact to business operation.

The Company establishes Information Security organization and implements management cycle. High value assets have been identified by risk assessment method and are put under control measurements to avoid security threats to ensure the operation of company. After assessments, all risks are deemed under control and have no impact to major operations.

5.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

Since the date of incorporation, the Company has been having a positive corporate image and complying with relevant laws and regulations. In 2024 and as of the date of this annual report, there were no such risks for the Company.

5.6.7 Expected Benefits and Risks Relating to and Response to Merger and Acquisition Plans

In 2024 and as of the date of this annual report, the Company did not have any plans for mergers and acquisitions and there were no such risks for the Company.

5.6.8 Expected Benefits and Risks Relating to and Response to Factory Expansion Plans

The Company takes factors such as global economy, industry outlook, market demand and customers' order forecast into consideration when planning factory and capacity expansion. In 2024 and as of the date of this annual report, the benefits of expansion plan meet the Company's expectation.

5.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

The Company's core business is design, manufacturing, and services of 3C products, and according to the industry practice, the Company tends to purchase raw material and sell the finished goods to the same party.

a. Source of Purchase

Per ODM/EMS industry practice, major customers, in order to control product quality and reduce cost of key components, will request the Company to purchase key components from specific supplier(s) and sell back to the customer after assembly. Therefore, purchase of material and sales of finished goods are concentrated to specific customer(s). The Company maintains more than two qualified raw material suppliers to ensure supply flexibility and pricing advantages so as to achieve cost reduction. In conclusion, The Company does not have risks associating with excessive concentration of supply.

b. Sales of Products

The Company continues engaging new customers, enhancing technologies and improving manufacturing process. In addition to existing customers, the Company endeavors to expand customer portfolio, develop new products to meet the versatile market demands and reduce concentration risks.

5.6.10 Effects of Risks Relating to and Response to Large Share Transfer or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholding of over 10%

The value of Pegatron shareholders' investment may be reduced by possible future sales of Pegatron shares by the major shareholders.

As of the date of this annual report, Asustek Computer Inc. owns around 16.84% of Pegatron total outstanding shares. Asustek has reiterated its intention to reduce its equity interest gradually and orderly in Pegatron. Pegatron will work closely with Asustek to complete their contemplated disposals of Pegatron shares in a way that would minimize the negative impact on the price of Pegatron shares and other shareholders.

5.6.11 Effects of Risks Relating to and Response to Changes in Control over the Company

By the end of 2009, the Company was owned 100% by Asustek and the shareholding reduced dramatically after the spin-off plan in 2010. The operation of the Company has become more transparent after the spin-off and acceptable by customers, which is considered a positive factor in business development. In addition, the Company has formed a management team to manage the Company's operation and does not have risks associating with the changes in control over the Company.

5.6.12 Litigation or Non-litigation Matters

In 2024 and as of the date of this annual report, the Company did not engage in litigation or non-litigation matters that had significant impacts on shareholders' right or security prices. For litigation or non-litigation matter for major shareholder with 10% or more holding (as of the date of this annual report, Asustek Computer Inc. is the only shareholder with more than 10% of shareholding), please refer to the major shareholder's annual report.

5.7 Other Major Risks

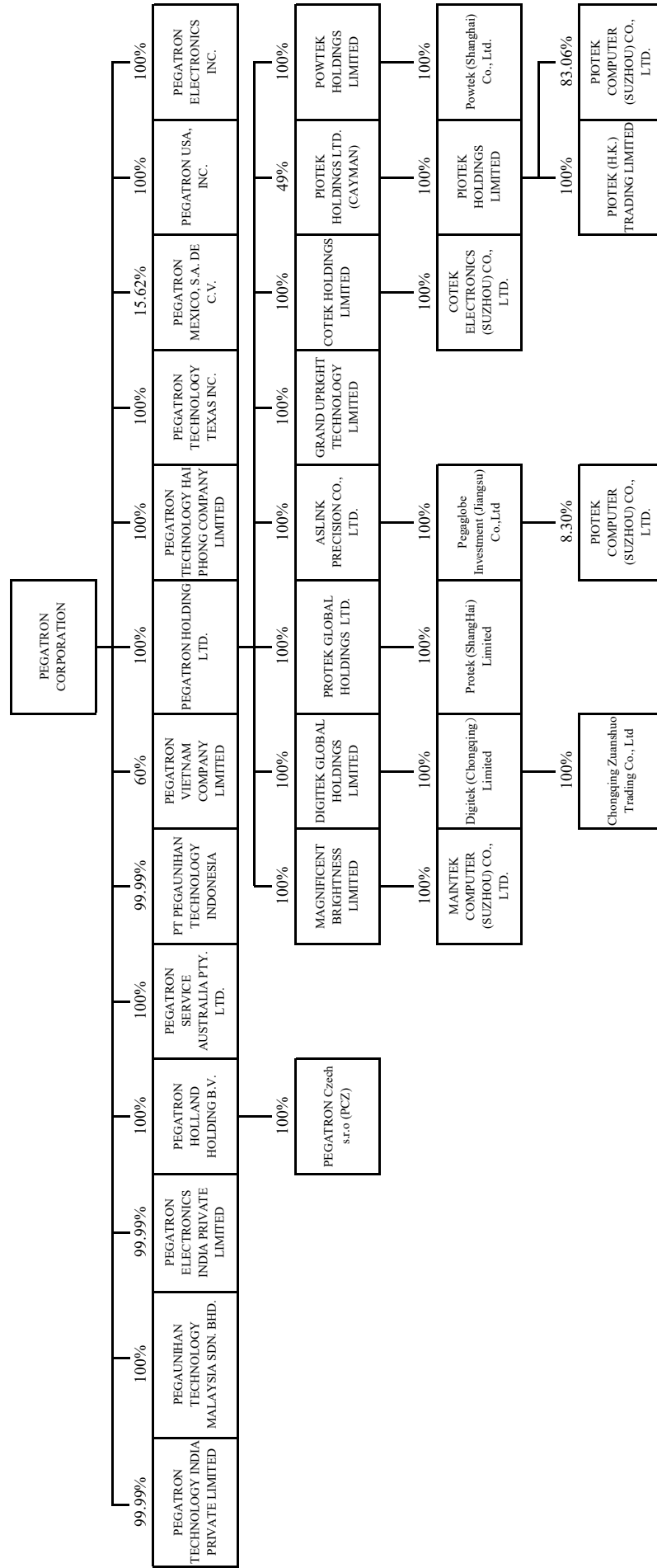
In 2024 and as of the date of this annual report, the Company did not have any other major risks.

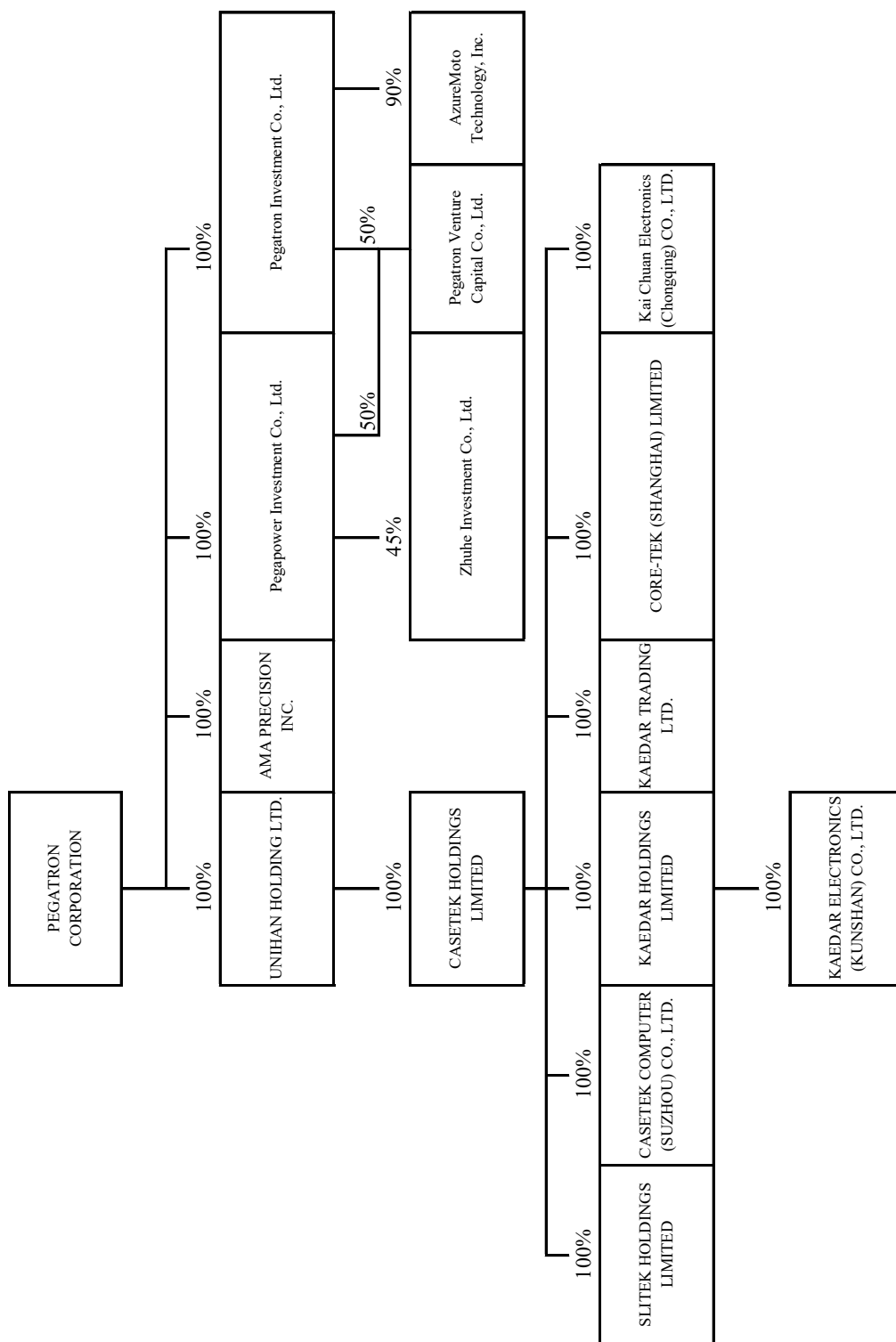
6. Other Special Notes

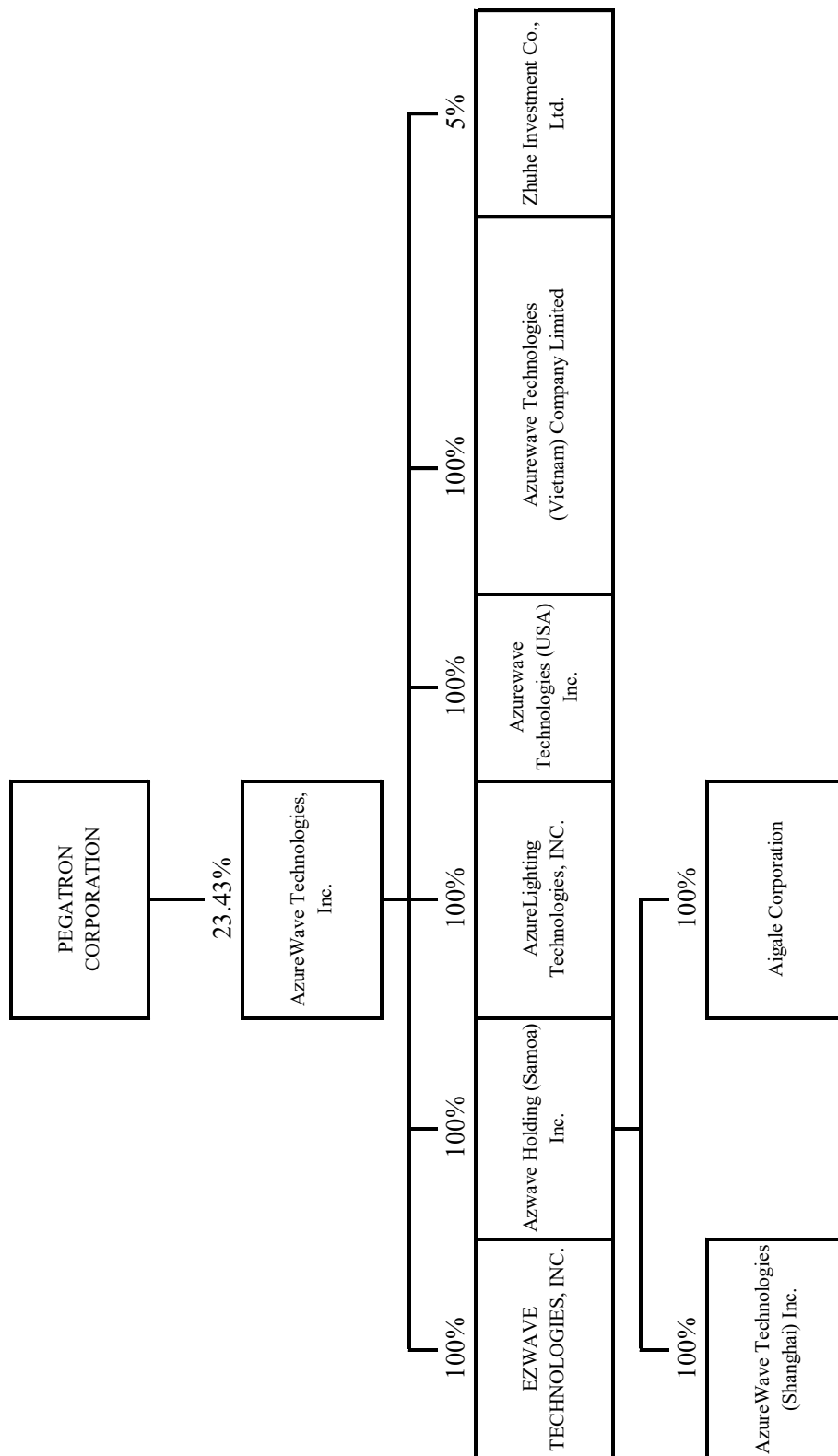
6.1 Summary of Affiliated Companies

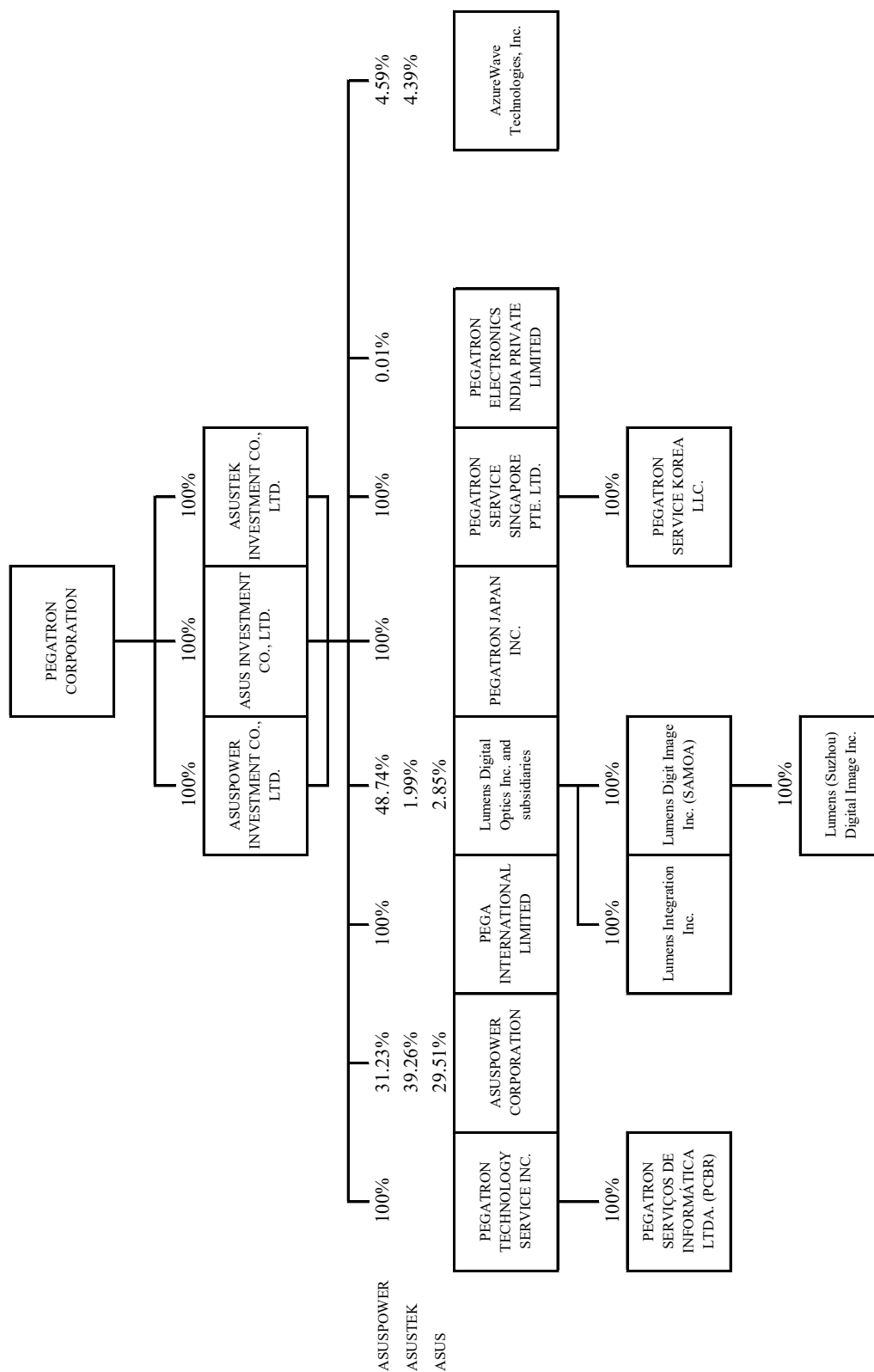
6.1.1 Affiliated Companies Chart

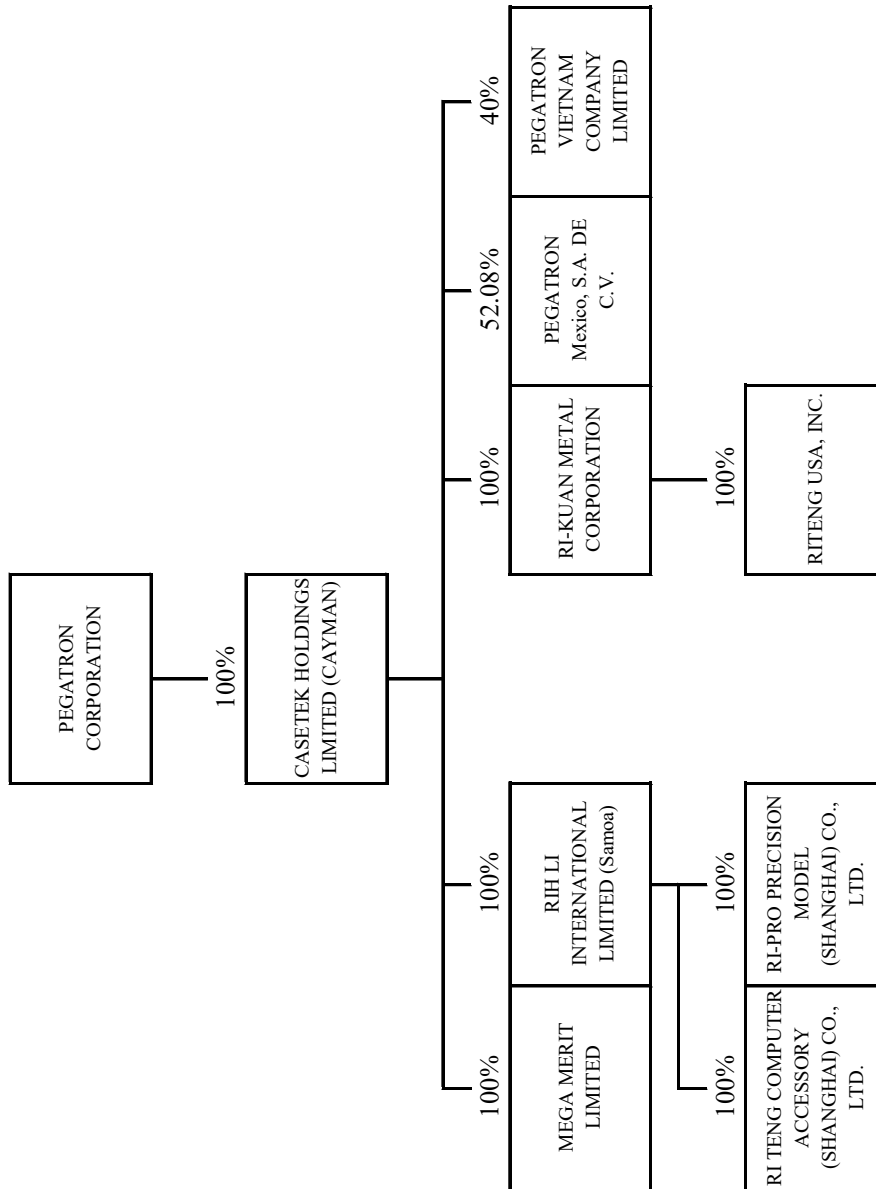
As of 12/31/2024











6.1.2 Business Scope of Pegatron and Its Affiliated Companies

Pegatron's affiliates support the Company's core business in researching, developing, designing, manufacturing, repairing, and selling the following products and related peripherals:

- a. Computing products, communication products, and consumer electronics product
- b. Computer and related peripherals, data storage and processing equipment, and electronic components
- c. Electronic parts and electronic components
- d. Medical appliances
- e. Wireless network development and computer and business equipment, telecommunications equipment, information software, computer peripheral hardware, and mobile e-commerce services
- f. Computer data projectors

6.2 Private Placement Securities in the Most Recent year: None.

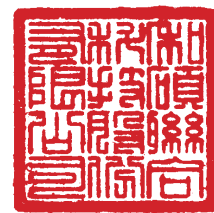
6.3 Any Other Special Notes to be specify: None.

6.4 Any Events in 2024 and as of the Date of this Annual Report that had Significant Impacts on Shareholders' Right or Security Prices as Stated in Item 2 Paragraph 3 of Article 36 of Securities and Exchange Law of Taiwan: None.

[illegible]

[illegible]

Pegatron Corporation



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